

# A Study of Socio-Economic Impact of Self Help Groups on Rural Women in Haryana

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## THESIS

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## CERTIFICATE

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This is to certify that the work presented in the thesis entitled “A Study of Socio-Economic Impact of Self Help Groups on Rural Women in Haryana” submitted to the University of Kota, Kota for the award of Doctor of Philosophy in the Faculty of Commerce and Management is originally done by Mrs. Shobhna Goyal under my supervision. This work has not been submitted elsewhere for the award of any other degree or diploma.

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## **DECLARATION**

“I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgement has been made in the text”.

**Date:**

**Shobhna Goyal**

## **PREFACE**

Community organisations have been successful in bringing about a positive change and account for economic development in the economies with strong social infrastructure. This provides a platform to women in general and rural poor women in particular to emancipate by participating in the group activities. There have been many instances of great success of women collectives in different parts of the country and supporting that NABARD launched a scheme of women collectives in the name of Self Help Groups to promote solidarity lending and saving activity in order to alleviate poverty and promoting women emancipation. A deep insight into microfinance activities at national level has promulgated that although Self Help Groups scheme has been initiated in Haryana alongwith other states but it has not been implemented in its letter and spirit.

There had been some gaps on part of providers and takers. The same gaps provided the base to initiate a research to know the performance of SHGs in the state of Haryana and particularly Mewat District and impact of SHGs on socio-economic position of rural women wherein the data have been collected from 900 member beneficiaries and 304 group leaders. The field survey has been carried out in 2013-2014 by selecting three blocks namely Nuh, Punhana and Firozpur Jhirkha. Mewat District had been chosen for the implementation of a project initiated by IFAD(International Fund for Agricultural Development) as it is the most backward district in Haryana in terms of female literacy and infrastructure which has made this area suitable to conduct impact studies. Many central and state Government poverty alleviation programmes are currently active in India with a strategy focus on Infrastructure, Social Development and rural livelihoods but the poor access to credit markets and formal banking system has been identified as a root cause of poverty amongst the rural poor. It is not just the financial provisioning but skilling the poor is required to make them independent and empowered. The study is based on the premise that the socially excluded sections of the society i.e. rural poor in general and women in particular can be brought to mainstream via financial inclusion. The objectives of the study are to evaluate social upliftment, to analyse the impact on economic empowerment, to explore performance and barriers in the development of SHGs and to suggest measures for effective and efficient functioning of SHGs. The outcomes of the study will be helpful for the effective implementation of various rural



developmental programmes by highlighting problems at the grass root level faced by disadvantaged sections of the society and will help to know the interplay of family and society for the upliftment of women.

The study comprises seven chapters in total. The first chapter “**Introduction**” includes statement of the problem, research methodology, objectives of the study, sampling design, methods of data collection, formulation of hypotheses and scope of the study. Role of various Financial institutions in the formation and development of SHGs at National, State and Study Area level, status of microfinance at all India, Haryana and District level. It also includes the glimpses of various developmental schemes for women development. Limitations and further scope of research has also been studied in this chapter.

The second chapter “**Review of Literature**” presents the previous studies and rationale behind the study. Findings and suggestions of the previous studies and scope for further researchers have also been highlighted. The relevance and rationale of the present study has also been justified with the help of findings and gaps of previous studies. The third chapter “**Performance of the SHGs in Mewat District**” furnishes the socio-economic profile of the members and factors influencing the performance of SHGs in Mewat District. Performance indicators have been discussed categorically and have been ranked by using ranking technique and significance of relationship between different variables has been tested with the help of statistical tools and techniques. Comparative performance of different blocks has been studied and a composite socio-economic impact has also been measured. The chapter highlighted the level of performance of SHGs on sixty point scale on a performance measurement tool.

The fourth chapter “**Social Impact on Rural Women**” attempts to highlight the changes in social conditions of rural poor women after joining SHG. Four indicators of social conditions namely self confidence, communication skills, awareness of social evils and behavioural changes w.r.t. problematic situations have been identified and tested through statistical tools and impact of SHGs on social conditions of rural women after joining SHG has been measured and quantified. The chapter also deals with testing of various hypotheses to know the significance of changes in the social conditions of the members before and after joining SHG. The fifth chapter “**Economic Empowerment of Rural Women through SHG**” depicts the changes in economic status of women in rural areas

after joining community organisations with respect to assets holding and value, income generation, expenditure, savings and borrowings. Impact of SHGs on economic conditions of members after joining SHG has been measured through statistical tools. It has also depicted the reasons of changes in some conditions and factors responsible for not bringing changes in other conditions. Changes in the consumption pattern have also been highlighted in the chapter. A hypothesis has also been tested to check the significance of changes in economic conditions of members, pre and post joining of the SHG.

The sixth chapter “**Barriers in the Development of SHGs in the Sample Area**” deals with some grassroot realities of demand and supply side. The bottlenecks in implementation of government policies have been identified and reasons for poor performance have been discussed. The identified hurdles will be helpful for the policymakers to improvise the implementation of various developmental programmes for the rural poor. The last and final chapter seventh “ **Summary of Findings and Suggestions**” presents the findings of the study, set of suggestions and policy recommendations for the improvement in the implementation of policies for SHGs. Limitations of the study and further scope of research will facilitate the future researchers to carry out their research in the right direction.

In the end, it can be hoped that the outcomes of the study will definitely be guiding if implemented in true spirit for enhancing the effectiveness of women empowerment and emancipation programmes.

**Shobhna Goyal**

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## LIST OF ABBREVIATIONS

ADBN	Agricultural Development Bank of Nepal (ADBN)
ANOVA	Analysis of variance
APMAS	Andhra Pradesh Mutually Aided Society
ASA	Activism for Social Alternatives in Tamil Nadu
CAPART	Council for Advancement of People's Action and Rural Technology
CSOs	Civil Society Organizations
DPIP	District Poverty Initiatives Project)
DRDA	District Rural Development Agency
DWCRA	Development of women and Children in Rural Areas
DWCUA	Development of Women and Children in Urban Area
HCPF	Haryana Community Forestry Project
HSRLM	Haryana State Rural Livelihood Mission
IFAD	International Fund for Agricultural Development
IRDP	Integrated Rural Development Program
ITRs	Income Tax Returns
MCS	Micro Credit Scheme
MDA	Mewat Development Agency
MESAS	Mewat Education and Social Awakening Society
MOU	Memorandum of Understanding
MYRADA	Mysore Resettlement and Development Agency
NABARD	National Bank for Agriculture and Rural Development
NBFCs	Non Banking Finance Companies
NPA	Non Performing Assets
NULM	National Urban Livelihood Mission
PPP	Public Private Partnership

PRADAN	Professional Assistance for development action
PREM	People's Rural Education Movement
PRI	Panchaayati Raj Institutions
RFAS	Rural finance access Survey
RMK	Rashtriya Mahila Kosh
RRBs	Regional Rural Banks
SAPAP	South Asia Poverty Alleviation Project
SBLP	SHG-Bank Linkage Programme
SCRIA	NGO in Southern Haryana
SEWA	Self employed women's association
SFMC	SIDBI Foundation for Micro Credit
SGSY	Swaranjyanti Grameen Swarozgar Yojna
SHG	Self Help Group
SHPI	Self Help Promotion Institute
SIDBI	Small Industry development Bank of India
SJSRY	SwaranJayanti Shahari Rojgar Yojana Scheme
TNWDC	Tamil Nadu Women development corporation
USEP	Urban Self-Employment Programme
VSS	Vana Samrakshana Smithis
WDC	Women Development Corporation
WSHG	Women Self Help Groups
YCO	Youth Charitable Organisation

## LIST OF CONFERENCES ATTENDED

Sl.No.	Particulars	Paper Title
	<b>International Conferences</b>	
1	International Conference on “The Multi – Dimensional Analysis of Social Exclusion in India: Measurement, Policy and Remedies” on 29 <sup>th</sup> February & 1 <sup>st</sup> March, 2016 organised by University College, Kurukshetra University Kurukshetra sponsored by ICSSR, New Delhi.	“Financial Inclusion of Women through SHGs: A Way Forward to Social Inclusion”
2	International Conference on “The Multi – Dimensional Analysis of Social Exclusion in India: Measurement, Policy and Remedies” on 29 <sup>th</sup> February & 1 <sup>st</sup> March, 2016 organised by University College, Kurukshetra University Kurukshetra sponsored by ICSSR, New Delhi.	“Remedial measures to Curb Social Exclusion and Promoting Economic Development”
3	International Conference on “Globalizing Brand India: Opportunities and Challenges” on 18 <sup>th</sup> – 19 <sup>th</sup> April, 2015 organised by IIM Kashipur.	“Role of SHGs as a Member of Distribution Channel in Rural Marketing”
4	Uniglobe International Conference II on “Contemporary Issues and Challenges in Management” on 17 <sup>th</sup> -18 <sup>th</sup> November, 2014 organised by Uniglobe College, Kathmandu (Nepal)	“Performance Measurement of Women Self Help Groups in Haryana: An Empirical Analysis”
5	International Conference on “Microfinance: Issues and Challenges” on 8 <sup>th</sup> -9 <sup>th</sup> August, 2013 organised by BPSMV Sonapat, sponsored by NABARD.	“Do SHGs a tool of Promoting Entrepreneurial Activities among Rural Women”
6	International Seminar on “Ethics and Values in Resource Mangement” on 1 <sup>st</sup> -2 <sup>nd</sup> November, 2014 organised by Pacific University and International Research Institute of Relative Economics.	“Ethical Perspectives in Accounting: A View”
	<b>National Conferences</b>	
1	National Seminar on “Agriculture in the Age of Globalization” on 27 <sup>th</sup> February,2016 organised by D.A.V. Centenary, Faridabad, sponsored by Directorate General of Higher Education Haryana.	“Repercussions of WTO Provisions on Agriculture and Economic Development”



<b>Sl.No.</b>	<b>Particulars</b>	<b>Paper Title</b>
2	National Seminar on “ Social, Economic and Cultural Identities in Reconstructing Indian Nationalism” on 29 <sup>th</sup> -30 <sup>th</sup> January, 2016 organised by Aggarwal College, Ballabgarh, sponsored by UGC and Directorate General of Higher Education Haryana.	“Deficiencies of Cross Cultural Impact on Indian Economy in Pre Independence Era”
3	National Level Conference on “Commerce and Management Education under New Education Policy” on 9 <sup>th</sup> -10 <sup>th</sup> December, 2015 organised by The Islamia College of Science and Commerce, Srinagar under CPE scheme.	“Evaluative Attitude of Participants towards Commerce and Management Refresher Courses organized by UGC ASC”
4	National Conference on “Impact of FDI on Agro-Food Sector” on 7 <sup>th</sup> -8 <sup>th</sup> February,2014 organised by Aggarwal College, Ballabgarh, sponsored by and Directorate General of Higher Education Haryana.	“Impact of FDI on Multi- Brand retailing with special reference to Agriculture Sector”
5	National Conference on “Impact of FDI on Agro-Food Sector” on 17 <sup>th</sup> -18 <sup>th</sup> Ovtobar,2014 organised by Aggarwal College, Ballabgarh, sponsored by UGC.	“FDI in Indian Retail Sector: Impact Analysis of Agro-Food Sector”

## LIST OF PAPERS PUBLISHED

Sl. No.	Title of the Paper	Name of the Journal	Name of Authors	Impact Factor	Month and year of Publication & ISSN No	Pg No.
1	Social inclusion of women through self help groups	INSPIRA- Journal of Modern Management & Entrepreneurship.	Dr. Meenu Maheshwari, Shobhna Goyal and Dr. Ashok Kumar Gupta	2.0778	July, 2016 Volume 06 No.03 2231-167X	199-208
2	Socio-economic Empowerment of women through Self Help Groups: an Empirical Analysis (	Pacific Business Review international	Dr. Meenu Maheshwari, Shobhna Goyal	4.91	February 2016  Volume: 8, Issue: 8, 0974-438X	87-100
3	Role of Self Help Groups in Socio-Economic Empowerment of Women:  A Review of Studies	Pacific Business Review International  Volume 7, Issue 2, August 2014 pg no 85-93	Dr. Meenu Maheshwari, Shobhna Goyal	1.8716	August 2014  Volume 7, Issue 2	85-93
4	Do SHGs a tool of Promoting Entrepreneurial Activities among Rural Women”	“Microfinance and Micro Entrepreneurship  Edited by Surender Mor  Vista International Publishing House, Delhi	Dr. Meenu Maheshwari, Shobhna Goyal and Dr. Ashok Kumar Gupta		2013, First Edition  ISBN- 978-83-81604-78-6	204-209

<b>Sl. No.</b>	<b>Title of the Paper</b>	<b>Name of the Journal</b>	<b>Name of Authors</b>	<b>Impact Factor</b>	<b>Month and year of Publication &amp;ISSN No</b>	<b>Pg No.</b>
5	Do Leaders be Essentially Educated for Better Performance of Self Help Groups : A Case study of Mewat district in Haryana	Indian Journal of Accounting	Dr. Meenu Maheshwari, Shobhna Goyal and Dr. Ashok Kumar Gupta		Paper Accepted for October 2016, Issue	

# CHAPTER 1

## INTRODUCTION

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# CHAPTER - 1

## INTRODUCTION

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### 1.1 The Prologue

“Gaon Bade To Desh Bade” is the pedagogy of National Bank for Agriculture and Rural Development(NABARD) followed aptly for the holistic development of the state for a rustic like India whose 70% population resides in 6,38,345 villages and wherein over a quarter of populace lives below poverty line. The World Bank reports that India is still home to some 260 to 290 million poor, numbers that upward push to 390 million if poverty is measured by the international standard of those living on less than US\$1 a day. It is envisioned that approximately 2.5 billion people around the world live in poverty and India is a home to 1/3 of world’s poor. Families dwelling in poverty battle to come up with the money for good enough meals, clean water or basic education. They go without proper shelter, transport and even medicine when they are sick. Almost half of India’s poor approximately 133million are concentrated in 3 states namely Uttar Pradesh, Bihar and Madhya Pradesh. Rural areas in India are home to ¾ of India’s poor that has strengthened by using the increasing urban/rural disparities. Though many central and state Government poverty mitigation programmes are currently active in India with an approach awareness on Infrastructure, Social Development (especially education and health) and Rural Livelihoods but the poor reach to credit markets and formal banking system has been diagnosed as a root cause of poverty amongst the rural poor and the most disadvantaged sections of the society. As highlighted by the Nobel Peace Award Laureate and former Russian President Mr. Mikhail Gorbachev, the imperatives for a better future are—“peace, fighting poverty, promoting global social justice and common wealth and protecting environment”. These words indicate towards social banking. The credit needs of the rural masses in general and rural poor in particular are met via rural financial markets consisting commission agents, moneylenders and landlords etc. However, formal financial institutions have a low penetration due to terrible infrastructure, low profitability and higher degree of risk. At this juncture, Microfinance has been proposed as a likely solution for the maximum outreach and alleviation of poverty in the rural poor specifically and other disadvantaged sections of the society namely women, small and marginal farmers, and landless farmers etc. A long lasting Microfinance system with well equipped resources can assist to stimulate the economic growth from very



grassroot level. Micro financing is regarded as a tool for Socio-Economic benefit in a developing country like India. Micro finance as a means of poverty alleviation can give loans to poor individuals without sacrificing financial viability. Microfinance is one of the developmental approaches which can contribute to achieve the National and International goal of improving the livelihoods of poor people. Microfinance sector has grown rapidly over the past few decades. Nobel Laureate Mohammad Yunus is credited with laying the foundation of the modern Micro Finance Institutions with establishment of “Grameen Bank”, in Bangladesh in 1976. Today, it has developed right into a massive enterprise exhibiting a variety of business models. As credit plays a vital role in starting and expanding the business, microfinance has been treated as an important tool for economic development. Achieving balanced and inclusive growth is a key venture confronted by the policymakers the world over. The benefits of economic growth are accessible to relatively advantaged sections of the society who find it easier to participate in the growth process and the disadvantaged sections have to wait much longer to reap the benefits of economic growth. Engaging these sections of the society in the economic mainstream is vital to attain balanced growth for which access to formal financial services is a must.

Micro Finance is a provision of monetary offerings to low-income clients or solidarity lending groups including consumers and the self employed who lack access to banking and related services. Micro Finance is not just about giving micro credit to the poor but it covers a wide range of basic financial and non-financial services including micro loans, saving accounts, fund transfers, insurance, business training, counselling and aid to assist people living in poverty who do not qualify for regular banking offerings for want of collateral and formal identification. The borrower receives all these services at his/her doorstep and in most of the cases with a repayment schedule of borrower’s convenience. But all this comes at a cost which is exorbitantly high and vary widely from 10%to 30% per annum.

## **1.2 Current Status of Micro Finance in India**

Micro Finance originated in India in 1969 with the nationalization of banks to see that 1% of the profits of these banks goes to the poor towards their micro enterprises. The then Prime Minister Smt. Indira Gandhi envisioned it to facilitate her 20 point programme to fight poverty among the poor and she called it “Garibi Hatao”. She envisaged that credit to the poor should be an instrument of social change towards social justice and empowerment both among the urban and rural poorer households. The Micro Finance initiative in private sector in India can be traced to the initiative

undertaken by Shri Mahila SEWA (self employed women's association) Sahakari Bank set up in 1974 by registering as an urban co-operative Bank at Ahmedabad city of Gujarat State. The main aim of the SEWA Bank was to provide banking services to the poor women employed in the unorganized sector encouraged by the results of field level experiments in group based approach for lending to the poor. The initiatives of NABARD in 1992 in partnership with NGOs for promoting and extending financial services through SHGs has now blossomed into a "monolith" micro finance initiative. It has been recognized as a decentralized, cost effective and fastest growing micro finance intervention in the world enabling over 103million poor households access to a variety of sustainable financial services from the formal banking system by becoming members of nearly 8 million Self Help Groups. Steady progress of the project led to the mainstream of the SHG-Bank Linkage Programme (SBLP) in 1996 as a normal banking activity of the banks with widespread acceptance.

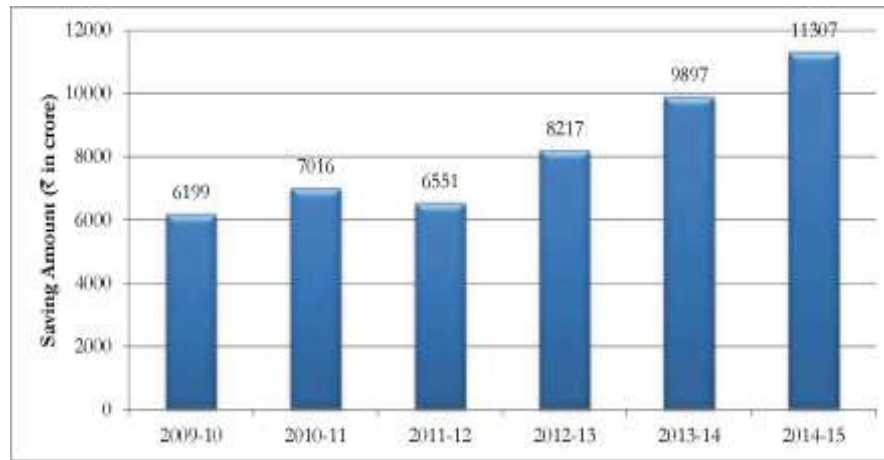
**Table 1.1:  
Progress under SHG-Bank Linkage (Amount in ₹ Crore) India Level**

Particulars	Particular	2009-10		2010-11		2011-12		2012-13		2013-14	
		No of SHGs	Amt	No of SHGs	Amt	No of SHGs	Amt	No of SHGs	Amt	No of SHGs	Amt
SHG savings with Banks as on 31 <sup>st</sup> March	Total SHGs No	69.53 (13.6)	6198.71 (11.8)	74.62 (7.3)	7016.30 (13.2)	79.60 (6.7)	6551.41 (-6.7)	73.18 (-8.1)	8217.25 (25.4)	74.30 (1.53)	9897.42 (20.45)
	Of which SGSY groups	16.94 (12.5)	1292.62 (-17.3)	20.23 (19.4)	1817.12 (40.6)	21.23 (5.0)	1395.25 (-23.2)	20.47 (-3.6)	1821.65 (30.6)	22.62 (10.46)	2477.58 (36.01)
	All women SHGs	53.10 (9.18)	4498.66 (1.46)	60.98 (14.8)	5298.65 (17.8)	62.99 (3.3)	5104.33 (-3.7)	59.38 (-5.7%)	6514.86 (27.6)	62.52 (5.27)	8012.89 (22.99)
Loans Disbursed to SHGs during the year	No of SHGs extending loans	15.87 (-1.4)	14453.3 (17.9)	11.96 (-24.6)	14547.73 (0.01)	11.48 (-4.0)	16534.77 (13.7)	12.20 (6.3)	20585.36 (24.5)	13.66 (12.02)	24017.36 (16.67)
	Of which SGSY groups	2.67 (1.0)	2198 (9.1)	2.41 (-9.9)	2480.37 (12.8)	2.10 (-12.9)	2643.56 (6.6)	1.81 (-13.8)	2207.47 (-16.5)	2.26 (24.56)	3480.60 (57.67)
	All women SHGs	12.94 (5.8)	12429.37 (18.8)	10.17 (-21.4)	12622.33 (1.6)	9.23 (-9.2)	14132.02 (12.0)	10.37 (12.4)	17854.31 (26.3)	11.52 (11.02)	21037.97 (17.83)
Loan outstanding against SHGs as on 31 <sup>st</sup> March	Total No of SHGs Linked	48.51 (14.8)	28038.28 (23.6)	47.87 (-1.3)	31221.17 (11.4)	43.54 (-9.0)	36340.00 (16.4)	44.51 (2.2)	39375.30 (8.4)	41.97 (-5.71)	42927.52 (9.02)
	Of which SGSY groups	12.45 (27.5)	6251.08 (6.6)	12.86 (3.4)	7829.39 (25.2)	12.16 (-5.4)	8054.83 (2.9)	11.93 (-1.9)	8597.09 (6.7)	13.07 (9.55)	10177.42 (18.38)
	All women SHGs	38.98 (18.9)	23030.36 (23.9)	39.84 (2.2)	26123.75 (13.4)	36.49 (-8.4)	30465.28 (16.6)	37.57 (2.9)	32840.04 (7.8)	34.06 (-9.34)	36151.58 (10.08)

Note: Figures in the parenthesis indicate growth/decline over the previous year.

Source: Compiled from NABARD status of microfinance of various years.

**Figure 1**  
**All India Trend in SHG Savings Amount Held at the Indian Banking System**



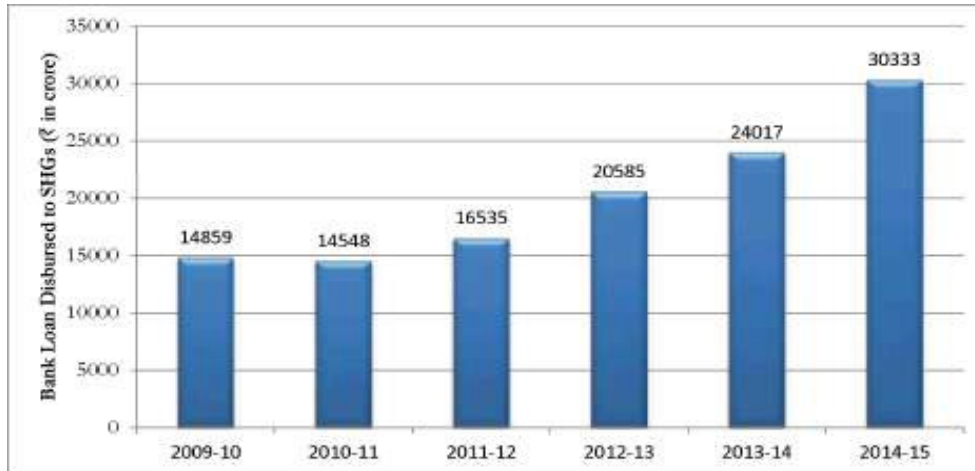
Source: The Bharat Microfinance Report 2015

The linkage with the banks has provided the members of the groups the facility of not only pooling their thrift/savings and access to credit but also created a platform through which they could launch a number of livelihood initiatives and also facilitate the empowerment process. Following tables depict how the scheme has progressed since 2009.

Table 1.1 and Figure 1 shows the progress of SHGs for the last 5 years separately for all groups under SGSY and exclusive women groups. Year 2012-13 has been the worst year in this span of five years as the number of SHGs linked to banks for their savings accounts declined by 8%, it was for the first time since the launch of programme two decades back. Year 2013-14 showed a marginal increase of 1.53% with 74.30 Lakh. SHGs savings linked to banks as against 73.18 Lakh in 2012-2013. Fresh loans sanctioned by the banks declined in 2010-11 and 2011-2012 but in next two years it increased over the previous years. In 2013-14, 13.66 Lakh SHGs were granted loans with a percentage increase of 12.02 over previous year. As far as the amount of loans is concerned it increased to ₹24,017.36 Crore from ₹ 20,585.36 Crore i.e. approximately 17%. However number of SHGs credit linked with banks have declined to 41.97 Lakh from 44.51 Lakh in the previous year i.e. a decrease of 6% whereas the amount of loan outstanding has increased by 9% in the year 2013-14. The share of All Women SHGs has increased to 84% in 2013-14 from 81% in 2012-13 while the groups formed under SGSY now constitutes 30% of total SHGs formed. Total amount of SHG savings under Self Help Group Bank Linkage in 2014-2015 has increased upto ₹ 11,307 Crore from ₹

9,897 Crore in 2013-14. Overall an increasing trend is depicted by Figure 1 in the total savings of SHGs at all India level.

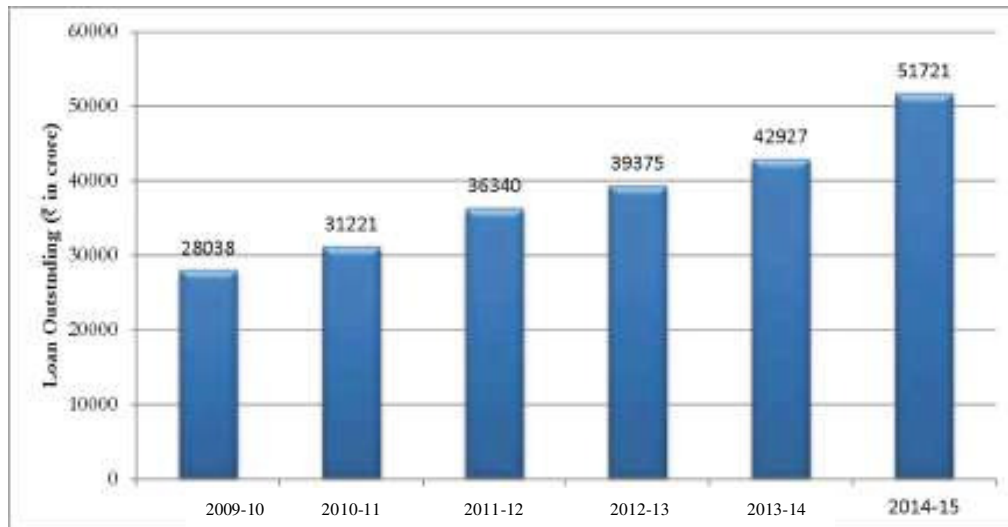
**Figure 2**  
**All India Trend in Bank Loan Amount Disbursed to SHGs**



Source: The Bharat Microfinance Report 2015

It can be observed from Figure 2 that there is an increase of 26.30% in the loan disbursed to SHGs in the year 2014-15 which indicates a positive outlook of providers and beneficiaries towards this scheme.

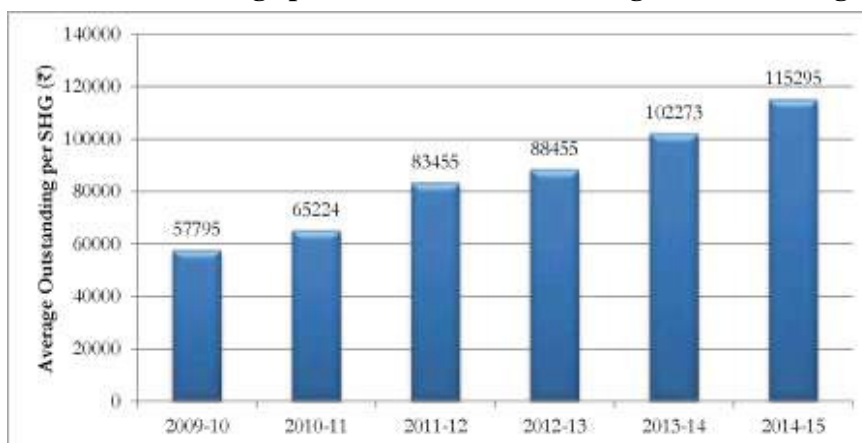
**Figure 3**  
**All India Trend in SHG Loan Outstanding in the Books of Banking System**



Source: The Bharat Microfinance Report 2015

It is evident from Figure 3 that there has been an increasing trend in the amount of outstanding loan exhibiting the potential of business model identified by the banks. An increase of 20.48% in one year period is significant to prove this belief.

**Figure 4**  
**All India Trend in Average per SHG Loan Outstanding in the Banking System**



Source: The Bharat Microfinance Report 2015.

It can be observed from Figure 4 that the average loan outstanding per SHG is ₹ 1,15,295 as on March 2015 which is 12.73% more than the previous year.

**Table 1.2**  
**Progress Under Microfinance Savings of SHGs with banks Region-wise/ Agency-wise – position as on (2013- 2014) India Level**

(Amount ₹ lakh)

Sr. No	Region/State	Commercial Bank		Regional Rural Bank		Cooperative Bank		Total	
		No. of SHGs	Saving Amount	No. of SHGs	Savings-Amount	No. of SHGs	Savings-Amount	No. of SHGs	Saving Amount
	<b>Haryana</b>	<b>18813</b> (12.44)	<b>2147.85</b> (15.44)	<b>20467</b> (20.77)	<b>2055.61</b> (26.58)	<b>3749</b> (3.25)	<b>4539.47</b> (5.05)	<b>336.01</b> (0.09)	<b>43029</b> (152.07)
<b>A</b>	<b>Northern Region Total (Haryana)</b>	151,187	13,909.23	98,521	7,732.99	115,500	6,652.54	365,208 (4.92)	28,294.76 (7748)
<b>B</b>	<b>North Eastern Region Total</b>	98,483	7,463.44	189,590	5,108.84	28,226	309.84	316,299 (4.26)	12,882.12 (4073)
<b>C</b>	<b>Eastern Region Total</b>	597,399	70,039.42	614,451	52,475.76	256,936	30,140.38	1,468,786 (19.77)	1,52,655.56 (10393)
<b>D</b>	<b>Central Region Total</b>	245,202	30,106.79	399,748	47,647.75	40,979	1,301.27	685,929 (9.23)	79,055.81 (11525)
<b>E</b>	<b>Western Region Total</b>	366,427	34,734.63	167,280	15,626.26	363,247	42,630.01	896,954 (21.25)	92,990.90 (10367)
<b>F</b>	<b>Southern Region Total</b>	2,564,112	5,06,892.12	642,170	67,394.13	490,042	49,576.14	3,696,324 (49.75)	6,23,862.39 (16878)
	<b>GRAND TOTAL</b>	<b>4,022,810</b> (54.15)	<b>6,63,145.63</b>	<b>2,111,760</b> (28.42)	<b>195,985.73</b>	<b>1,294,930</b> (17.43)	<b>130,610.18</b>	<b>7,429,500</b> (100.00)	<b>9,89,741.54</b> (13322)

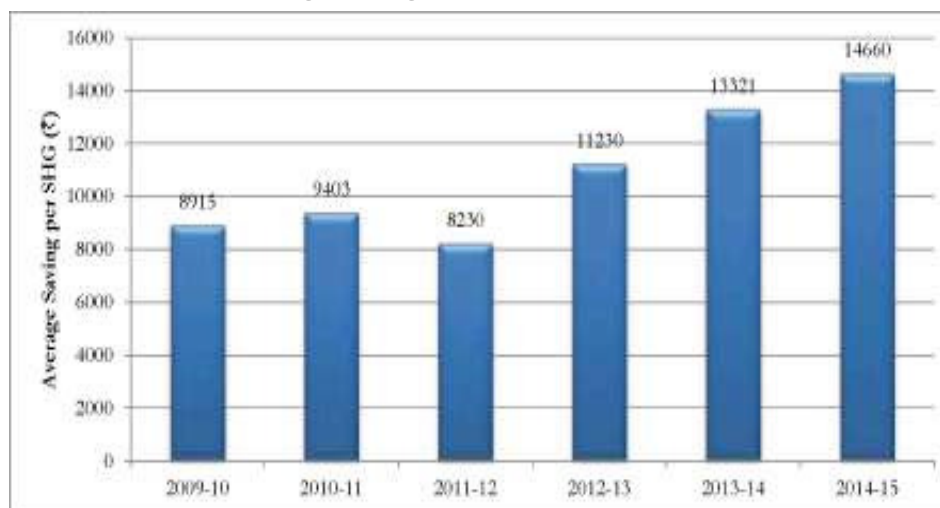
Source: NABARD Status of Microfinance 2013-14

Figures in parentheses indicate percentage to respective total and figures in parentheses in savings column indicate savings amount per SHG (in ₹)

Table 1.2 shows the number of SHGs linked to different agencies in different regions vis-à-vis Haryana for their savings accounts. Commercial banks are the major contributory at 54.15% level followed by 28.42% linked to RRBs and least 17.43% linked to co-operative banks. But in Haryana out of total Northern Region the share of RRBs in linking SHGs is 20.77% with a savings of ₹2,055.61 Lakh followed by commercial banks with a share of 12.44% . Co-operative banks performance however has been disappointing in the state as well.

The average savings of SHGs with all the banks was ₹ 13,322 Lakh as on March 2014. Southern region reported the highest average of ₹ 16,878 Lakh and north eastern region reported the lowest average savings per SHG at ₹ 4,073. Northern region however showed second lowest in terms of average savings per group at ₹7,748 per group, Haryana reported ₹ 1,054 as average savings per group.

**Figure 5**  
**Average savings Per SHG all India Level**



Source: The Bharat Microfinance Report 2015

It is clear from Figure 4 that average savings per SHG has increased to ₹14660 at an all India level as on March 2015 and shows an increase of 10.05% in one year. Further it can be analysed that average savings per SHG had been on increasing path till 2010-11 and decreased in 2011-12 but after that the growth has been restored in average savings of SHG. It indicates that the scheme has been successful in inculcating the saving habit among SHG members.

**Table 1.3**  
**Total Loans disbursed by Public sector Commercial Banks during 2013-2014**

PUBLIC SECTOR BANKS ALL INDIA POSITION							
	Name of the Bank	Total Loans disbursed during the year		Out of Total - Under NRLM/ SGSY & other Govt. Sponsored Programme		Out of Total - Loan disbursed Exclusive to Women SHGs	
		No. of SHGs	Loans Disbursed (Amount in ₹ Lakh)	No. of SHGs	Loans Disbursed (Amount in ₹ Lakh)	No. of SHGs	Loans Disbursed (Amount in ₹ Lakh)
1	Andhra Bank	100978	2,74,671.60	18162	50,562.24	100978	2,74,671.60
2	State Bank of India	112807	2,56,613.00	1685	3,846.75	100389	2,31,396.00
3	Indian Bank	48241	1,56,645.61	8486	24,095.47	47275	1,53,512.82
4	Syndicate Bank	35935	1,21,402.16	1271	2,647.58	17459	39,838.07
5	State Bank of Hyderabad	43645	1,18,320.93	3	8.00	43645	1,18,320.93
6	Indian Overseas Bank	47470	84,579.61	11034	8,829.89	42723	76,122.81
7	Canara Bank	46846	78,830.71	9062	17,936.00	43753	74,324.75
8	Central Bank of India	45841	63,822.68	2304	14,003.66	14370	13,363.79
9	Corporation Bank	34030	52,501.38	7138	13,277.28	29658	45,038.02
10	Union Bank of India	48754	40,919.25	777	1,003.15	45943	35,173.20
11	Bank of India	23917	38,777.55	8010	7,111.15	21589	35,188.70
121	Vijaya Bank	7805	20,504.75	2078	5,621.04	6068	17,189.82
13	Bank of Baroda	12158	20,147.52	3360	1,492.93	8485	16,145.00
14	State Bank of Mysore	5705	19,975.77	1352	4,097.20	5134	17,978.18
15	Punjab National Bank	27725	19,129.57	15036	11,258.12	20644	16,085.86
16	Allahabad Bank	7997	10,990.28	4803	55,30.85	6799	9,206.11
17	UCO Bank	6015	8,464.35	988	887.21	4714	7,110.31
18	Bank of Maharashtra	4473	7,933.02	1715	3,840.43	3455	5,226.34
19	State Bank of Travancore	3083	5,725.46	350	275.15	2773	5,149.63
20	United Bank of India	8766	4,761.17	6834	3,539.83	8059	4,386.76
21	Dena Bank	4630	4,007.97	1450	1,689.30	1449	1,687.55
22	Oriental Bank of Commerce	735	1,122.11	285	380.07	540	813.94
23	State Bank of Patiala	449	608.09	351	424.13	64	133.15
24	State Bank of Bikaner & Jaipur	949	568.07	0	0.00	897	499.96
25	Punjab & Sind Bank	323	363.95	137	173.02	131	180.75
26	IDBI Bank	0	0.00	0	0.00	0	0.00

Source: The Status of Microfinance 2013-2014, NABARD

Table 1.3 showed agency wise progress of microfinance savings and depicted that commercial banks have outperformed the other two agencies namely RRBs and co operative banks. Table 1.3 shows total loan disbursed by public sector commercial banks during 2013-14. It can be observed from the table that Andhra bank has

outperformed in loan disbursements to nearly all type of SHGs whether formed under SGSY or all women groups with 100978 SHGs linked with the bank and total amount disbursed is ₹2,74,671.60 Lakh as on March 2014.

**Table 1.4**  
**Total loan disbursed by Private sector commercial banks during 2013-2014**

PRIVATE SECTOR BANKS ALL INDIA POSITION							
	Name of the Bank	Total Loans disbursed during the year		Out of Total - Under NRLM/SGSY & other Govt. Sponsored Prog.		Out of Total - Loan disbursed Exclusive to Women SHGs	
		No. of SHGs	Loans Disbursed (Amount in Lakh)	No. of SHGs	Loans Disbursed (Amount in Lakh)	No. of SHGs	Loans Disbursed (Amount in Lakh)
1	ICICI Bank	43517	80715.50	31.00	106.77	43490	80619.90
2	HDFC Bank	35826	76997.73	0.00	0.00	35826	76997.73
3	Dhanalakshmi Bank	4573	25034.05	1.00	2.45	4573	25034.05
4	ING-Vysya Bank	1071	3108.72	85.00	201.05	1071	3108.72
5	Federal Bank	1146	2676.92	21.00	11.50	49	76.59
6	City Union Bank	730	1646.62	34.00	83.73	729	1641.62
7	Karnataka Bank	842	1567.58	94.00	143.34	670	1145.41
8	Tamilnad Mercantile	248	593.09	48.00	33.40	232	557.99
9	Catholic Syrian Bank	21	21.15	9.00	10.93	0	0.00
10	AXIS Bank	2	1.43	2.00	1.43		1.43
	<b>Total Pvt. Sec. Com. Banks IV - A (ii)</b>	<b>87976</b>	<b>192362.79</b>	<b>325</b>	<b>594.60</b>	<b>86642</b>	<b>189183.44</b>
	<b>Total of All Pub. Sec. Com. Banks- IV A(i)</b>	<b>679277</b>	<b>1411386.56</b>	<b>106671</b>	<b>182530.45</b>	<b>576994</b>	<b>1198744.05</b>
	<b>Grand Total - Commercial Banks</b>	<b>767253</b>	<b>1603749.35</b>	<b>106996</b>	<b>183125.05</b>	<b>663636</b>	<b>1387927.49</b>
	<b>Total</b>	<b>679277</b>	<b>1411386.56</b>	<b>106671</b>	<b>182530.45</b>	<b>576994</b>	<b>1198744.05</b>

Source: The Status of Microfinance 2013-2014, NABARD

Table 1.4 shows the position of private commercial banks in the SHG Bank Linkage Programme. The contribution of private sector banks is quite less as compared to public sector banks in this programme. ICICI bank is the highest contributor by disbursing ₹ 80,715.50 Lakh rupees to 43517 SHGs out of which 43490 SHGs were women SHGs. HDFC bank is ranked second with disbursement of ₹76,997.73 Lakh to 35826 SHGs with 100% disbursement to women SHGs. Dhanalakshmi Bank holds the third position after disbursement of ₹25,034.05 Lakh to 4573 SHGs.



**Table 1.5**  
**Progress under Microfinance – Public Sector Bank Loans Disbursed during the**  
**Year Region-wise/State-wise/Agency-wise position during 2013-14**

( Amount ₹ Lakh)

		Commercial Banks		Regional Rural Banks		Cooperative banks			Total
Sr no	Region /State	No. of SHGs	Loans Disbursed - Amount	No. of SHGs	Loans Disbursed - Amount	No. of SHGs	Loans Disbursed - Amount	No. of SHGs	Loans Disbursed - Amount
	<b>Haryana</b>	<b>1012</b> <b>(8.84)</b>	<b>1445.71</b> <b>(9.41)</b>	<b>825</b> <b>(17.03)</b>	<b>1469.20</b> <b>(26.05)</b>	<b>83</b> <b>(1.08)</b>	<b>145.71</b> <b>(2.07)</b>	<b>1920</b> <b>(8.03)</b>	<b>3060.62</b> <b>(10.91)</b>
1	North	11444.00	15361.85	4843	5639.67	7631	7046.84	23918	28048.36
2	North East	5323.00	4270.40	10524	8258.07	354	290.57	16201	12819.04
3	East	87865.00	60009.47	73247	62523.38	136366	28534.34	297478	151067.19
	Central	28074	35371.19	36007	25999.73	2312	435.98	66393	61806.90
5	West	43683.00	59672.94	12330	14820.21	31833	11950.50	87846	86443.65
6	South	590864.00	1429063.50	196469	511572.29	87252	120914.91	874585	206155.70
	<b>Grand Total</b>	<b>767253.00</b>	<b>1603749.35</b>	<b>33420</b>	<b>628813.35</b>	<b>265748</b>	<b>169173.14</b>	<b>1366421</b>	<b>2401735.85</b>

Source : NABARD status of microfinance 2013-14

Table 1.5 shows the loan disbursed by public sector banks in different regions by different agencies. RRBs have outperformed commercial and co operative banks in Haryana in total northern region with disbursing loans of ₹1,469.20 Lakh to 825 SHGs followed by commercial banks disbursing loans of ₹ 1,445.71 Lakh to 1012 SHGs. However the table still indicates the skewed spread of SHGs in southern region with total number of SHGs stood at a whopping 874585 with loans disbursal of ₹ 2,06,155.70 Lakh.

### 1.3 Microfinance Models

Microfinance activities are being exercised through various models in India that can be categorized as:

**1.3.1 SHG Model:** In this model the members form a group of around 20 members by an NGO or by the MFIs or bank itself.

**1.3.2 Grameen Model:** it started in 1976 by the Nobel Laureate Prof. Muhammad Yunus in Bangladesh, now has some 2468 branches with a staff of 24703 people serving 7.37 Million borrowers from 80,257 villages.

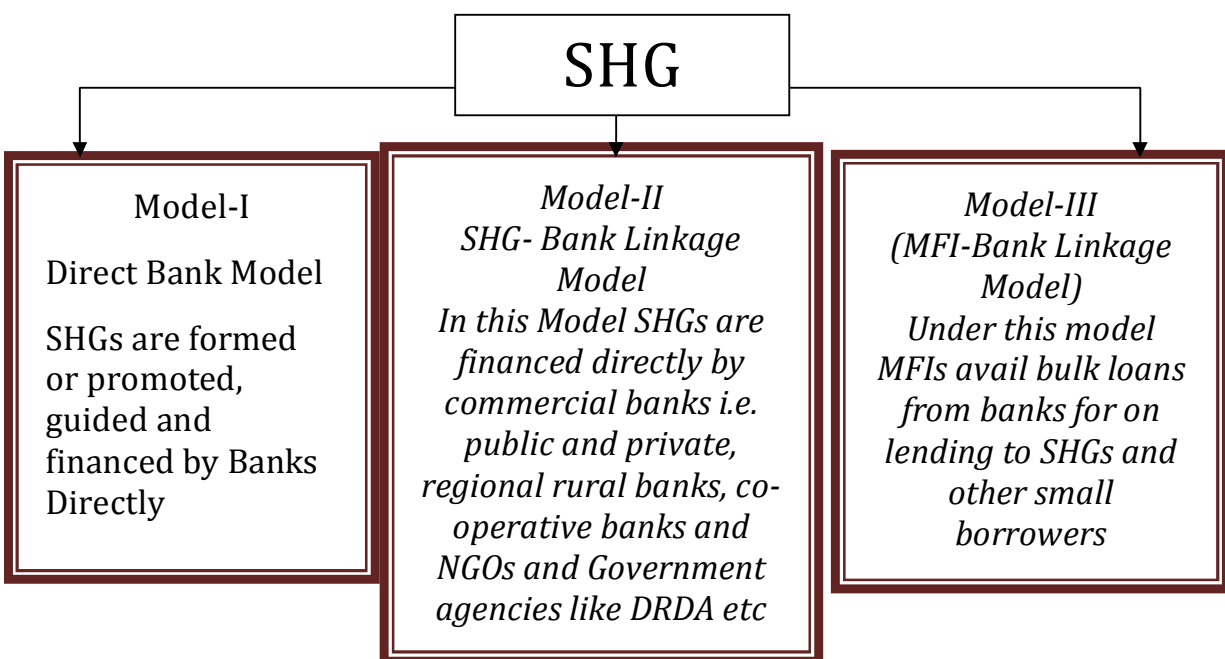
**1.3.3 Joint Liability Groups (JLG):** it is an informal group comprising of 4 to 10 individuals coming together for the purposes of availing bank loan either individually

or through the group mechanism. The JLG members would offer a joint undertaking to the bank that enable them to avail loans.

**1.3.4 Co-operative Model:** A co-operative society is formed as per the provision of the co-operative societies Act, 1912. At least 10 persons having the capacity to enter into a contract with common objectives like farming, weaving, consuming etc. can form a co-operative society.(Samsher Singh, Satish Kumar, Dipayan Satpathy, Anjumala, Abhishek from [www.authorstream.com](http://www.authorstream.com))

#### 1.4 SHG Models

SHG model can be divided in three models depicted by the diagram given below



75% of NABARD's Microfinance till March 2002 used this model of linkage. SHGs are being federated by the SHPIs to bring operational efficiencies, reducing transaction costs and providing value added services. SHG federation is an association of primary organizations but unlike other federations it is informal and small which were promoted as an exit strategy i.e. allow an organisation to withdraw its support to SHG while ensuring their sustainability. (Nair 2005)

**Model 1 (Direct Bank Model) :** In this model Banks themselves act as SHPIs in forming and nurturing groups, opening their savings accounts and providing them with Bank Credit.

**Model 2 (SHG-Bank Linkage Model) :** It is a NGO facilitated SHG and is the most popular model amongst bankers. In this model NGOs and formal Microfinance Agencies act as facilitators. They help them in organising groups, training them in thrift and credit management and nurture them over a period of time. Simultaneously banks link these groups by directly providing loans to them. More than 70% of the SHGs are linked through this model.

**Model 3 (MFI-Bank Linkage Model) :** Under this model MFIs avail bulk loans from banks for lending to SHGs and other small borrowers, in a way acting as financial intermediaries.

**PRADAN** (Professional Assistance for development action) and **MYRADA** (Mysore Resettlement and Development Agency) were the two NGOs in the beginning to promote SHG federations in India. Later, UNDP's South Asia Poverty Alleviation Project (SAPAP) with the backing of the world Bank supported District Poverty Initiatives Project (DPIP), SEWA in Gujarat, PREM(People's Rural Education Movement) in Odisha, Chaitanya in Maharashtra, Gram Vikas in Karnataka, ASA (Activism for Social Alternatives) in Tamil Nadu and YCO (Youth Charitable Organisation) in Andhra Pradesh initiated to scale up SHG federation in India. The micro credit summit held at Washington in 1997 launched a 9 year global campaign to reach 1000 million poor families throughout the world. The year 2005 was celebrated as International Year of Micro Credit. Prof. Mohammad Yunus, the Nobel laureate for peace is considered as the pioneer of micro credit who started a women's group with a loan of equivalent of US\$27. With this a shift from minimalist approach that is offering only Financial intermediation to an integrated approach to poverty alleviation started taking more holistic view of the client including provision of enterprise development services like Marketing infrastructure, introduction of Technology and design development.

### **1.5 Apex Level Micro Finance Institutions:**

Narasimhan Committee in 1975 recommended establishment of rural based financial institutions to overcome the problems of commercial banks and co-operative banks to provide assistance to rural poor. As per the recommendations five Regional Rural Banks were set up at Moradabad, Bhiwani, Jaipur, Malada and Gorakhpur. These banks were expected to play a vital role in mobilising the savings of small and marginal farmers, artisans and agriculture labourers and initiate saving habits among the rural poor (Reddy and Ram,1999). Some of these have been discussed below.

**RMK (Rashtriya Mahila Kosh):** It was registered under Societies Registration Act 1860 in March 1993 as a National Level Organisation under the Ministry of Women and Child Development to meet the credit needs of the poor women in unorganised sector and bringing socio-economic change in the society. It supports NGOs, Co-operative Societies and WDC for providing financial services to the poor women. As on 31<sup>st</sup> March 2010 RMK's operations were spread over 27 states and have benefitted over 6.67 Lakh borrowers involving 1442 NGOs.

**Banks:** Commercial Banks, Regional Rural banks and Co-Operative Banks are major three agencies in the formal financial sector which provide Micro finance in rural areas along with regular financial services. Later some urban Co-Operatives like SEWA Bank also started providing a variety of financial services to urban poor and not so poor

**SIDBI:** It was established in 1990 to serve as the principal financial institution for promotion, financing and development of small sector industry. It has launched MCS (Micro Credit Scheme in Feb 1994 to provide support to NGOs for on-lending to the poor individuals or groups for setting up Micro-Enterprises. The minimum loan to an NGO is ₹ 1 million with no maximum limit which is to be repaid within 5 years. SIDBI has also launched a foundation for Micro Credit (SFMC) in 1998 which has sanctioned term loan of ₹ 18.72 billion to 76 MFIs during 2008-09 which is expected to help about 1.96 million poor, mainly women.

**NABARD:** It refinances the banks which lend to SHGs. NABARD launched a pilot project linking 500 SHGs in 1992 with banking system across the country. The movement has gained a significant momentum with 2.92 million SHGs linked with 498 banks across 31 states of Indian Union covering 587 districts uptill March 200. During the year 0.55 million new SHGs; excluding SGSY were credit linked with banks and bank loan of ₹ 25.42 billion was disbursed. As per the data total no of SHGs Linked with banks have reached up to 77.12 Lakh in March 2015 covering 101million families with a total SHGs savings of ₹ 11,307 Crore. Gross loan outstanding as on March 2015 is ₹ 51,721 Crore whereas total loan disbursed stood at ₹ 30,334 Crore . Amount of average loan disbursed per SHG has increased to ₹ 1,84,551 in 2015 from ₹1,75,769 in 2014. Average loan outstanding per SHG has also increased in 2015 to ₹ 1,15,295 from ₹ 1,02,273 in 2014. An increase has also been noticed in percentage of NPA(Non Performing Assets) from 6.80% to 7.40% in 2015.

## **1.6 Performance of Microfinance through SHG**

Out of the three models, SHG- Bank Linkage Programme (Model II) emerged as most

popular and successful over the years. About 73.41% of the credit linked SHGs (financed 81.12% of total loans) fell under Model-II followed by Model I (20%) as on 31<sup>st</sup> March 2007. Only 5.67% of total SHGs fall under the Model III in which NGOs/ MFIs act as financial intermediaries. (RBI 2007- Report on Trend and Progress of Banking in India). As on 31<sup>st</sup> March 2015 total client outreach under MFI model has been reported as 371 Lakh out of which 97% are women clients, 28% belong to SC/ST and amount of average loan per borrower is ₹13,162 as compared to ₹10,079 in 2014. To spread the outreach of Micro Credit, NABARD has taken up intensification of SHG- Bank Linkage Programme in 13 identified priority states which account for 70% of the rural poor population viz. U.P. Maharashtra, Orissa, West Bengal, MP, Gujarat, Rajasthan, Chattisgarh, Jharkhand, Bihar, Utra-Khand, Assam and Himachal Pradesh. The programme has now assumed the form of a Micro-Finance Movement in many parts of the country and has started making inroads in the resource poor regions of the country as well.

### **1.7 Developmental Schemes**

Government has launched various schemes as SGSY, Swa-Shakti, Swayamsidha, SJSRY, Kudumbashree, VSS (Vana Samrakshana Smithis) under Joint Forest Management Groups which are routed through SHGs.

**SGSY:** It was launched on 1<sup>st</sup> April 1999 after amalgamation of IRDP(Integrated Rural Development Programme) and its allied programmes. The basic objective of the programme is to bring the assisted poor families (Swarozgaris) above the poverty line by providing them income-generating assets through a mix of bank credit and governmental subsidy. The funds are shared between centre and state in the ratio of 75:25. As on March 31, 2008 already 2.74 million SHGs have been formed since the inception of SGSY and assisted 5.81 million SHGs swarozgaries and most important observation is that 82.54% of those SHGs are women SHGs. The programme has disbursed ₹72.03 billion and Rs38.03 billion as credit and subsidy to the SHGs. Per capita investment per year has risen to ₹26,941 in 2007-08 from ₹17113 in 1999-2000 under SGSY.

**Anganwadi Groups:** These groups are formed by the department of women and children welfare at the habitation level for implementing health, nutrition and literacy programmes for women. Micro Finance is extended to the members for income generation as individual or group enterprises.

**CAPART** (Council for Advancement of People's Action and Rural Technology): It provides funds and training supports to the voluntary and community based organisations who are working with SHGs. It provides fund of ₹10,000 per SHG without interest and even finances upto ₹2 lakh as bridge funds for a federation of over 100 active SHGs.

**DPIP (District Poverty Initiatives Project):** Andhra Pradesh Government implemented the project with the help of World Bank. It aims to organise the poorest of the poor in selected districts through convergence of resources.

**DWCRA Groups (Development of women and Children in Rural Areas):** This department forms groups of maximum 15 members. A lump-sum grant of ₹25,000 is given to the group. Training in leadership, attitude and skills for income generation is an integral part of the scheme.

**Kudumbashree Project:** Kerala government in association with Government of India and NABARD launched this project to mitigate poverty from the state in a span of 10 years. It was aimed at combining the SHG approach with demand led convergence of available services and resources to tackle the poverty holistically.

**Joint Forest Management Groups:** Vana Samrakshana Smithis (VSS) are formed to conserve forest wealth. Social mobilisation and alternate income generation activities through SHG route is being achieved by this programme.

**SJSRY (SwaranJayanti Shahari Rojgar Yojana Scheme):** this Programme was launched to eradicate Urban Poverty and two sub-components: USEP( Urban Self-Employment Programme) and DWCUA ( Development of Women and Children in Urban Area) which help urban poor in getting gainful employment through group activities.

**Swa-Shakti Project:** The project started on 16<sup>th</sup> Oct 1988 for a duration of 5 years with an outlay of ₹1.86 billion. In association with IFAD (international Fund for Agricultural Deveopment) and World Bank the project was implemented in 6 states viz. Bihar, Gujarat, Haryana, Madhya Pradesh and Uttar Pradesh. It was aimed at capacity building by promoting women SHGs and the same was achieved when in 2003-04 17647 SHGs were formed as against the target of 16000. In Haryana 1550 SHGs had been formed under this scheme.

**Swayamsidha:** This Programme is based on the formation of women SHGs with an emphasis on converging services, developing access to micro credit and promoting micro enterprises. As on 31<sup>st</sup> March 2007 68163 SHGs have been formed covering 0.99 million families.

**Haryana State Rural Livelihood Mission (HSRLM):** The NRLM has been taken up w.e.f.1.4.2003 and an amount of ₹ 27.04 crores have been approved by Government of India, under the scheme 1639 new SHGs have been formed and 914 SHGs have been provided the funds. In revolving fund scheme, an amount of ₹ 13.66 Crore have been spent upto January, 2015. (Source: Haryana Economic survey 2014-15. [Web1.hry.nic.in/budget/esurvey.pdf](http://Web1.hry.nic.in/budget/esurvey.pdf))

### 1.8 Status of Microfinance in Haryana

The relative position of microfinance in Haryana vis-a-vis India has been discussed with the help of a secondary data table. Whatsoever may be the size of microfinance in Haryana it still can not be described as a less worthy scheme as the state households too have a strong community affinity who have taken up this scheme as a community organisations for women empowerment.

**Table 1.6**  
**Relative Position of Microfinance in Haryana**

Year	Particulars	No Of SHGS	Savings	Loan Disbursed	Outstanding Loan Against SHG
2008-09	India	12,27,770	378539	884926	1481687
	Haryana	33257	2547.93	6383.91	12414.37
Share Of Haryana(%)		2.71	0.67	0.72	0.84
2009-10	India	16,09,586	554562	1225351	2267984
	Haryana	36762	10762.55	4669.74	15507.44
Share Of Haryana(%)		2.28	1.94	0.38	0.68
2010-11	India	15,86,822	619871	1445330	2803828
	Haryana	35319	10762.55	4669.74	15507.44
Share Of Haryana(%)		2.23	1.74	0.32	0.55
2011-12	India	11,96,134	701630	1454773	3122116
	Haryana	44184	36.78	87.70	205.75
Share Of Haryana(%)		0.56	0.56	0.53	0.57
2012-13	India	11,48,000	655141	1653477	3634000
	Haryana	NA	NA	NA	NA
Share Of Haryana(%)		NA	NA	NA	NA
2013-14	India	12,20,000	821725	2058536	3937530
	Haryana	NA	NA	NA	NA
Share Of Haryana(%)		NA	NA	NA	NA

Source: Compiled from NABARD status of Microfinance of various years

It is clear from Table 1.6 that the share of microfinance in Haryana is not even 1 percent of the country's total with respect to number of SHGs formed, savings, loans disbursed and outstanding loan amount. Comparative position of agency wise participation in SHG-Bank Linkage Program in Haryana as on 31-03-2012 is given in the Table 1.7.

**Table 1.7**  
**Bank wise participation in SHG - Bank Linkage Program as on March 31, 2012**

Banks	Haryana				India			
	No. of SHGs	%	Bank Loan (₹ Crore)	%	No. of SHGs	%	Bank Loan (₹ Crore)	%
Commercial Banks	1682	44	32.48	52	6,00,807	62	9,942.04	60
Regional Rural Banks	2056	53	27.60	45	3,04,809	27	5,026.05	30
Cooperative Banks	127	3	1.87	3	2,42,262	21	1,566.67	10
<b>Total</b>	<b>3865</b>	<b>100</b>	<b>61.95</b>	<b>100</b>	<b>1147878</b>	<b>100</b>	<b>16,534.77</b>	<b>100</b>

Source: Status of Microfinance 2012, NABARD

In Haryana, RRBs are playing a major role in disbursement of credit to SHGs as 53 percent of the SHGs have been formed and 45 percent of credit disbursed by these banks. Commercial banks have less important role in the State as compared to the country's percentage. Cooperative banks have played a negligible role in the State as compared to the country's percentage.

Table 1.8 shows the savings linked SHGs and their amount of savings in different public sector commercial banks in Haryana, separately of SGSY and all women groups. The results show that Punjab National Bank has taken a lead to link SHGs with banks with 11318 SHGs out of total 18675(60%) SHGs in Haryana,127700 (8.86%) in northern region and 374416 (3.02%) in all public sector banks at national level.



**Table 1.8 : Progress under Microfinance - Savings of SHGs with Public Sector Commercial Banks in Haryana as on 31 March 2014**

(Amount in Rs Lakh)

S. NO	Name of the Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs-Under SGSY/NRLM & other Govt.sponsored Prog. Scheme			Out of Total SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings Amount	No. of SHGs	No. of Members	Savings Amount	No of SHGs	No. of Members	Savings Amount
<b>NORTHERN REGION</b>										
	<b>Haryana</b>									
<b>1</b>	Allahabad Bank	407	3863	45.80	407	3863	45.80	375	3565	42.95
	Andhra Bank	1	13	0.08	<b>1</b>	13	0.08	1	13	0.08
<b>3</b>	Bank of Baroda	20	230	15.90	<b>6</b>	67	5.57	16	169	12.63
<b>4</b>	Bank of India	196	2045	64.50	196	2045	64.50	80	876	5.83
<b>5</b>	Bank of Maharashtra	13	130	0.13	<b>0</b>	0	0.00	1	10	0.01
<b>6</b>	Canara Bank	636	8532	92.84	420	5460	63.00	547	7111	74.64
<b>7</b>	Central Bank of India	121	1210	17.21	<b>7</b>	70	0.25	25	250	4.64
<b>8</b>	Corporation Bank	35	378	0.31	<b>2</b>	22	0.02	26	272	0.22
<b>9</b>	Dena Bank	50	500	11.00	24	240	1.25	14	140	7.00
<b>10</b>	IDBI Bank	0	0	0.00	<b>0</b>	0	0.00	0	0	0.00
<b>11</b>	Indian Bank	143	1859	28.69	<b>7</b>	91	2.10	140	1820	28.12
<b>12</b>	Indian Overseas Bank	36	461	2.10	19	243	1.51	31	392	2.00
<b>13</b>	Oriental Bank of Commerce	1002	9950	57.27	885	8862	53.75	449	3417	20.89
<b>14</b>	Punjab National Bank	11318	123913	1060.20	9064	94920	984.92	8762	96630	956.27
<b>15</b>	Punjab & Sind Bank	911	9157	58.36	909	9142	58.34	546	5543	33.44
<b>16</b>	State Bank of Hyderabad	0	0	0.00	<b>0</b>	0	0.00	0	0	0.00
<b>17</b>	State Bank of India	1464	17530	118.00	1026	12251	61.00	1269	15144	104.00
<b>18</b>	State Bank of Patiala	1308	13080	162.39	28	280	0.49	27	270	0.45
<b>19</b>	Syndicate Bank	587	5845	29.36	429	4534	19.78	412	4292	20.85
<b>20</b>	UCO Bank	155	1570	265.00	75	695	105.00	145	1485	250.00
<b>21</b>	Union Bank of India	202	2452	106.66	18	199	11.89	126	1399	87.44
<b>22</b>	Vijaya Bank	70	910	10.72	27	351	5.37	49	637	5.72
	<b>Total</b>	<b>18,675</b>	<b>2,03,628</b>	<b>2,146.52</b>	<b>13,550</b>	<b>1,43,348</b>	<b>1,484.62</b>	<b>13,041</b>	<b>1,43,435</b>	<b>1,657.18</b>
	<b>Total Northern Region</b>	<b>1,27,700</b>	<b>14,37,225</b>	<b>12,434.22</b>	<b>55,786</b>	<b>6,09,790</b>	<b>5,777.56</b>	<b>1,01,015</b>	<b>11,47,857</b>	<b>9,612.03</b>
	<b>Total of All Pub. Sec. Com. Banks</b>	<b>3,74,4161</b>	<b>44,28,9657</b>	<b>6,39,552.76</b>	<b>1,22,2144</b>	<b>13,86,4360</b>	<b>1,58,022.06</b>	<b>3,22,4420</b>	<b>37,78,3890</b>	<b>5,44,395.35</b>

Source: Annual Report of NABARD 2013-14

**Table 1.9**  
**Progress under Microfinance - Savings of SHGs with Private Sector Commercial**  
**Banks in Haryana as on 31 March 2014**

**Amount ₹Lakh**

S.NO	Name of the Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Under SGSY/NRLM & other Govt. sponsored Programme Scheme			Out of Total SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No of SHGs	No. of Members	Savings – Amount
<b>NORTHERN REGION</b>										
	<b>Haryana</b>									
<b>1</b>	AXIS Bank	3	45	0.00	3	45	0.00	3	45	0.00
<b>2</b>	Federal Bank	1	10	0.46	0	0	0.00	0	0	0.00
<b>3</b>	HDFC Bank	133	1995	0.71	0	0	0.00	133	1995	0.71
<b>4</b>	ICICI Bank	1	13	0.16	0	0	0.00	1	13	0.16
	<b>Total</b>	<b>138</b>	<b>2063</b>	<b>1.33</b>	<b>3</b>	<b>45</b>	<b>0.00</b>	<b>137</b>	<b>2053</b>	<b>0.87</b>
	<b>Total Northern Region</b>	<b>23487</b>	<b>336604</b>	<b>1475.01</b>	<b>677</b>	<b>10155</b>	<b>31.26</b>	<b>23357</b>	<b>334674</b>	<b>1469.13</b>
	<b>Total South Southern Region</b>	<b>207944</b>	<b>2896752</b>	<b>17923.00</b>	<b>10176</b>	<b>140423</b>	<b>387.45</b>	<b>188384</b>	<b>2682877</b>	<b>15599.45</b>
	<b>Total India</b>	<b>278649</b>	<b>3882275</b>	<b>23592.87</b>	<b>10943</b>	<b>151918</b>	<b>427.06</b>	<b>258792</b>	<b>3664818</b>	<b>21246.48</b>

**Source:** Annual Report of NABARD 2013-14

Table 1.9 shows the contribution of Private sector commercial banks in linking SHGs with banks in Haryana. It can be observed that there are only four banks in the private sector who has initiated this scheme. HDFC bank however has outperformed other banks in terms of number of SHGs and amount of savings. HDFC bank has a total number of SHGs as 133 out of total SHGs linked with private sector banks i.e. 138 (96%) in Haryana, out of 23487(0.57%) in North, 278649 (0.05%) in India. Table also depicts that even private commercial sector banks too have performed better in south with having 207944 (75%) SHGs linked with private sector banks.

**Table 1.10**  
**Progress under Microfinance - Savings of SHGs with Regional Rural Banks in**  
**Haryana as on 31 March 2014**

**Amount ₹ Lakh**

S.No	Name of the Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Under SGSY/NRLM & other Govt. sponsored Programme Scheme			Out of Total SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings Amount	No of SHGs	No. of Members	Savings Amount
	<b>NORTHERN REGION</b>									
	<b>Haryana</b>									
<b>1</b>	Haryana Gramin Bank	20467	220437	2055.61	12435	136654	1167.67	16620	177347	1176.91
	<b>Total Northern Region</b>	<b>98521</b>	<b>1048600</b>	<b>7732.99</b>	<b>31494</b>	<b>306523</b>	<b>2237.60</b>	<b>80891</b>	<b>875814</b>	<b>6311.61</b>
	<b>Total India Regional Rural Banks</b>	<b>2111760</b>	<b>24988683</b>	<b>195985.73</b>	<b>828567</b>	<b>8651156</b>	<b>71423.39</b>	<b>1753387</b>	<b>19727588</b>	<b>139081.96</b>

Source: Annual Report of NABARD 2013-14

Table 1.10 depicts the extent to which RRBs have been successful in spreading this scheme in Haryana. RRBs have 20467(20.83%) SHGs out of total north region i.e. 98521 SHGs and 2111760 SHGs at all India level. This indicates a positive trend towards SHG Bank linkage through RRBs.

Table 1.11 depicts the contribution of co operative banks in extending microfinance through SHG . It is disappointing to see a mere 3749 SHGs linked with co operative banks in Haryana with an average amount of savings of ₹ 37,006 Lakh. It is just 3.25% out of total SHGs linked with co operative banks in rest of India. So these banks need to gear up their efforts to be better performer.

**Table 1.11**  
**Progress under Microfinance - Savings of SHGs with Co-operative Banks in**  
**Haryana as on 31 March 2014**

**Amount ₹ Lakh**

Sr. No.	Name of the Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Under SGSY/NRLM & other Govt. sponsored Programme Scheme			Out of Total SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No of SHGs	No. of Members	Savings - Amount
<b>NORTHERN REGION</b>										
	<b>Haryana</b>									
1	Ambala DCCB	145	1401	15.40	0	0	0.00	108	1273	13.82
2	Bhiwani DCCB	0	0	0.00	0	0	0.00	0	0	0.00
3	Faridabad DCCB	0	0	0.00	0	0	0.00	0	0	0.00
4	Fatahabad DCCB	245	2472	13.65	245	2472	13.65	26	268	2.18
5	Gurgaon DCCB	247	2941	20.60	21	251	1.68	243	2880	18.57
6	Hissar DCCB	378	3953	19.36	356	3733	17.34	69	699	2.56
7	Jhajjar DCCB	36	360	1.15	0	0	0.00	24	240	0.79
8	Jind DCCB	0	0	0.00	0	0	0.00	0	0	0.00
9	Kaithal DCCB	48	474	1.36	0	0	0.00	31	302	0.62
10	Karnal DCCB	218	3216	56.80	0	0	0.00	218	3216	56.80
11	Kurukshetra DCCB	35	363	2.45	0	0	0.00	5	60	0.38
12	Mahindergarh DCCB	90	991	9.05	18	200	1.80	89	981	9.03
13	Panchkula DCCB	187	1299	12.73	2	20	0.10	134	1159	11.84
14	Panipat DCCB	149	1635	17.90	5	58	13.00	126	1443	14.26
15	Rewari DCCB	223	2637	26.34	219	2484	25.14	223	2637	26.34
16	Rohtak DCCB	253	2644	13.99	8	80	0.23	8	80	0.23
17	Sirsa DCCB	325	3250	57.48	0	0	0.00	325	3250	57.48
18	Sonepat DCCB	1165	9320	62.75	23	230	0.70	1165	9320	62.75
19	Yamuna Nagar DCCB	5	50	5.00	0	0	0.00	2	20	2.00
	<b>Total Haryana</b>	<b>3749</b>	<b>37006</b>	<b>336.01</b>	<b>897</b>	<b>9528</b>	<b>73.64</b>	<b>2796</b>	<b>27828</b>	<b>279.65</b>
	<b>Total Northern Region</b>	<b>115500</b>	<b>1205757</b>	<b>6652.54</b>	<b>9436</b>	<b>88034</b>	<b>642.53</b>	<b>105814</b>	<b>1095483</b>	<b>5917.08</b>

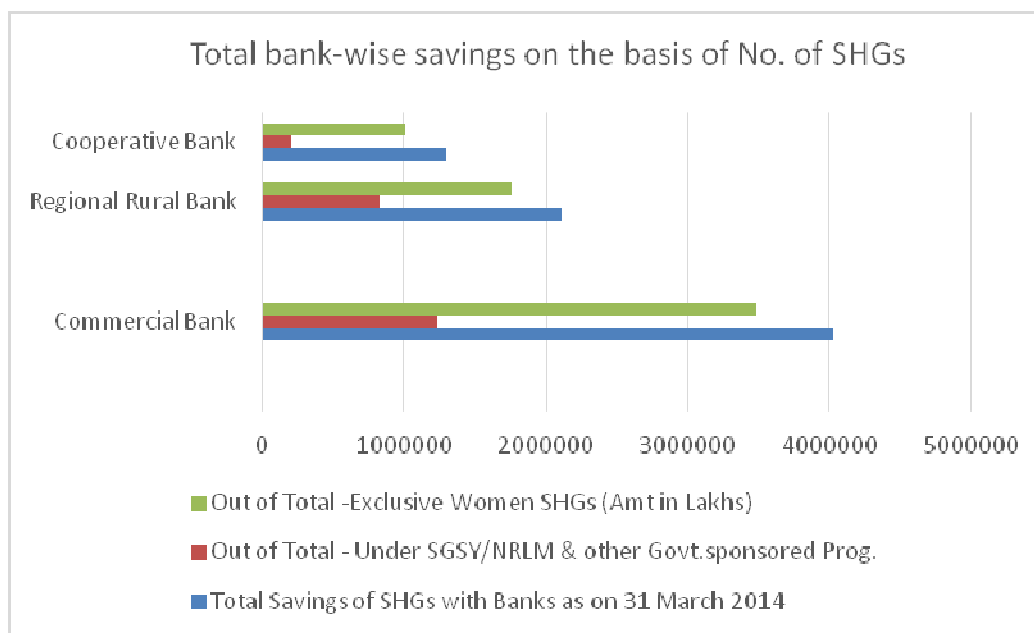
Source: Annual Report of NABARD 2013-14

**Table 1.12**  
**Progress under Microfinance – Savings of SHGs with Banks agency-wise position**  
**during 2013-14**

Sr. No.	Name of the Agency	Total Savings of SHGs with Banks as on 31 March 2014		Out of Total - Under SGSY/NRLM & other Govt.sponsored Prog.		Out of Total -Exclusive Women SHGs (Amt in Lakhs)	
		No. of SHGs	Savings Amount	No. of SHGs	Savings Amount	No. of SHGs	Savings Amount
1	Commercial Bank	4,022,810.00	663,145.63	1,233,087.00	158,449.12	3,483,212.00	565,641.83
2	Regional Rural Bank	2,111,760.00	195,985.73	828,567.00	71,423.39	1,753,387.00	139,081.96
3	Cooperative Bank	1,294,930.00	130,610.00	200,471.00	17,885.58	1,015,079.00	96,565.15
	<b>Total</b>	<b>7,429,500.00</b>	<b>989,741.54</b>	<b>2,262,125.00</b>	<b>247,758.09</b>	<b>6,251,678.00</b>	<b>801,288.94</b>

Source: Annual Report of NABARD 2013-14

Figure 6: Total bank-wise saving on the basis of No. of SHG



It is evident from Table 1.12 and Figure 6 that commercial banks are taking lead in total savings of SHGs followed by Regional Rural

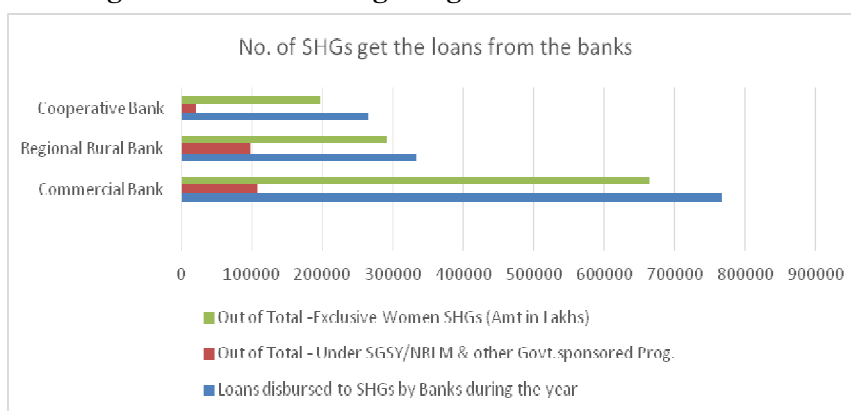
Banks and co- operative banks are having least share in the total savings of SHGs. Similarly the amount of savings in SGSY/NRLM out of total savings is also highest in commercial banks. Amount of savings in women Exclusive SHGs out of total savings is again the largest in commercial banks. Hence it may be concluded that commercial banks are performing well for the spread of this scheme at national level but the state position is different.

**Table 1.13**  
**Progress under Microfinance - Bank Loans disbursed to SHGs Agency-wise**  
**position during 2013-14**

Sr. No.	Name of the Agency	Loans disbursed to SHGs by Banks during the year		Out of Total - Under SGSY/NRLM & other Govt. Sponsored Programme		Out of Total -Exclusive Women SHGs ( Amt in Lakh)	
		No. of SHGs	Loans disbursed	No. of SHGs	Loans disbursed	No. of SHGs	Loans disbursed
1	Commercial Bank	767,253.00	1,603,749.35	106,996.00	183,125.05	663,636.00	1,387,927.49
2	Regional Rural Bank	333,420.00	628,813.35	97,985.00	138,679.99	291,587.00	593,968.87
3	Cooperative Bank	265,748.00	169,173.14	20,694.00	26,254.53	196,501.00	121,900.64
	<b>Total</b>	<b>1,366,421.00</b>	<b>2,401,735.85</b>	<b>225,675.00</b>	<b>348,059.57</b>	<b>1,151,724.00</b>	<b>2,103,797.00</b>

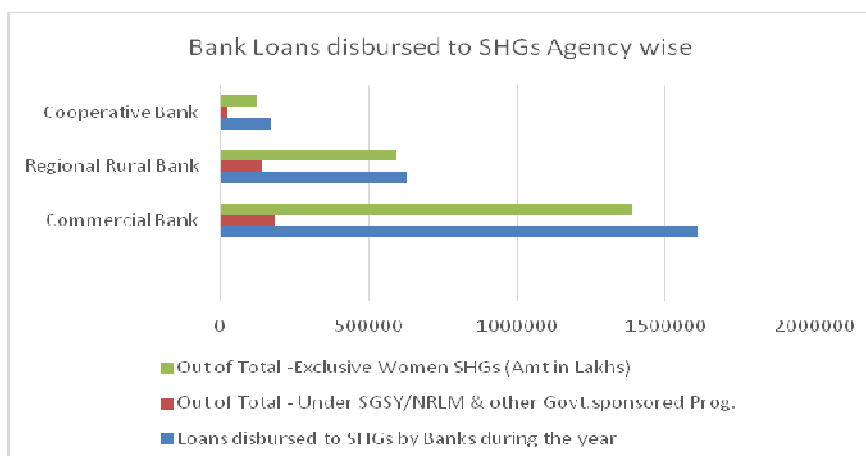
Source: Annual Report of NABARD 2013-14

**Figure 7: No. of SHGs getting the loans from the banks**



It can be observed from Table 1.13 and Figure 7 that commercial banks have disbursed maximum loans to SHGs and to women exclusive SHGs.

**Figure 8: Bank Loans disbursed to SHGs Agency wise**

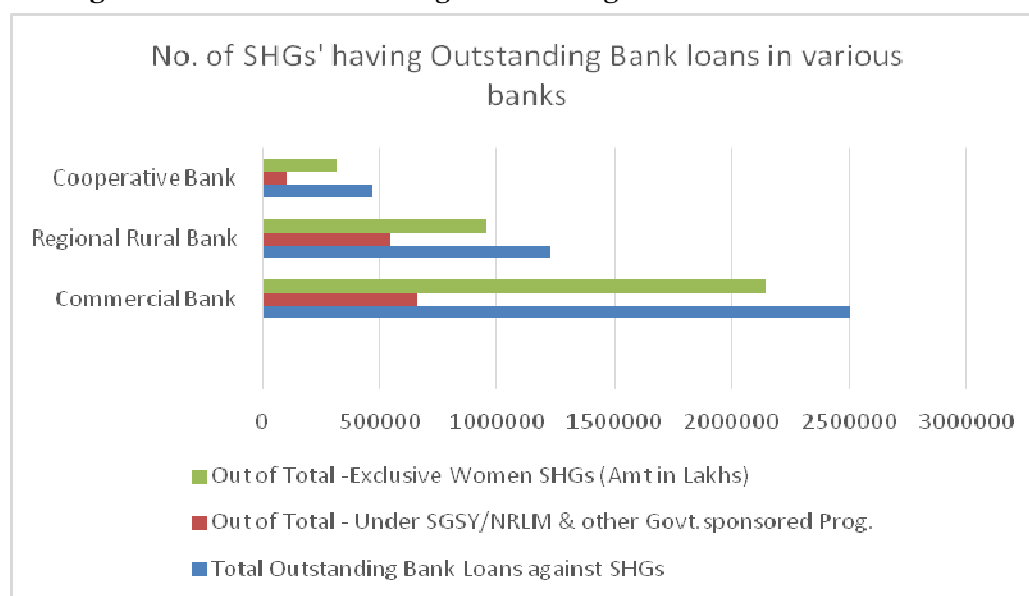


**Table 1.14**  
**Progress under Microfinance - Bank Loans outstanding against SHGs Agency-**  
**wise position as on 31 March 2014**

Sr. No.	Name of the Agency	Total Outstanding Bank Loans against SHGs		Out of Total - Under SGSY/NRLM & other Govt.sponsored Prog.		Out of Total -Exclusive Women SHGs (Amt in Lakhs)	
		No. of SHGs	Loan Outstanding	No. of SHGs	Loan Outstanding	No. of SHGs	Loan Outstanding
1	Commercial Bank	2,501,264.00	2,938,841.31	657,628.00	635,411.81	2,143,189.00	2,486,365.34
2	Regional Rural Bank	1,227,563.00	1,104,894.99	544,118.00	317,285.41	952,024.00	970,345.39
3	Cooperative Bank	468,511.00	249,016.10	105,517.00	65,044.46	311,083.00	158,447.47
	<b>Total</b>	<b>4,197,338.00</b>	<b>4,292,752.40</b>	<b>1,307,263.00</b>	<b>1,017,741.68</b>	<b>3,406,296.00</b>	<b>3,615,158.20</b>

Source: Annual Report of NABARD 2013-14

**Figure 9: No. of SHGs' having Outstanding Bank loans in various banks**



It is clear from Table 1.14 and Figure 9 that as commercial banks have maximum savings of SHGs and has disbursed maximum loans, so the loans outstanding is also maximum in commercial banks followed by RRBs

### 1.9 Schemes Launched for Self Help Groups

Two schemes for the promotion of Self Help Groups were launched in the name of WSHG (Women Self Help Groups) and SGSY (Swarnjyanti Gram Swarozgar Yojana) to gear up the microfinance lending and linking rural poor women to the mainstream which has been assumed as a tool to alleviate poverty and women emancipation.

### **1.9.1 Women Self Help Groups**

NABARD in association with Government of India has implemented a scheme for promotion and financing of WSHG across 150 backward districts of the country. In Haryana two districts namely Mewat and Sirsa have been included in this list of districts. This scheme intends towards broaden the scope and role of SHPIs( Self Help Promotion Institutes). Presently SHPIs are supposed to help SHGs to get linked with the banks,which is proposed to be extended to SHPI working as a banking/business facilitator, tracking and monitoring of SHGs and ensuring the loan repayments to reduce NPAs. A need was felt that a continuous support of Anchor NGOs/ Support Agencies are required even after a group starts functioning. Under this scheme SHPI will facilitate credit linkage of these SHGs with the banks, will provide a handholding support on a continuous basis and paving their way towards undertaking livelihood activities and at the same time being responsible for repayment of loan. Under this scheme NABARD shall provide grant support of ₹ 10,000 per SHG to this NGO/SHPI which will be provided over a period of 3 years i.e. till a group matures and will also bear the cost of training and other capacity building initiative taken by NGOs/SHPIs.

Some of the prominent features of this scheme are as follows

- 1) To implement this scheme an Anchor NGO/ Support Agency will be selected by NABARD in consultation with local authorities.
- 2) It will be implemented through bank branches having CBS facility.
- 3) A MOU will be entered into with NGO/Support Agency by the bank branch.
- 4) The selected NGOs would be eligible for grant amount up to a maximum of ₹ 10000 per SHG spread over 3 years period.
- 5) Need based awareness and capacity development program for the stakeholders of this scheme will be organized by NABARD.
- 6) A 5% service charge per annum to meet NGO's administration, transaction and risk costs will be paid to respective NGOs/Support Agency on monthly basis on the average loan outstanding under this scheme.



**Table 1.15**  
**WSHG's status as on 31 st March 2013 (Amount ₹Lakh)**

State	District	No of SHGs to be Formed	Amount of Grant Released Promotion of SHGs	Training and Capacity Building	Total	No of SHGs Savings Linked	No of SHGs Credit Linked
Haryana	Mewat	1000	11.72 (40.68)	NA	NA	654	0
	Sirsa	1000	12.50(59.32)	NA	NA	0	0
	<b>Total</b>	<b>2000</b>	<b>24.22</b>	<b>4.59</b>	<b>28.81</b>	<b>654</b>	<b>0</b>

Source: NABARD Status of WSHG scheme

From the Table 1.15 it is clear that from the state of Haryana two districts namely Mewat and Sirsa were selected for this scheme in march 2013 and total no of SHGs to be formed were 2000. Out of the total grant of ₹ 28.81 Lakh, ₹11.72 (40.68%) Lakh were granted to Mewat District for promotion of SHGs and ₹4.59 Lakh for training and capacity Building for both Mewat and Sirsa.

**Table 1.16**  
**Progress in Implementation of WSHG Scheme upto 31<sup>st</sup> March 2015.**  
**(Amount ₹ Lakh)**

Date	District	No of WSHGs sanctioned to the Anchor Agency	WSHG's Savings Linked	WSHG's Credit Linked	Exp out of WSHG Dev Fund		
					Grant to Anchor Agency	Others including Capacity Building	Total
31-12-2013	Mewat	1000	1106 (52.15)	104 (33.88)	19.09 (44.73)	NA	
	Sirsa	1000	1014 (47.83)	203 (66.12)	19.00 (44.57)	NA	
	<b>Total</b>	<b>2000</b>	<b>2120</b>	<b>307</b>	<b>38.09</b>	<b>4.59</b>	<b>42.68</b>
31-03-2014	Mewat	2000	1106 (52.17)	185 (40.13)	29.09 (49.62)	NA	
	Sirsa	1000	1014 (47.83)	276 (59.87)	23.00 (39.36)	NA	
	<b>Total</b>	<b>3000</b>	<b>2120</b>	<b>461</b>	<b>52.09</b>	<b>6.35</b>	<b>58.44</b>
30-06-2014	Mewat	2000	1366 (57.40)	239 (42)	29.09 (49.78)	NA	
	Sirsa	1000	1014 (42.60)	330 (58)	23.00 (39.36)	NA	
	<b>Total</b>	<b>3000</b>	<b>2380</b>	<b>569</b>	<b>52.09</b>	<b>6.35</b>	<b>58.44</b>
30-09-2014	Mewat	2000	1491 (59.52)	314 (37.79)	37.13 (51.50)	NA	
	Sirsa	1000	1014 (40.48)	517 (62.21)	25.50 (35.37)	NA	
	<b>Total</b>	<b>3000</b>	<b>2505</b>	<b>831</b>	<b>62.63</b>	<b>9.47</b>	<b>72.1</b>
31-12-2014	Mewat	2000	1492 (59.54)	366 (39.10)	37.13 (45.56)	NA	
	Sirsa	1000	1014 (40.46)	570 (60.90)	33.50 (41.10)	NA	
	<b>Total</b>	<b>3000</b>	<b>2506</b>	<b>936</b>	<b>70.63</b>	<b>10.87</b>	<b>81.5</b>
31-03-2015	Mewat	2000	1521 (60)	392 (37.55)	45.56 (48.03)	NA	
	Sirsa	1000	1014 (40)	652 (62.45)	38.00 (48.06)	NA	
	<b>Total</b>	<b>3000</b>	<b>2535</b>	<b>1044</b>	<b>83.56</b>	<b>11.30</b>	<b>94.86</b>

Source: NABARD Status of WSHG scheme.

Table 1.16 reveals that in the year of inception this scheme performed beyond targets as 1210 SHGs were formed in Mewat as against a target of 1000 SHGs and 1217 SHGs were formed in Sirsa as against the target of 1000 SHGs. Out of WSHG Development fund ₹ 42.68 Lakh were spent as a grant to anchor agency and expenditure on capacity building. Both the districts got nearly equal share of this fund. However after that a quarterly progress report showed that the scheme was not able to reach to its target of 2000 SHGs set for Mewat District as upto 31-12-2014 1492 SHGs were formed as Savings linked and 366 SHGs as credit linked. Total ₹81.5 Lakh were spent on both districts of Mewat and Sirsa. It can be seen from the above table that total spending on grant to Anchor Agency and capacity building has increased from ₹ 42.68 Lakh to ₹ 94.86 Lakh upto 31-03-2015 which shows a positive outlook of Anchor Agencies towards this scheme.

### **1.9.2 Swaranjayanti Gram Swarozgar Yojna**

Swaranjayanti Gram Swarozgar Yojna (SGSY) was launched in Haryana on 1<sup>st</sup> April, 1999 as the main microfinance program. In the initial years various international agencies like IFRD also participated in implementation of this scheme but after the project of IFRD is over in Mewat District the scheme started losing grounds. Progress of SHG-Bank Linkage program under SGSY in Haryana is depicted in the various tables given below:

It can be observed from Table 1.17 that the total number of new SHGs has declined to 2397 in 2012-13 from 7898 in 2009-10 in Mewat district and only 327 SHGs have been newly formed upto March 2012. As per the table present number of dysfunctional SHGs is 0. During the year 2012-13, number of SHGs which passed Grade I is only 353 which has seen a decline from 823 in 2009-10. Number of SHGs which passed Grade II during 2012-13 is 211 which has also decreased from 623 in 2009-10. After Grade I no SHG has taken up any economic activity till March 2013 but the groups which passed Grade II have taken up economic activity. But it also witnessed 27% decline in the year 2012-13 to 124 from 459 in 2009-10. Number of women SHGs formed in this area has also seen a steep fall from 1089 in 2009-10 to 327 in 2012-13. Number of women SHGs which has undertaken economic activity has declined from 459 in 2009-10 to 120 during 2012-13. Overall a declining performance of SHGs under

**Table 1.17**  
**SGSY Physical Achievements (DRDO Mewat)**

YEAR	Total No. of SHGs Formed			No. of Defunct SHGs			No. of SHGs Passed Grade-I			No. of SHGs Passed Grade-II			No. of SHGs that have Taken up Economic Activities						No. of Women SHGs Formed			No. of Women SHGs that have Taken up Economic Activities		
	Total Since 1.4.99		Durin g the Curren Year Upto the Month	Total Since 1.4.99		Durin g the Curren Year Upto the Month	Total Since 1.4.99		Durin g the Curren Year Upto the Month	Total Since 1.4.99		Durin g the Curren Year Upto the Month	After Grade I			After Grade II			Total Since 1.4.99	UPT O 3/07	Durin g the Curren Year Upto the Month	Total Since 1.4.99	UPT 3/07	Durin g the Curren Year Upto the Month
													Total Since 1.4.99		Durin g the Curren Year Upto the Month	Total Since 1.4.99		Durin g the Curren Year Upto the Month						
2009-10	7898	6547	1351	0	0	0	4750	3927	823	2994	2371	623	0	0	0	2076	1617	459	4624	3535	1089	2066	1607	459
2010-11	10543	4120	879	0	0	0	7011	6350	661	4428	2656	692	0	0	0	3024	2696	328	6792	5992	800	3013	1641	328
2011-12	11999	11052	947	0	0	0	8207	6791	709	5778	4510	778	0	0	0	4034	3236	448	7907	6547	675	4013	3226	438
2012-13	2397	2070	327	0	0	0	1767	1414	353	1191	980	211	0	0	0	824	700	124	1697	1370	327	818	698	120
TOTAL	32837	23789	3504	0	0	0	21735	18482	2546	14391	10517	2304	0	0	0	9958	8249	1359	21020	17444	2891	9910	7172	1345

Source: Compiled from monthly records of Haryana Government Rural Development website.

(www.haryanagov.ac.in)

SGSY from 2009-10 to march 2013. The scheme gained momentum in the initial years of launch but soon started losing sheen as lack of economic activity creation in the district. Secondly the supporting agencies leave these SHGs as soon as they reach Grade II and their incentive to help these SHGs finishes.

**Table 1.18**  
**Physical Progress of SHG-Bank Linkage under SGSY in Haryana as on**  
**March 31, 2012**

(Since inception of the scheme on 1-4-1999)

District	No. of SHGs formed	Passed Grade I	Passed Grade II	No. of SHG that have taken up Eco. Activities	No. of Women SHGs formed	No. of Women SHGs taken up Economic Activities
Ambala	1397	1079	762	583	783	417
Bhiwani	1186	943	874	874	591	729
Faridabad	463	336	242	194	444	194
Fatehabad	1031	1033	808	780	906	780
Gurgaon	635	411	227	225	396	158
Hisar	1633	1396	1215	1140	1016	882
Jhajhar	557	383	362	362	352	311
Jind	1972	1849	1511	1416	1141	942
Kaithal	2047	1733	1088	1088	1230	544
Karnal	1909	1668	1361	1361	945	675
Kurukshetra	1707	1366	939	939	958	605
M/garh	1152	938	578	563	672	386
Mewat	1035	707	490	350	685	349
Palwal	425	352	398	225	342	203
Panchkula	652	493	353	353	490	306
Panipat	880	761	585	546	532	513
Rewari	1717	1227	775	739	1581	699
Rohtak	1127	816	552	516	749	417
Sirsa	1567	1387	713	635	1342	516
Sonipat	1599	1099	875	875	393	249
Y/nagar	1444	1225	912	936	561	601
<b>Total</b>	<b>26135</b>	<b>21202</b>	<b>15620</b>	<b>14700</b>	<b>16109</b>	<b>10476</b>

Source: Compiled from Monthly Progress Reports of SGSY, Haryana

It is clear from Table 1.18, 26135 SHGs were formed in Haryana as on March 31, 2012, of which 21202 have been passed in Grade I and 15620 in Grade II. 14700 SHGs have taken up economic activities. 16109 SHGs formed are of women which come out to be 62 percent. Kaithal district with 2047 has formed maximum whereas Palwal with 425 SHGs has formed minimum in the State. The percentage of women SHGs formed is only 62% in the State which is less than national figure of 68%. Funds utilisations under the program as on March 31, 2012 in the State are given in the Table 1.19. The table shows that 91% of the funds available have been utilised for the program during 2102-13.

### **1.9.3 Status of Microfinance under SGSY in Mewat District**

The secondary data collected from Haryana Government Rural Development site presents a picture of disbursement of funds for District Mewat District, financial achievements under SGSY, assistance provided to SHGs and individual swarozgaris to pursue economic activities, details of training provided to the swarozgaris under SGSY, credit and subsidy disbursement in the district in a span of five years from 2008 onwards. Monthly information has been compiled into yearly tables for the purpose of analysis. This information depicts the origin and development of SHGs in the district and also highlights the areas where government attention is required. It also reveals the extent of utilisation of funds allocated for this purpose .

Table 1.19 depicts the extent of fund utilization in Mewat District during 2008-09 to 2012-13. 72%  $(181.14+810.75=991.89)/ 1364.83$  of available funds were spent in 2008-09 whereas there has been an increase in expenditure to 91% despite of declining growth of SHGs during 2012-13, this indicates toward a laggard behavior in promoting SHGs in the initial years by spending less out of total available funds.

Table 1.20 depicts a picture of total sector wise expenditure in Mewat District. It can be seen from the data that much has been spent on NGOs or facilitators and developing infrastructure whereas less and a negligible amount has been spent on orientation and skill development program. Marketing spending is zero which indicates reluctance on part of authorities and that has rendered poor marketability of SHGs products.

**Table 1.19**  
**Disbursement of Funds for Mewat District**

YEAR	Mewat Total	State TOTAL	As on 1 <sup>st</sup> April, 2008	RELEASES								TOTAL FUNDS RELE-ASED	MISC. RECEIPT				TOTAL FUNDS AVAIL.	EXPENDITURE		%AGE OF EXP.	
				CENTRE FUNDS RECEIVED				STATE SHARE RECEIVED					INTER-EST ON DEPO- SITS	RETURN OF SUBSIDY	OTHER	TOTAL		DURING THE MONTH	UPTO THE MONTH	WITH ALLOC.	WITH TOTAL FUNDS AVAIL.
				Ist. INST.	IInd. INST.	LAST YEAR FUNDS	SUB TOTAL	Ist. INST.	IInd. INST.	LAST YEAR FUNDS	SUB TOTAL										
2008-09	484.89	1939.44	139.04	676.02	257.98	0	934	211.12	66.45	0	277.57	1211.57	10.83	3.39	0	14.22	1364.83	181.14	810.75	491.09	661.91
2009-10	433.1	1732.3	152.18	554.01	243.64	32	829.65	139.83	61.65	8.55	210.03	1039.68	8.38	2.13	0	10.51	1202.35	179.63	779.48	463.53	536.4
2010-11	423.8	1695.24	124.9	620.88	202.98	17.67	841.53	191.31	67.65	5.88	264.84	1106.37	4.2	0.96	0	5.16	1236.43	214.05	784.67	450.28	552.43
2011-12	499.38	1997.46	144.62	686.5	123.64	0	810.14	187.11	20.61	0	207.72	1017.86	0	0	0	0	1162.48	174.98	756.51	454.78	661.88
2012-13	1997.46	144.62	686.5	123.64	0	810.14	187.11	20.61	0	207.72	1017.86	0	0	0	0	1162.48	174.98	756.51	454.78	661.88	0
	3838.63	7509.06	1247.24	2661.05	828.24	859.81	3602.43	749.98	216.36	222.15	1978.02	4375.48	23.41	6.48	0	1192.37	5141.07	1506.31	3586.19	2521.56	2412.62

Source: Compiled from monthly records of Haryana Government Rural development website [www.haryanaguv.in](http://www.haryanaguv.in)

**Table 1.20**  
**SGSY- Financial Achievements of Mewat District**

YEAR	NGOs/ Facili- Tators	Basic Orientation Prog-Ramme	Skill Devel- Opment	Infrast- Ructure Deve- Lopment	Detail Of Expenditure Incurred					TOTAL EXP.
					Expenditure On					
					Marketing	Revol- ving Funds	Subsidy	Risk Fund	Formation of Feder- ations	
2008-09	39.37	3.92	59.61	67.61	0	129.9	479.85	0	0	780.26
2009-10	37.5	0	46.77	55.38	0	100.2	539.63	0	0	779.48
2010-11	50.3	1.6	22.4	65.59	0	105.4	573.19	0	0	818.48
2011-12	50.39	4.12	2.24	35.15	0	84.9	579.71	0	0	756.51
TOTAL	177.56	9.64	131.02	223.73	0	420.4	2172.38	0	0	3134.73

Source: Compiled from monthly records of Haryana Government Rural development website [www.haryanaguv.in](http://www.haryanaguv.in)

Table 1.21 shows the assistance provided to swarozgaris to pursue economic activities. As far as women are concerned, there has been a good increase in the number of women assisted from 3466 in 2008-09 to 12224 in 2011-12 nearly an increase of 200%, number of SC swarozgaris has also increased from 1146 to 3254 in 2011-12. However the target set for minorities could not be achieved in any of the year from 2008 to 2012.

It can be observed from table 1.22 that the number of SHG members trained is declining from 2697 in 2008-09 to a mere 564 in 2011-12 which indicates towards lack of attention of authorities to training needs of these members be it SC, ST or Women. If the same practice continues then this SHG scheme will remain a saving lending activity and the core purpose of women emancipation through livelihood activities can not be fulfilled. The position of number individual swarozgaris trained is more disappointing. Only 424 women swarozgaris were trained in a span of four years and only 2 persons with disability were given training under SGSY. These results are disheartening for the success of Self Help Groups scheme in Mewat District.

Table 1.23 depicts that the authorities have not disbursed the credit targeted to SHGs and Individual Swarozgaris in any of the years from 2008-2011 except during 2011-12. Credit disbursed is even less than 50% of the target amount. Total amount of credit and subsidy disbursed to SHGs has increased from ₹ 898.96 Lakh in 2008-09 to ₹ 1957.08 Lakh in 2011-12 whereas the total amount of credit and subsidy disbursed to individual swarozgaris has reported a decline from ₹ 738.71Lakh in 2008-09 to ₹ 292.16 Lakh in 2011-12. Per family investment and subsidy credit ratio has improved significantly in 2011-12.

**Table 1.21**  
**SHGs and Individual Swarozgaris- Assistance provided for pursuing Economic Activities**

MEWAT																
YEAR	PHYSICAL TARGET FOR THE YEAR 2007-08 (NO. OF SWAROZ-GARIS)	Total No. of Swarozgaris assisted (SHGs+Individual)												No. of SHGs		
		Total	%age of col. 4 with col.3	SC	%age of col. 6 with col.3	ST	Women	%age of col. 9 with col.3	Targets for Minorities Swaro-zgaris	Minorities	%age of col. 12 with col.11	Disabled	%age of col. 14 with col.3	TO BE ASSISTED	Taken up Economic Activities After Grade 1&2	%age of col. 17 with col.16
2008-09	11868	4446	405.33	1146	9.66	0	3466	29.2	8021	3106	434.42	9	0.08	1001	255	280.21
2009-10	9656	3889	332.55	963	9.97	0	3501	36.26	6760	2442	301.23	3	0.03	824	280	279.75
2010-11	12888	5597	464.59	1145	8.89	0	5257	40.79	9021	3731	445.38	8	0.06	1185	421	391.94
2011-12	34412	13932	1202.47	3254	9.46	0	12224	35.52	23802	9279	1181.03	20	0.06	3010	956	951.9
TOTAL	68824	27864	2404.94	6508	9.46	0	24448	35.52	47604	18558	2362.06	40	0.06	6020	1912	1903.8

Source:Compiled from monthly records of Haryana Government Rural development website [www.haryanaguv.ac.in](http://www.haryanaguv.ac.in)

**Table 1.22**  
**District-wise details of Training provided to the Swarozgaris under SGSY**

YEAR	No. of Members of SHGs Trained						No. of Individual Swarozgaris trained						Total No. of Swarozgaris trained (SHGs+Individual)								
	Total	SC	ST	Women	Minorities	Disabled	Total	SC	ST	Women	Minorities	Disabled	TARGET OF SWARO-ZGARIS THAT REQUIRES TRAINING	Total	%age of col 16 with col 15	SC	ST	Women	Minorities	Disabled	
2008-09	2697	1087	54.98	1545	884.25	12	431	67.34	667	424	63.57	2	4277.31	1624	285.71	474.47	0	1377	858	12	
2009-10	70	50	0	0	70	0	0	0	0	0	0	0	3274	70	19.5	50	0	0	70	0	
2010-11	397	186	0	392	103	0	0	0	0	0	0	0	3446	397	93.11	186	0	392	103	0	
2011-12	564	91	0	434	555	0	0	0	0	0	0	0	813	564	208.12	91	0	434	555	0	
TOTAL	3728	1414	54.98	2371	1612.25	12	431	67.34	667	424	63.57	2	11810.31	2655	606.44	801.47	0	2203	1586	12	

Source: Compiled from monthly records of Haryana Government Rural development website [www.haryanaguv.ac.in](http://www.haryanaguv.ac.in)



**Table 1.23**  
**District-wise Subsidy & Credit Disbursed to Self Help Groups and Individual Swarozgaris under SGSY**

YEAR	Total Credit Target	Credit Disbursed to				% age of Col. 6 with Col. 3	Subsidy Disbursed to			Total Amount Disbursed to (SHGs+INDIVIDUAL)			Per Family investment (In Rupees)	Subsidy Credit Ratio
		SHGs	Individual Swarozgaris	Total			SHGs	Individual Swarozgaris	Total	SHGs	Individual Swarozgaris	Total		
2008-09	3102.21	569.68	581.54	1151.22	445.45	329.28	157.17	486.45	898.96	738.71	1637.67	362433	26.4	
2009-10	2262.28	849.34	411.34	1260.68	449.52	444.41	95.22	539.63	1293.75	506.56	1800.31	269134	16.11	
2010-11	2031.97	608.39	175.88	784.27	237.64	281.45	37.77	319.22	889.84	213.65	1103.49	216358	15.09	
2011-12	1040.796	1425.51	243.98	1669.49	198.33	531.57	48.18	579.75	1957.08	292.16	2249.24	418019	31.33	
<b>TOTAL</b>	<b>8437.256</b>	<b>3452.92</b>	<b>1412.74</b>	<b>4865.66</b>	<b>1330.94</b>	<b>1586.71</b>	<b>338.34</b>	<b>1925.05</b>	<b>5039.63</b>	<b>1751.08</b>	<b>6790.71</b>	<b>1265944</b>	<b>88.93</b>	

Source: Compiled from monthly records of Haryana Government Rural development website [www.haryanaguv.ac.in](http://www.haryanaguv.ac.in)

#### **1.9.4 Swaran Jayanti Shahari Rozgar Yojana (SJSRY)**

This scheme was introduced by Government of India on 1.12.1997, which has been revamped w.e.f. 1.4.2009. The scheme is funded in the ratio of 75:25 by the Govt. of India and State Government. As per revised guidelines, the subsidy has been enhanced from ₹ 7,500 to ₹ 50,000 for individuals and from ₹ 1,25,000 to ₹ 3,00,000 for Urban Women Self Help Groups and Revolving funds ₹ 2,000 per member subject to maximum limit of ₹ 25,000 per Thirft & Credit Society. The cost of training has also been enhanced from ₹ 2,000 to ₹ 10,000 per trainee. An amount of ₹ 1,935.59 Lakh of previous year 2012-13 was available with districts. Upto December-2013, by utilising ₹ 1,163.93 Lakh, loan & subsidy to 1,000 individuals and 34 UWSHG (Urban Women Self Help Groups) have been provided, 18,114 persons have been trained and 3,193 persons are under training, 52 Thirft & Credit Societies are assisted and 0.02 Lakh man days are generated. There is provision of ₹ 452 Lakh of State share of SJSRY in current financial year, out of which ₹ 145 Lakh is earmarked for the welfare of Scheduled Caste. The Government of India has recently announced new poverty alleviation scheme namely National Urban Livelihood Mission (NULM) which would replace the ongoing scheme of SJSRY.

From the above discussion it is evident that Haryana is lagging behind in the outreach of the scheme of microfinance. Even within the State some districts are doing well whereas some are lagging behind.

## **1.10 Research Methodology**

The proposed study is empirical and is based on Survey Method. Besides collection and analysis of Primary data, Secondary data has also been analysed and reviewed accordingly. Secondary data has been collected from Government and Non Government institutions, research institutions, Mewat Development Agency, Journals, Magazines and different official websites of NABARD, Bharat Microfinance, Haryana census etc. In order to collect Primary data through field survey 2 sets of Questionnaires/ interview schedules were developed viz., for Beneficiaries (Group Members) SHG Leaders

### **1.10.1 Objectives**

- To explore the origin, development and performance of SHG in Mewat District.
- To evaluate the social upliftment of rural women after becoming SHG member
- To analyze the impact of SHGs on Economic Empowerment of rural women
- To make comparison among Blocks regarding socio-economic impact of SHGs.
- To explore the barriers in development of SHGs
- To suggest policy measures for women empowerment through effective and efficient functioning of SHGs

The review of studies pertaining to Microfinance and women empowerment depicts that SHG based micro finance has contributed as a catalyst of the social change and empowerment of poor. Moreover it has created opportunities for promotion of income generating activities and has enabled them to come above poverty line. There is a geographic/regional concentration of the studies related to microfinance through SHG. No such study has been conducted in the backward region of Northern India so an attempt has been made to balance this regional concentration of the studies related to SHGs.

R.S.Kriahnmurthy and Makrand Ratnaparkhi have defined a SHG as a small voluntary association of poor people, preferably from the same economic background. They come together for the purpose of solving their common problems through self help and mutual help. The SHG promotes small savings among its members. The savings are kept with a bank.

SHG has been defined by NABARD as a group of about 20 people from homogeneous class who come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use their pooled resources to make small interest bearing loans to their members. The process helps them imbibe the prioritization of needs, setting terms and conditions and accounts keeping and thus resulting in building financial discipline in all of them

R. Nagaraj Naik defines it as a group of growers/ people possessing a common experience problems and conditions or situations that come together to share their experience/ knowledge/ ideas and to give and receive support from others with the same experience.

**1.10.2 Sample Design :** For the selection of sample Multi Stage Random Sampling technique has been used. At the first stage out of 21 districts of Haryana the most backward/ poorly developed Mewat District has been selected for the field survey. At the second stage out of 6 blocks in Mewat District 3 blocks has been selected which consists of nearly 50% of total villages and total SHGs of the district. In the third stage out of each block 5 villages were selected on the basis of concentration of SHGs. In the fourth stage out of each village 20 SHGs were selected on the basis of their tenure, group size, amount of loans and savings etc. in the fifth stage out of each SHG 3 members were selected randomly on the basis of active participation, literacy level, communication skills etc.

**Sampling Design of the Study**

	Block 1	Block2	Block3
	Nuh	Firozpur Jhirka	Punhana
No of villages	5	5	5
No of SHGs per village	20	20	20
Total SHGs per Block	100	100	100
No of members per SHG	3	3	3
Total	300	300	300

- ❖ Total no of SHGs members = 900(n)
- ❖ Total no of SHGs leaders = 300

### **1.10.3 Fieldwork and Collection of Data**

Fieldwork of the study has been carried out with the help of the bank facilitators. The study has been undertaken for a period of one year i.e. 2013-2014. As stated earlier, that two interview schedules, one for the collection of data from the SHGs leaders and the other for the collection of data from members have been used in the study. The completed schedules have been checked and the omissions and commissions have been rectified on the spot.

### **1.10.4 Framework of Analysis**

The performance of the sample SHGs has been analyzed with the help of 12 indicators. The responses of the office bearers of the sample SHGs for every indicator have been quantified by computing mean and standard deviation and assigning the rank. For assessing the impact of the SHGs, the comparison of the position before and after joining the SHGs has been made. The year 2013-2014 has been taken as the reference year.

### **1.10.5 Scope of the Study**

Present study is based on a state level survey. In total 300 SHGs operating in 15 villages of 3 blocks of Mewat District have been covered for field survey. However various financial inclusion schemes have been initiated by the Government in this area but the study is confined to SHG based micro financing scheme and their impact on social and economic status of rural women and their empowerment.

### **1.10.6 Period of the Study**

The field survey year is 2013-2014 in which data have been collected from SHG members and leaders.

### **1.10.7 Hypotheses**

To ascertain whether Group Profile indicators influence the performance, the following hypotheses have been framed and empirically tested.

**H<sub>0</sub>**: There is no significant difference in performance among different SHGs and the Age of the Group.

**H<sub>1</sub>**: There is a significant difference in performance among different SHGs and the Age of the Group.

**H<sub>0</sub>:** There is no significant difference in the performance scores of different SHGs and the literacy level of the Leader

**H<sub>1</sub>:** There is a significant difference in the performance scores of different SHGs and the literacy level of the leader.

**H<sub>0</sub>:** There is no significant difference in the performance of the different SHGs and the size of the group.

**H<sub>1</sub>:** There is a significant difference in the performance of the different SHGs and the size of the group.

These Hypotheses have been tested with the help of Two Way ANOVA

For the measurement of performance of the group 12 indicators have been used such as Purpose of Forming the Group, Homogeneity and Cohesion, Regularity of Meetings, Attendance at Meetings, Participation of Members in Decision Making, Rules and Regulations, Periodic Elections of Leaders, Book Keeping and Documentation, Rotation of Fund, Loan disbursement to Members, Loan repayment and Track record with Lender.

- **To analyze the changes in social conditions of the members of SHG before and after joining SHG following hypotheses have been framed and tested.**

**H<sub>0</sub>:** There is no significant difference in level of self confidence pre and post joining SHG

**H<sub>1</sub>:** There is a significant difference in level of self confidence pre and post joining SHG.

**H<sub>0</sub>:** There is no significant difference in communication skills pre and post joining SHG.

**H<sub>1</sub>:** There is a significant difference in communication skills pre and post joining SHG.

**H<sub>0</sub>:** There is no significant difference in the level of awareness about social evils and reaction to them pre and post joining SHG.

**H<sub>1</sub>:** There is a significant difference in the level of awareness about social evils and reaction to them pre and post joining SHG.

**H<sub>0</sub>:** There is no significant difference in behavioural changes with respect to problematic situations pre and post joining SHG.

**H<sub>1</sub>:** There is a significant difference in behavioural changes with respect to problematic situations pre and post joining SHG.

With a view to finding out whether there is any significant difference in social conditions of members between the period before and the period after joining the SHGs, the MC Nemar Test was used.

**MC NemarTest**

	<i>Before Membership</i>	<i>After Membership</i>
	<b>Do not Favour</b>	<b>Favour</b>
Favour	A	B
Do not Favour	C	D

$$\chi^2 = \frac{(A - D)^2}{(A + D)} \text{ with d.f.} = 1$$

- **To analyze the economic impact the following hypothesis has been framed and tested**

**H<sub>0</sub>:** There is no significant difference in the Economic conditions of the members before and after joining the SHG.

**H<sub>1</sub>:** There is a significant difference in the Economic conditions of the members before and after joining SHG.

Hypothesis was tested with respect to Savings, Borrowings, Asset Building, credit utilization, Employment Generation, Income Generation and Expenditure Pattern. Wilcoxon Sign Rank Test has been used to measure the economic impact of SHGs on members.

- **To compare the socio-economic impact of SHGs of different blocks the following hypothesis has been framed and tested with the help of Two Way ANOVA.**

**H<sub>0</sub>:** There is no significant difference in the socio-economic impact of SHGs of different blocks.

**H<sub>1</sub>:** There is a significant difference in the socio-economic impact of SHGs of different blocks.

### 1.11 Financial Information of SHGs of Mewat District

A detailed financial information of SHGs of Mewat District has been collected through website of Mewat Development Agency for the outreach to conduct the proposed survey. Out of the total six blocks three blocks have been chosen and the information for the same has been scrutinised.

**Table 1.24**  
**Consolidated SHG Financial information as on 31-03-2014**

	SMVS	SMVS	EMVS	MDA
Particulars	F.P. Jhirkha	Punhana	Nuh	
Total No.of village	82	85	108	275
Villages covered	82	85	64	231
Total No of SHGs	372	354	340	1066
Total Members	4419	3930	4171	12520
Total savings	22840354	20029510	25629950	68499814
Amount of loan issued	50114900	112831100	135408800	298354800
No of Loans	3794	9159	8390	21343
No. of SHGs issued loan	267	325	247	839
Amount Repaid	31044730	83918915	17905966	132869611
Interest collected	4362152	9341469	10220811	23924432
Credit from Bank	11954000	26270500	41890500	80115000
No of Benefitted SHGs	355	420	319	1094
MDA Matching Grant	2267265	2872850	1594384	6734499
No of Benefitted SHGs	204	422	204	830
GDF	2168484	2727200	1279800	6175484
No of Benefitted SHGs	336	422	252	1010
NMDFC Loan Amount	10485000	105300000	15255000	131040000
No of Benefitted SHGs	55	66	91	212
No of Loan to Members	432	394	618	1444

Source : MDA (Mewat Development Agency, Nuh Mewat (Haryana) [www.mda.ac.in](http://www.mda.ac.in))

It is evident from Table 1.24 that there are 1066 SHGs in the selected blocks out of which nearly 33% have been selected for the survey. Total number of members are 12520 which indicates towards an average size of membership of 11.74 members per SHG. out of 1066 SHGs 839 have taken loans i.e.78.70% SHGs are bank linked.

**1.12 Expected contribution of the Study:-** The proposed study will be of great importance for the effective implementation of various rural development programmes as it will highlight the grass root level problems of the most disadvantaged sections of the society . Further the study will help to know the interplay of family and society for the up liftment of women.

**1.13 Limitations of the Study:-** No study is without limitations so do this study is. As the study made use of both sources for collection of data so collecting published data for a specific geographical area for a particular time span posed a big hurdle. Hence, analysis is bound by the availability of published data. Secondly bank officials denied to provide anything in writing or in questionnaire form as a matter of their code of conduct and confidentiality. Moreover gathering information from nearly illiterate respondents was a tedious task. Respondents were reluctant to answer some of the questions related to income and assets and relationship questions women hesitated to respond

### **Conclusion**

From the above discussion it may be therefore comprehended that although SHG scheme has been initiated in the state of Haryana alongwith other states but seems that it has not been implemented in its letter and spirit. There had been some gaps on part of both parties i.e. providers and takers. The same gaps provided us the base to initiate a research to know the performance of SHGs in the state of Haryana and particularly Mewat District, impact of SHGs on socio-economic position of rural women, some barriers had been identified which are posing hurdles in the development of SHGs in the district, in particular and in the state in general. Though many central and state Government poverty alleviation programs are currently active in India with a strategy focus on Infrastructure, Social Development (especially education and health) and Rural Livelihoods but the poor access to credit markets and formal banking system has been identified as a root cause of poverty amongst the rural poor and the most



disadvantaged section of the society. And the study is based on the premise that the socially excluded sections of the society i.e. rural poor in general and women in particular can be brought to mainstream via financial inclusion.

Smt Indira Gandhi in 1969 “envisaged credit to the poor as an instrument of social change towards social justice and empowerment both among urban and rural poorer households”. Microfinance initiative has its origin in India in 1974 after that in 1992 NABARD’s initiative in the name of SHG-Bank Linkage Program, the microfinance activities scaled new heights and the progress of this intervention with special reference to SGSY has been highlighted in the chapter. Though the overall progress of microfinance through SHGs has not gained momentum in Northern India in general and in Haryana in particular, still the possibilities of making it a success can not be ruled out as some lacunas had been identified during the survey on part of implementing authorities as well as beneficiaries such as declining rate of formation of new groups, decline in the number of groups undertaking economic activities as the number of members provided training is quite disappointing, amount of credit and subsidy disbursed to SHG members and individual swarozgaris has also reported a downfall. Government spending on infrastructure has been satisfactory but on marketing nothing has been spent in Haryana which pose a hurdle in selling the products made by women artisans and SHG members. At the national level public sector commercial banks are doing their share in promoting micro credit to women self help groups but private sector commercial banks still not contemplating it as a business model. Regional Rural banks are taking a lead in the state of Haryana for extending microfinance services to SHGs.

However, a detailed review of studies on microfinance has pointed out towards geographical concentration of SHGs in Southern India where these community organisations had proved as a catalyst in bringing change in the socio-economic status of women by providing them livelihood activities which can be replicated in north as well with little modifications suitable to the area.

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## CHAPTER - 2

### REVIEW OF LITERATURE

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#### 2.1 Introduction

In terms of financial exclusion, India's international rank is 4<sup>th</sup> with 135 million people excluded from access to the formal financial services. Poverty is a worldwide phenomenon consequently the priority for poverty alleviation is also global. One of the strategic objective of International Fund for Agricultural Development(IFAD) in contributing to the goal of rural poverty alleviation is to procure financial and related non- financial services in rural regions all over the world. Due to overwhelming global pressure to reduce poverty, NABARD launched a scheme named SHG Bank Linkage to organise poor people into a group of 10-20 persons and linking that group with the banks in 1992. The scheme was extensively a replica of Bangladesh Grameen Bank. Under this scheme, poor, preferably the women are organised in SHGs with the help of banks, NGOs and panchayat members. Banks financing these SHGs were made eligible for concessional refinance through NABARD. Although the idea of SHGs was piloted via NGO namely MYRADA (Mysore Resettlement and Development Agency) in India in Mid 80's however, the progress remained low until NABARD took over this project in 1992. The programme has now turned to be a social movement for empowerment particularly for rural poor women. There has been an increase in the number of SHGs linked to banks from about 500 in the early 1990s to more than 1.6 million in 2006 and 77.2 Lakh now. As the main concern of the Government is mitigation of poverty therefore, SHGs approach has become a vital component and has been included in every annual plan. The Tamil Nadu Women's Empowerment Project an IFAD supported project in collaboration with TNWDC( Tamil Nadu Women Development Corporation) was the first project in the country. An NGO MYRADA played a lead role to implement this project and after that it took the shape of a movement especially in south and now taking leaps in other parts of the country.

#### 2.2 Objectives

Microfinance has been observed as a catalyst in bringing a change within the socio-economic empowerment of women in diverse parts of the country and in several parts

of the world which necessitates the researchers to conduct impact and comparative studies on different models of microfinance and highlighting the results thereof. This overview of literature is aimed at depicting the area, findings, challenges and future implications of several research studies conducted by different national and international scholars.

### **2.3 Significance**

There has been a reluctance on part of a few banks in the country to undertake SHG-Bank Linkage Programme coupled with poor infrastructure and overall performance. In the north region Haryana falls in this category. Despite not being in the NABARD's priority state list, it has been chosen for implementation of women empowerment livelihood support programme in the name of SyamSiddha (GOI project). Haryana where community based institutions had been susceptible and NGO strength was very limited this project was initiated and implemented by Mewat Development Authority. Mewat is the most backward district in Haryana as far as women literacy and income level is concerned (Census Haryana 2011). The number of SHGs was 1965 with 27181 members in 470 villages in Jan 2006 (at the closure of IFAD project) with a total savings amounted to 47 million which is now ₹11,307Crore. Number of SHGs has reached up to 77.12 Lakh as on March 2015. Bank loans were 41 million which is now ₹ 51,721Crore with 44 Lakh SHGs. Credit linked SHGs have grown up as much as 16.43 Lakh and loan disbursed is ₹ 30,334 in 2014-15. Therefore, a whopping success of SHGs concept in a downtrodden vicinity has paved the way of financial institutions and the Government/ Non Government Agencies to unfold the SHG movement. The statistics show the intense backwardness of women on the premise of literacy level and assets holding, in some parts of Haryana for which it has been selected for the implementation of IFAD project.

SHGs are believed to be the vehicle for women empowerment and poverty alleviation. SHG is an informal and small association of the poor which is self-governed, peer controlled, and from socio-economically identical families organised around savings and credit activities. Members of SHGs get together weekly or monthly and discuss common problems and share information to reach at a solution. Group members make effort to change their economic and social problem through mutual assistance.

## **2.4 Scope of the Study**

Lot of research work at national and international level has been undertaken to measure the impact of SHGs movement on socio-economic empowerment of women. Research work from the year 2000 to 2015 has been taken into consideration to analyse the extent of research conducted in the same area. However, a detailed review of the scope, sample size, statistical tools, findings and suggestions of all the studies have been presented and summarised in a chronological order below.

## **2.5 Review of Literature**

Puhazendhi (2000) “Evaluation study of SHGs: Important findings of Evaluation Study in Tamil Nadu” analyzed the functioning of 70 SHGs on the basis of sustainability , empowerment of women, socio-economic impact on the members’ and future potential. These SHGs had been promoted by 4 NGOs of Tamil Nadu. The study revealed that SHGs in Tamil Nadu are responding well towards social change and transformation. The study has also compared cost of lending under SBLP vs. priority sector lending and rate of lending under other rural developmental programmes and has found the cost of lending under SBLP competitive with other programmes.

Satish (2001) In his study “Some Issues in Formation of SHGs” observed that while forming SHGs, the socio-economic homogeneity of the members should be given due consideration. The data had been collected for a period four years i.e. 1997-2000 from Karnataka, Maharashtra and Uttar Pradesh. Formation of SHGs has to be systematic. He experimented the SHG concept throughout rural India instead of regionally concentrated in the south. The study also revealed that the groups which were promoted by banks got less resistance as compared to the ones promoted by NGOs which indicates that banks can act as a promoter of this scheme.

Manimekalai and Rajeswari (2001) A survey on “Nature and Performance of Informal Self Help Groups- A case from Tamil Nadu” was conducted in the rural areas of Tamil Nadu on 150 SHG members to evaluate the impact of SHG on women entrepreneurship. It has been observed that to achieve socio-economic empowerment of rural women and to initiate micro enterprises such as farm and non farm activities, trading and service units, SHGs model has helped far enough. It has helped in developing leadership sense, organisational skills, management of various activities of

a business, right from acquiring finance, identifying resource management, marketing and suitable diversification to modernisation.

Singh (2001) in his study “Impact of Self-Help Groups on the Economy of Marginalised Farmers of Kanpur Dehat District of Uttar Pradesh” has analysed the changes in the position of women, before and after joining SHGs. A positive impact on assets value and annual income has been. The average value of assets has increased by 46% and annual income per household by 28% between pre and post SHG period. Affiliation with SHGs has resulted into no consumption loans and more productive loans during post SHG period. Members have been found generating income through dairy rather than labour. Moneylenders have been replaced by SHGs as a mode of easy credit delivery with lower interest rates and recovery rate ranging from 95% to 100%. The study found laid back attitude of commercial banks towards SHG bank linkage, awareness and education to keep proper records have been found crucial to run the SHG successfully.

Nedumaran, Palanisami and Swaminathan (2001) conducted a study on “Performance and Impact of Self Help Groups in Tamil Nadu” linked with banks. 2 districts of Tamil Nadu namely Erode and Triruchirapalli were selected for the study covering 30 SHGs from 2 NGOs (MYRADA and LEAD) and selecting 150 members and determined that more than 60% of the SHG members were SC/STs which proves that weaker sections of the society are opting it and benefitting from this concept and they are inclined to social and economic upliftment with the microfinance interventions. An increase in the net income and social conditions of the members has also been noticed.

Singh, Khatkar and Sharma (2001) in their study on the “Working and Impact of Rural Self Help Groups in Hissar District of Haryana” collected data from 7 SHGs and found that the micro financing through SHGs is a better system to inculcate the habit of self help among the rural poor. Loan facility is available for all purposes with the aid of a simple procedure with a recovery rate of 100%. The loan is used for both consumption and production. Members have been emancipated and got freedom from exploiting moneylenders. It is interesting to notice that members do not mind high interest rates as this interest goes to institution fund.

Rutherford (2002) in his study “Money Talks: Conversation with poor Households in Bangladesh About Managing Money” points out that provision of financial services to

poor people need not be only for increasing income, empowering women, or starting businesses—it may simply aim to help them “manage better what little money they already have”. Money management behaviour of 42 low income Households from Bangladesh, rural and urban slum has been studied. It was observed in the study that sample Households were using 33 varieties of financial instruments of formal, semi formal and local informal agencies. Many of the members were found to extend lending services to their neighbours, relatives, friends and colleagues. The study suggested that poor are good and active managers of their financial resources, whatsoever may be the size. MFIs can extend flexible services to build reputation. In fact a reliable financial service would offload the anxiety of these poor and facilitate new avenues for livelihood and management of household.

Sheel, Ranjana, Krishna & Sangeeta (2002) “Towards Women’s Empowerment Role of Self help Groups and Micro-Credit” presented a case study of the Thrift and Credit Scheme developed by NGO Shramik Bharati. An access to formal credit, training and technical help via formation of SHGs are being provided to the poor women by this NGO. A sample of 125 women was selected to discover the problems in organising the groups alongwith studying socio-economic impact of SHGs on rural women. It was found in the study that 60% of the women have reported that their monthly income has increased after joining SHG and professional their efficiency has also scaled up. 42.2% borrowers felt that they can run their enterprise without further assist from NGOs.

Vijayanthi (2002) “Women’s Empowerment through Self Help Groups: A Participatory Approach” has examined a community improvement project in Tamil Nadu on water and sanitation and controlling Diarrhoeal Disease in the year 1996-99 in 5 slum regions of Pulianthope in Chennai. In this study 1018 women of 45 SHGs were interviewed and the findings of the study were that 10% of the women indicated a positive result in between their knowhow and decision making power for community issues regarding water and sanitation. Women were found more active in decision making related to health.

RFAS (Rural Finance Access Survey) World Bank (2002) covered 736 SHGs in the state of Andhra Pradesh and Uttar Pradesh and discovered that there is a small increase



in the income levels and household assets in real terms. Major occupation of members was agriculture and lack special skills. They had not been given any skill development training to undertake nonfarm activities. Loans have been utilised for consumption and emergency requirements.

Kabeer (2005) “Is Microfinance a “Magic Bullet” for Women’s Empowerment: Analysis of findings from South Asia” has examined the empirical evidences on the impacts of microfinance over poverty reduction and empowerment of rural women. It has been revealed by the study that access to financial resources makes a vital contribution towards social and economic well being of the poor women and their family but it no longer empower women automatically, in contrast to different developmental interventions of women education and political quotas and many others, which alter the structure noticeably and results in true empowerment. So there are no magic bullets inside the world of policy making. It also suggests that microfinance clients should be tracked for looking into their performance and tangible results of credit provisioning and MFOs (Micro Finance Organisations) and concluded that it can not be substituted for other policies to promote economic growth, social justice and democratic participation for the poor. Micro finance may offer a protection net as opposed to a ladder to pull them out of the poverty.

Nandini and Niti (2005) “Formation and Financing of Women Self Help Groups: A case study of Gurgaon Gramin Bank” have described the existing model of microcredit delivery used by the Bank. The study has highlighted on the Life Cycle stages of SHGs i.e. Formation, Storming, Financing and Developing. It explored the emphasis laid by the bank to empower the women economically and provided experienced learnings for other banks to share and benefit.

United Nations (2006) A survey of bank managers in Madhya Pradesh revealed a perception that women borrowers have been more trustworthy and less of a default risk. This can work as a benchmark for launching new schemes for the improvement in status and empowerment of women.

Fernandez (2007) in his study “A Micro Finance Institution with a Difference” noticed that SHGs are not only a tool for the empowerment of poor and marginalised sectors but they have proved to be a powerful device for changing oppressive relationships in

the domestic and societal settings. It has been revealed by study on “Sanghamitra a MFI working to strengthen 11000 SHGs in Mysore, that not only the provision of credit but its absorption is equally crucial and the credit can be used productively if MFIs work in tandem with NGOs and other agencies to facilitate social and economic inclusion and self reliance. Mere credit provisioning for the poor should not be the goals of these schemes but development of managerial abilities to manage savings, credit and insurance amongst members should be a part and parcel of developmental programmes. Another findings of the study include that it is important to create aggressive conditions for MFI sector in place of competing with them as competition plays a critical role in supplying best quality services to the SHG members.

MYRADA occasional papers (2007) “History and Spread of the Self Help Affinity Group Movement in India” has observed that recognition and mainstreaming of developmental initiative by Government sometimes have a double edged approach. At one hand authorities desire to promote group activities through affinity and cohesion and then again these programmes play discrimination by not offering subsidies for some castes even though the family may be poor and a member of SHG. Further specific subsidies for castes and tribes are offered which normally breaks the affinity of the group. The author had the opportunity to meet with an SHG that had both SCs and STs as members; they had been united through a degree of affinity cutting across caste and community. The government officer offered to provide subsidies if the group took a loan. However, since the subsidy for the SCs changed into exclusive that for the STs, he asked them to break up the SHG into two groups (SCs and STs). They refused. This is a policy of Government, working against the promotion of SHG, though unwillingly but under the constitutional boundaries.

Microfinance Information Exchange, Inc. (2007) shared that women are less likely to default on their loans than men hence extending more loans to them is worthwhile. Industry data for 2006 for 704 MFIs (Micro Finance Institutions) are reaching 52 million borrowers which include MFIs using solidarity and individual lending methodology with 99.3% and 51% female clients respectively. The delinquency rate for solidarity lending was 0.9% on 30 days of credit and individual lending was 3.1%. So women share a better reputation with the lenders in terms of repayment of their loans at the international level.

Patterson, Jamila, Linden, Eva Bierbrier and Christin et al., (2008) “Empowerment of Fisherwomen of Siluvaipatti Village of Tuticorin, Southeast Coast of India” observed that Adult Education and ICT Training have identified the importance of ICT on empowerment of fisherwomen of Siluvaipati fishing village in Tuticorin district of Tamil Nadu . It was found in the survey that the literacy level in this village is good and these women are actively engaged in SHG activities and avail themselves of loans from banks to improve their livelihoods. The women were educated to read and write their names in Tamil or English, easy phrases and eventually small phrases in order to feel benefitted through ICT training.

Ramji (2009) “Financial Inclusion in Gulbarga: Finding usage in access” ascertained that SHG accounts were the foremost current savings avenue. It was discovered that a weekly or monthly basis savings is obligatory for SHG membership. Members of SHGs admitted that compulsory nature of savings of SHGs have taught them monetary discipline that have procured regular savings and possession of assets for the below poverty line families. One additional fact was also discovered in this study was that each account opened by SHG was within the name of their female offspring.

Venkataramany and Bhasin (2009) this study titled “Path to Financial Inclusion: The Success of Self Help Groups- Bank Linkage Program in India” centered on the success of the linkage between industrial banks and SHGs. The SHGs comprising predominantly women groups facilitate in the social cause of alleviation of poverty, expanded sustainability, reduction of vulnerability, improvement of skills building and facilitate the weaker sections in building assets. The study further revealed that more than 90% of SHGs were women ruled hence, a way ahead to women emancipation. Other findings of the study were that public sector regional rural banks supply 80% and 90% of credit facilities to the SHGs, and SHGs have served 60 million folks below poverty line and the success of SHGs would cause a robust community development making certain wipeout of social evils from the surroundings.

Prasanthi and Padma (2010) “SHGs and Women Empowerment: What Colour and What Form” determined that today SHG has become an important component of all development programmes. Previously co-operative establishments evolved as “Self Help” among common interest group. But gradually SHGs emerged as establishment for thrift and credit. Though SHGs is not outlined as a women’s cluster which started

with women coming together to access and repay loans as a collective. Currently SHGs have become a synonym for women's collectives in Andhra Pradesh. This paper explores the emergence of the SHG as an idea and observes that co-operatives are not a sensible model for providing credit services to the agricultural poor particularly women and critically examines the concept of associations promoted by Mahila Samakhya programme of Government of India.

(Thakral, Shefali Verma; Uppal, Nitima; Chawla, & Esha 2010) "Empowerment of Women through Micro Finance: A Boon for Development of Economy" had opined that microfinance is rising as a robust instrument for poverty alleviation within the new economy and in India the microfinance is dominated by the SHG-Bank Linkage programme and is considered as an economical mechanism for providing monetary services to the 'unreached poor' that has been successful not solely in meeting monetary wants of the rural women but also strengthen collective self help capacities of the poor, leading to the empowerment. Fast growth of SHG formation has currently converted into a movement of empowerment among women across the country. This paper has emphasised on the impact of micro finance on poverty alleviation and socio-economic empowerment of rural women and suggests measures to increase women empowerment.

Painoli, Girish, Losarwar and Suil (2011) study on "Self Help Groups and Women Empowerment" has discovered that formation of SHGs specifically amongst women is the foremost powerful approach to women emancipation and rural entrepreneurship which is capable of making them economically independent and would remodel them from living to living with dignity. Further it may be regarded as the most convenient and informal manner towards social inclusion of women through financial inclusion route.

Khatibi, Shaikh and Indira (2011) "Empowerment of women through Self Help Groups and Environmental Management: Experiences of NGOs in Karnataka State" argued that millennium development goals has included promotion of gender equality, women empowerment and ensuring environmental sustainability. Tenth plan complemented this with the announcement of a National Policy for Women Empowerment through a 3-stage strategy of economic and social empowerment and gender justice. MYRADA introduced SHGs to empower women in India. However, it was found that these groups

particularly specialise in thrift and credit activities but these groups have been given capacity building training, knowledge about government programs, environmental issues and so on. It was also observed that a few NGOs involve women SHGs in developmental projects by way of focusing on watershed which is one of the vital problem related.

Sudipta, Sarkar, Debnarayan (2011) “Women’s Empowerment through Self Help Groups and Its Impact on Health Issues: Empirical Evidences” cautioned that if women participating in the microcredit programme through SHGs sustain for longer period (8 years or more) then such programme may contribute to higher degree of women empowerment than women empowerment under all types of control groups. Further this study also found that women’s earnings from saving and credit have positive and significant effect on nutritional status of the children of women members of SHGs and on the protein consumption for the families.

Sabhlok (2011) “Development and Women: The Role of Trust in Self Help Groups” this paper examines the significance of trust in women’s collective efforts for development through SHGs. It explores the manner and forms in which trust manifests itself during periods of forming, storming and defunct stages of SHGs. For building social capital, development intervention for community is a must. As a matter of fact trust among group members and between group and organisational members is an important factor in community building which can not be ignored.

Tripathy and Padhi (2011) “Socio-Economic conditions of Self Help Groups: A Study on Litimunda Village of Sambalpur District” represents SHG as a unique approach to financial intermediation in India. This study has been conducted on 275 members from different SHGs in Litimunda village of Sambalpur District. The changes in the values and mindset of the members of the SHGs are a clear manifestation of socio –economic empowerment yielding quicker results. It combines low-cost financial offering with a method of self control and improvement for the women who are SHG members. SHGs are seen to confer many benefits both economic and social. SHGs can also be community platforms through which women become active in village affairs, stand for local election or take action to deal with social and community issues like – abuse of women, alcohol, the dowry system, the schools and water supply. This study has been conducted on 275 members from different SHGs in Litimunda village of Sambalpur

District. The modifications in the values and mindset of the members of the SHGs are a clear manifestation of socio-economic empowerment yielding quicker results.

Mehta, Mishra and Singh (2011) studied the “Role of SHGs in Socio-Economic Change of Vulnerable Poor of Jammu Region”. As per the study SHGs movement comes from the people’s preference to satisfy their wants and determine destinies through the principle ‘By the People, For the People and Of the People’. Sample SHGs were chosen from the ones promoted by Gramudyog Hastkala Kendra, an NGO operating for the promotion of SHGs in Kathua District of Jammu region. 10 SHGs consisting 162 members have been studied for group profile. The findings of the study suggest that SHG-Bank Linkage Program has substantially improved the access to financial services for the rural poor and has sizeable positive impact on the socio-economic conditions and the reduction of poverty of SHG members and their families. The SHGs have contributed to changes in economic conditions, social status, decision making and increases women participation in outdoor activities. SHGs not only change the outer form of a community or a society but also the social institutions in addition to ideas of the people living in the society.

Anuradha (2012) “An Empirical Study on Socio-Economic Empowerment through Self Help Groups”. SHGs had been recognised as a most dominant approach to address poverty. Moreover, SHGs is a popular grassroots technique to eliminate poverty by advancing the socio-economic interests of the weaker sections, non-bankable and neglected segments of the society. In this empirical study the success with which the SHG model had been able to reach women has been analysed and assesses the socio-economic changes in women resulting in the socio-economic empowerment of women. This study was conducted on 205 SHG members. Socio-economic factors like- ability to influence or make decisions, increased self confidence, better status and role in family and many others have been checked on a Likert type Scale and Co-efficient of reliability was found at 0.83. The effect of SHGs is invoking positive orientation amongst the rural women and making them socially and economically empowered and has been instrumental towards accomplishing inclusive growth of the Indian economic system.

Sarmah and Nath (2012) “Constraints of Women’s Empowerment through Self Help Groups: A Case Study in Lakhimpur District of Assam”. A survey was conducted in

Lakhimpur District of Assam wherein 200 SHGs members were taken as a sample for the study. It has explored various socio-economic and institutional constraints related to women empowerment of different social groups under SHGs and suggested measures to overcome these constraints.

Nair (2012) “Self Help Groups: A New Paradigm shift for Women’s Empowerment” found that poverty is more acute among women than men. For eradication of poverty at its root, it calls for sufficient financial and moral support from the part of central government in general and state government in particular. Microfinance through formation of Self Help Groups has been unique as one of the excellent way to enhance their status and empowering them. The study had been undertaken in Kerala. For increasing the income, savings, investment, asset generation, operating business, decision making and empowerment sufficient support from local Government is required. This study has examined the role of SHGs in empowering women and thereby achieving development and eradication of poverty. It was observed that SHGs play a crucial role in women empowerment however, they want further boost for their development and growth.

Minimol and Makesh (2012) “Empowering Rural Women in Kerala: A Study on the role of Self Help Groups” identifies SHGs as “Empowerment/ Resource Centre” who benefits the society by organising the members to get together and combating social evils like alcoholism, domestic violence against women and children, abuse and exploitation, gender bias and social exclusion. Ultimately these evils came to a point where it becomes a matter of choice either to remain socially and economically impoverished or prepare them for eradicating their deprivations. SHGs policy is intended towards rural poverty alleviation via women empowerment. As per this study, SHGs no longer target in the direction of women empowerment alone but it is focussed on social, community and family development, initiated for and by the women themselves. That is why this study significantly evaluates the nature and extent of impact of participation in SHGs on rural women. An analysis of the quantity of diverse degrees of empowerment vis-à-vis personal, social, economic and financial empowerment carried out through the members by participating in SHGs was done.

Savitha and Rajashekar (2012) “Role of Self Help Groups on the Development of Women Entrepreneurs—a Study of Mysore district, Karnataka State” had studied the

role of SHGs in the development of women entrepreneurs in the Mysore District of Karnataka. The principle objective of the study was to evaluate the role and working of SHGs in women entrepreneurship and also to evaluate the perception of the beneficiaries about the SHGs. Study is primarily on a survey of 160 sample respondents from 20 SHGs in specific areas of the Mysore District. SHGs having linkage with a bank have been selected for the study and it was found that SHGs have served for the cause of women empowerment via their own enterprises through getting support.

Olekar and Talawar (2012) “Progress of SHGs and Socio-economic Conditions of Women Beneficiaries in Haveri District (Karnataka State)” selected 700 beneficiaries for the purpose of analysis and it was found that SHG has emerged as the most successful approach in the process of participatory development and women empowerment. With the arrival of this strategy women are recognised as an economic entity. They get a platform to express themselves and self belief to share their problems. The study additionally explores the impact of SHGs on economic empowerment of women. It was also found that this movement develops a financial discipline amongst the rural poor women and make them bold in taking a decision for family planning operation and has created awareness among the women’s groups.

Swain, Bali, Wallentin and Yang (2012) “Factors Empowering Women in Indian Self Help Group Programmes” evaluates the impact of economic and non-economic factors on women’s empowerment of being a SHG member. A structural equality model (SEM) has been estimated in this study and SEM results revealed that for the SHG members, the economic factor is the most effective in empowering women. Greater autonomy and social attitudes additionally have a significant impact on women empowerment.

Singh and Raghuvanshi (2012) “Women Entrepreneurship Issues, Challenges and Empowerment Through Self Help Groups: An Overview of Himachal Pradesh” had observed that the participation of women in economic activities is necessary not only from a human resource point of view but also is critical even from the objective of elevating the status of women in society. The economic status of the women is now accepted as an indicator of development of the society and consequently will become imperative for the government to frame policies for the development of entrepreneurship among women. SHGs is proved to be boon for the rural women in



some states of India. It has not only raised the income but also their social status. This study has depicted the working of SHGs in Himachal Pradesh. SHGs are emerging as a success start in Himachal Pradesh wherein repayment is 100% of 95% of SHGs. The higher % of work participation of women & the effective functioning of Mahila Mandals and SHGs have raised the level of women's involvement in house hold decision making.

Sharma, Roy and Chakravorty (2012) "Potential of Self Help Groups as an Entrepreneur: A Case Study from Uttar Dinajpur District of West Bengal" assessed that SHGs are becoming one of the essential means for the empowerment of poor women in almost all developing countries including India. The study was performed to examine the functioning and entrepreneurial activities of members of various SHGs. 25 SHGs and 300 women members were selected for the study. It was found that after skill acquisition majority of SHGs had started their work from group savings and a few had taken subsidised loan from banks. Profits is shared equally by the members of SHG. All of the respondents were found to have very low degree skills prior to different training and a medium change in knowledge, skill and attitude was observed after training.

Batra (2012) In his study on "Management and Governance of SHG in Rural areas" 90 SHGs have been covered over the 3 sample districts in Haryana and identified the problems concerning management and governance of SHGs like irregularity in meetings, low level of competencies and knowledge, absence of larger goals and absence of training. There are problems on part of banks for being not able to understand and accommodate the needs of SHGs in Haryana. To empower women and to reduce vulnerability, literacy could be very essential.

Sajjal Kumar Maiti et al. (2012) Financial Inclusion-"a study on SHGs in West Bengal" found that SHGs are playing a vital role in the rural empowerment and dominated by women i.e. of the total SHGs women groups are 86% and the state of affairs of SHGs in West Bengal is not at all satisfactory in comparison to Southern and Western States.

Bandgar (2012) In his study on "Financial inclusion" observed that Micro-Savings is a proxy to micro-insurance and SHGs is a channel to Financial Inclusion which is a real hope for inclusive growth. Inclusion of the disadvantaged sections of the society into the formal financial system is the key to sustainable development.

Sriniwasan (2012) As per the study “Financial Inclusion- Not just a CSR but a viable business Model for Banks” concluded that more than sympathy or empathy the poor need money. Only financial help can empower the unprivileged/underprivileged sections of the society. Families dwelling below poverty line need multiple doses of credit to come above the poverty line. The sizable savings of the poor become a source of credit for them.

APMAS (Andhra Pradesh Mutually Aided Society (2012) In “A Study on Self Help Groups- Bank Linkage in Andhra Pradesh”, found that 72% accounted from southern regions of which Andhra Pradesh alone accounted for nearly 50% of SHGs. In contrast north-eastern region accounts for 0.6% SHGs and 0.3% of the amounts have been disbursed. So concentration in southern regions indicate uneven distribution of the movement, and to make it nation wide, requires concerted efforts from all.

Nair (2012) “Financing of Indian Microfinance: Evidence and Implications” analysed the growth trends in SHGs and MFIs and found that the period of 2006-2010 has shown a remarkable growth in the business of commercial MFIs. Year 2006-2010 had been marked as years of prosperity for MFIs in terms of disbursements and outstanding loans whereas growth rate of Bank Credit to SHGs decelerate.

Kisan Khatal and Ovhal (2012) “A Miracle of Women Empowerment through Micro Finance (SHG)” the literacy or women education has been ranked the top factor accountable for the success of SGSY. Economic Empowerment is the most important factor for the sustainable and equitable development of the society which is being exercised by way of disbursement of micro credit to the member of SHG not only in India but abroad also. SHGs acts as catalyst in changing gender equation thereby ensuring in empowerment, choice making and enhanced social and economic status of women.

Sreedhar (2012) has studied the “Self Help Groups Performance in India” and purports that group based approach not only enables the poor to build up capital by way of small savings but additionally enables them to get access to formal credit facilities and mobilization of savings and pursuit of group enterprise. SHG is a route to promote employment. The study proposes an active human centric and growth oriented poverty alleviation strategy. The SHGs will play a vital role in such strategy. The SHG system

facilitates its members to improve their financial position. The SHG-Bank Linkages are a benchmark in women's empowerment and socio-economic development of women at village level. Women have been identified as a vital segment in development at local to global levels. Real change will come if women are treated on par with men and given equal opportunities with, which India might be capable of harnessing its women power and might emerge as a reputed nation.

Singh, Thakur and Gupta (2013) "A Case Study on Empowerment of Rural Women through Micro Entrepreneurship Development" revealed that micro enterprise is a powerful instrument of social and economic development and is the perfect solution to the growing employment among rural youth. It facilitates to generate employment for a number of people within their own social system and is the best tool for rural women as it allows them to add to the family income while taking care of their own home and domestic animals focused task. The paper also brings out the significance of women education particularly in rural areas. Further economic empowerment of rural women through micro-entrepreneurship leads to the empowerment of women in so many things such as socio-economic activity, property rights, political participation, social equality, personal rights, market development, societal development and at last development of the nation.

Kshatriya and Mitra (2013) "Women: The Harbinger of Sustainable Development" have identified women as potential drivers of growth as United Nations estimates that 70% of human beings residing on mere less than a dollar per day are women. Empowerment will assist women to take control of their lives. It is going to impart strength in them for use in their own lives, their communities or society in present and of future generation. Social, Economic and Environment development are the principle additives of sustainable development which may be attained through recognition of the needs of everyone. So it is far important to conceptualise women's empowerment and gender equality as a component of this process and not social development singularly. Women play a vital role in environmental management and development. Their full participation is consequently crucial to attain sustainable development. As a client women tend to be more sustainable consumers. The major findings of the study were – though women account for over one half of the potential talent base throughout the world, as a group they were marginalised and their social, economic and environmental

contribution by and large unrealised. So realisation of female contribution to fulfill needs of future generations, men and women alike, is expected to work wonders for sustainable development.

Kumar (2013) “Illusion of Women Empowerment” a case study of 121 clients selected from 2 villages of Tamil Nadu seeks solution to “Are women micro finance clients empowered?” Important findings of the study include that although women have witnessed an increase in income and consumption but they have got little control over resources and assets and do not participate in major household decisions as a matter of societal hierarchy. They have a significant bearing on decisions of their children. Lack of entrepreneurial capabilities and risk taking capacities have been found as the real bottlenecks hampering the empowerment of these women.

Meena and Singh (2013) in MPRA paper “Changing Behaviour of Self Help Group Members: Pathway for sustainable rural livelihoods in Eastern India” revealed a positive change in behaviour of SHG members pre and post joining the groups. The behaviour of the SHG members in Bihar State was measured, which confirmed an extreme improvement in behaviour of SHG members that exemplifies in instilling a positive behaviour which in turn could play a great role in tackling the issues of rural poverty for improving sustainable livelihood security in eastern India.

Krishna and J (2013) “Women Empowerment through Micro Finance: An Empirical study of women self help groups in Bellary District, Karnataka” elaborates the importance and overall performance of SHGs in women empowerment. SHGs or Thrift and Credit groups are informal groups whose members pool savings and relend within the group on rotational or on need basis. Major findings of the study are that SHG members have been empowered through microfinance activities. Degree of participation and the reputation of the members in the family and society are increasing day by day. They have engaged themselves in self employment activities like papad making, pickles making, dairy activities, agricultural activities etc. which has enhanced the quality and standard of their life. As per the study microfinance is the best tool for empowerment of women and which can be synergistic if workout through SHG and might result in eradication of poverty and family problems.

Subrahmanyam (2013) “Role of Civil Society Organisations and Self Help Groups in

decentralized rural development: South Asian Experience” has proposed that decentralization results in redistribution of Political, Economic, Social and Cultural powers which is impossible without reforms in existing power structure. With this, deprives are hopeful of change for a better future. But in most parts of South Asia decentralisation has not empowered the poor and the disadvantaged but has helped the elite to consolidate power and perpetuate the culture of the dominance-dependence syndrome. However, civil society has taken up the task of organising the poor. CSOs are mobilising and organising the poor to take control over their own lives. The analysis of the study covers the thrust of these organisations, their processes and impact and lessons that can be learnt. It is concluded in the study that the presence of active and dynamic CSOs, SHGs and a well informed citizenry can ensure responsible, transparent, efficient and good governance. There are an estimated 85000 NGOs in South Asia, many in microcredit, income generation activities, education and health and women’s development. Economic empowerment is a central focus of NGOs and SHG concern. Grameen Bank of Bangladesh was one of the NGO that have played a significant role in this area. It was started as the Action Research Project in 1976 in a small village Jobra. It aimed to provide microcredit to the poorest of the poor and move them towards capital accumulation and asset creation. By 1996 it had 1050 branches in more than 35780 villages and two million “loanees” of which 94% are women. The repayment rate was from 95 to 98% and the Grameen Bank Model is being replicated in 40 developing countries. Agricultural Development Bank of Nepal (ADBN) set up a specialised window in 1975 to improve the quality of life of small farmers and agricultural labourers by tapping local resources and upgrading their skills through community participation. By 1992 the programme affected some 140000 beneficiary households and with this pro-poor policies with social commitment.

The Sanasa movement began in 1979 in Sri Lanka providing credit to rural poor who were excluded from the formal financial sector. At that time 44% of Sri Lankan Households were burdened with debt and Sanasa came as a saviour as members contribute voluntarily some of their meagre savings to the central resource pool. Loans were given for long term and productive purpose out of this pool. Loan recoveries stand at 90% and it demonstrates that credit can be made available to the poorest of poor in rural areas. It was noted in these case studies that solving the poverty question does not

lie in unsustainable and declining public charity nor in one time injection of minimal assistance. The solution to end human misery and poverty lies in harnessing the latent and active participation of local communities. As poor do not require sympathy they need access to resources, equal opportunity and a level- playing field.

Bidnur (2012)“Role of Self Help Groups in women’s life with reference to Sangli Miraj and Kupwad corporation area” depicted that SHGs have proven a constrained effectiveness in terms of their impact on rural poverty and their long term sustainability. It advocates that for SHGs to have a marked and sustained impact on poverty it is far necessary for them to undertake greater encompassing approach with diverse community based organisations and programmes by way of laying far greater focus on processes, capacity building, convergence with various on-going programmes etc. some of the findings of the study are – 76% respondents have individual family system and 24% joint family system. 54% of sample respondents have joined SHGs for getting loan, 32% to promote savings and 12% for social status. 83% have repaid the loan in time. Monthly income of majority of respondents has elevated after becoming a member of SHGs and majority of them are satisfied and happy. Study was carried out in Sangli Miraj and Kupwad corporation area District Sangli.

Das and Boruah (2013) “Micro Finance Through SHGs: A Tool for Socio-Economic Development of Rural Assam” have studied the role of Micro Finance and Self Help Groups for the socio-economic development of poor people in Lakhimpur and Dhemaji district of Assam. Data was collected from 500 respondents and it was found that after joining Self Help Groups the poor people particularly the women have not only increased their income but also improve their living standard by performing numerous economic activities independently. It was also revealed that Self Help Groups had been playing a crucial role in socio-economic development and performing their savings and credit function with the help of Rural Financial Institutions.

Greaney, Keboski and Leemput (2013) Working Paper Series of Federal Bank of St.Louis: Paper entitled- “Can Self Help Groups really be Self help” examined an innovation to the provision of NGO- Sponsored Microfinance services in East Africa. An Empirical survey of 100000 members across 11 districts in Kenya, Tanzania and Uganda was conducted. Two models of microfinance delivery was tested empirically. In the status quo delivery mechanism after training agents, the NGO continually pay

these agents a wage for setting out a set variety of SHGs and imparting financial services. The innovation cut off payments to these agents after training force them to become private entrepreneurs who start up any number of SHGs and earning the remuneration from their members. Impacts of this delivery innovation using a theoretical model and a randomised control trial in which control areas received the status quo programme while treatment areas obtained the private entrepreneur innovation. The results had been in favour of the latter. This system represents an instance of successful privatisation programme- cost effective in terms of permitting NGO resources to stretch further and reaching greater number of people.

Sandhu (2013) “A Study of Norms and Functioning of Self Help Groups in Punjab” was undertaken with the objectives to recognize the purpose, norms, and functioning of SHGs and problems faced by them. Primary data was collected from district Ludhiana and Amritsar. The average size of the group was found 15-20 members belonging to lower castes and poorer sections of the society. Leadership was consensual and conflicts were found to be resolved through collective leadership and mutual discussion. For effective management of the group, every group follows a code of conduct. Group leader is known as the chief source of information for the group. Various problems of SHGs of this area are limited credit, non payment by members, difficulty in formulation, high turnover of members, slow access to the new schemes and incentives launched by the Government.

Dhumale and Sapcanin (2007) in a Technical Note on “Application of Islamic Banking Principles to Microfinance” have contended that microfinance through SHGs might be more powerful if Islamic Banking techniques are followed as it may give thousands of poor, entrepreneurial access to microfinance. Islamic Lending which include “Qard-al-Hasanah” (Benevolent lending with a service fees sans interest) can emerge as a practice in microfinance by commercial banks and micro finance institutions.

Sehrawat (2015) in her paper titled “Role of Self Help Groups through micro finance for poverty alleviation in India” has analysed the role of SHGs and impact of micro finance in poverty alleviation. It has been concluded that lending to poor through microcredit is not the end of the problem but the beginning of a new battle. Micro finance can create miracle in poverty alleviation if bundled with capacity building programmes as absence of special skills result in utilisation of microcredit in consumption and procurement of non productive assets.

Kaur and Bist (2015) “Micro finance through self help groups: A step towards rural development” examined the utility of microcredit for rural people in Himachal Pradesh (covering all twelve districts) in terms of women SHGs, their membership, savings and credit disbursed by the banks. Study concluded that there has been an increasing trend towards formation of SHGs with maximum membership in Kangra district and minimum in Lahaul-Spiti. Savings of women SHGs have also increased from ₹ 620.18 Lakh in 2006-07 to ₹950.52Lakh in 2011-12.

Kathpalia and Dahiya (2015) “Role of microfinance in women Empowerment” have emphasised on problems of women entrepreneurship and how can microfinance help them in their socio-economic empowerment. The study also revealed that microfinance had positive impacts not just on clients but on their families and on wider community however the impact on women’s status and well being found mixed.

Batra and Chakravarty (2015) “Generation of livelihood Activities among women through self help groups: problems and suggestions” discussed the role of SHGs covered under SGSY, Swayamsiddha and SCRIA in the state of Haryana. Various problems in livelihood activities like low income, less diversification, skills development and poor marketing efforts have been identified. This study was conducted in Rewari, Mahendergarh, Hissar and Ambala district and variations have been found in the level of income earned from livelihood activities vis-à-vis the scheme under which they are running their SHG. This is mainly due to a difference in amount of loan sanction under various schemes. And for that matter the bigger the better rule applies.

Pandey and Savadatti (2015) “Micro finance as a tool to mitigate migration and improve employment opportunity” have highlighted the importance of microfinance to mitigate the challenges of poverty and migration. It also suggested that better managed SHGs improve literacy, generate employment and improve standard of living. Women population play a pivotal role in containing migration.

Aggarwal and Khosla (2015) “Microfinance in India: An Overview” have assessed the challenges and opportunities of microfinance. It has observed that microfinance movement spread is highly skewed in Southern India and remained unbalanced with the microfinance penetration index in the South being over 10 times than in the Northern



region. Indeed there are other gaps too which would lead to further, changes in microfinance space in future still the growth of microfinance is not discouraging.

Dhull (2015) “Micro-finance: A tool for poverty reduction” has elaborated micro finance as an emerging powerful instrument for poverty alleviation in the new economy. It is not only directly linked with poverty reduction but has an indirect link to address the issues of health, education and gender equality. A shift from a minimalist approach to an integrated approach to poverty alleviation through provisions of enterprise development services like marketing infrastructure, introduction of technology and design development is expected from micro credit providers.

Rani and Hooda (2015) “Micro finance a tool of economic empowerment of women in rural India: A case study of Sonapat District” found the impact of self help groups on socio – economic status significant and presumed that SHG is a suitable means for the empowerment of rural women.

Ahlawat, Rohtas and Siwach (2015) “Economic Impacts of Microfinance in India with special reference to Jhajjar District of Haryana” have assessed the economic impact of microfinance on annual income, expenditure, savings and investments of households. The study reveals that microfinance has positive impacts on annual household income, expenditure, savings and investment as these were found more in members than non members of SHGs. It was apprehended that SHG model may be a workable model for poverty alleviation, employment generation and rural development.

Jana (2015) “ Microfinance and Women Empowerment in India – An Empirical analysis” describes micro finance as cost effective device for providing financial services to the unreached poor and means to strengthen the collective self-help capabilities of the poor. He also highlighted the need for exhaustive implementation of new micro finance bill 2011 to reduce the gap of women exclusive savings in banks of 72.57% of SHGs savings as on 31<sup>st</sup> march 2010.

Roy and Sen(2015) “SHGs – A positive leap towards poverty eradication” advocate the economic impact of SHG as a positive step towards poverty eradication. The members have access to improved housing and better education for their children. There has been an improvement in living standards, food security and standards of health and hygiene. Some shortcomings on grassroot levels have also been observed like SHG members do

not get back their 3% interest subvention relief despite of timely repayment of loans.

Singh and Mehta (2015) “Self Help groups prosper in Jammu” have identified the major factors contributing to good performance of self help groups in the valley. SHGs in Jammu were found to have regularity in meetings, attendance and savings. Repayment performance of loan in this region is more than 95%. The main reason for group formation is to obtain financial support and improving their economic status.

Sathish and Patil(2015) “Role of Self Help Groups in Financial Inclusion in Goa- A Case Study” emphasised on SHGs as a unique approach to financial inclusion and a process of self management and development for the women who are SHG members. SHGs not only confer social and economic benefits but also provide a community platform to the women to become active in community affairs, contending for the local elections or getting firm to take actions to address social and community issues as an individual as well as a group. Further they observed in their study that SHG model is a savings led model and quite distinguished from credit delivery model as it focuses on savings and leverages/ channelises the savings for the benefits of the group members.

Somu and Sujatha (2015) “Spirituality and its impact on Economic Empowerment of SHGs” have made an attempt to establish a relationship between spirituality and economic empowerment and the results of the study showed a positive correlation between these two variables. They also opined that alongwith technical support and capacity building training , a spiritual empowerment is also a must to graduate the members to some micro/macro entrepreneurial activity for paving their way to sustainable development.

## **2.6 Conclusion and Suggestions for further Researchers**

The review of studies pertaining to Microfinance and women empowerment depicts that SHG based micro finance has contributed as a catalyst of the social change and empowerment of poor is proved to be a boon for the rural women in some states of India and some parts of the world. Moreover it has created opportunities for promotion of income generating activities and has enabled them to come above poverty line. There is a geographic/regional concentration of the SHG concept which needs to be scattered across the nation as poverty has a uniform concern. Poor people’s access to formal banking system would act as a key to economic growth and sustainable development. It

has been observed in various studies that women have gained confidence by being the part of these community organisations and coming out of the façade of being helpless and dependent on their male counterpart, financially and emotionally. Women have been amongst the socially excluded class since long, but now it is the high time to bring them out of this identity crisis to reach the goal of women emancipation and sustainable development with social justice. Further researches can be undertaken to explore the role of community organisations in political participation of rural women, potential for a mix group of men and women to overcome the problems of group management. The study in question has considered a group size of 10-12 members whereas there are large groups in existence, so a comparative study on the performance of SHGs on the basis of size of the group may be undertaken. Lot has been done and a lot can be done in quest for the relevance of rural growth and developmental programmes.

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## CHAPTER - 3

### **PERFORMANCE OF THE SHGs IN MEWAT DISTRICT**

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*“Give a man a fish, he will eat for a day. Give a woman micro-credit, she, her husband, her children and her extended family will eat for a lifetime” (Bono)*

#### **3.1 Introduction**

SHG Bank Linkage is a win-win micro credit strategy for both Banks and members. Members get an easy access to formal banking system without collaterals and banks overcome the problems of high transaction costs, high default rate and reaching to the bottom of pyramid yet without extra efforts.

Though the banking institutions have spread their net wide and penetrated deep in rural India after independence moneylenders still play a major role in providing credit at times of need without any paperwork and hassle. This dependence is more pronounced in resource poor areas and in case of disadvantaged sections of society. Therefore, micro finance through SHGs can be treated as supplementary credit disbursement system without extra cost to the receiver and lender. As a matter of fact it is a scheme different from subsidies based programmes aimed at making people self dependent and not just dependent.

The basic purpose of group based micro credit scheme is alleviation of poverty and women emancipation. It emphasises on self reliance and sufficiency and sustainable development. Further it aims at mobilising people and connecting them with community organisation to overcome hindrances of participation and emancipation. SHG s not only acts as a vehicle of micro credit but a platform to inculcate savings habits in the members.

#### **3.2 Socio-Economic Profile of the sample SHGs**

“RBI and NABARD have tried to promote relationship between the needy poor and bankers through SHG programme and has brought about a positive social and economic impact on the livelihood of the poor people in rural areas throughout the country. It has increased the social empowerment of poor rural people. With the collective efforts from banks, regulators, government and voluntary sector more of the poor from rural areas

can be brought within the ambit of financial inclusion”.( Kaur and Jangir, 2015)

Since it is not cost effective for either of the party to approach Banks for individual micro loans a group approach has been followed for the development of the disadvantaged sections of the society. The group mechanism makes them jointly and severally responsible for the repayment of loans. At the same time banks can extend their micro financing activities with the least risk of becoming it an NPA (Non Performing Assets). Micro-finance has been recognised as cost effective device for providing financial services to unreached poor propounding not only meeting in financial needs of rural poor women but also strengthening collective self help capabilities of poor leading to their empowerment (Jana, 2015) The socio economic profile of the sample SHGs for the study is being analysed here.

### 3.2.1 Age of the Group

Formation of the group, choosing the leader and treasurer are not the only requirements by NABARD but to be eligible for loans a group has to be matured in terms of regular meetings, savings and disbursements of loan and group members for consumption purpose. The minimum period to be linked with the banks is 6 months i.e. a group should be at least 6 months old to get linked with the banks. Age of the group refers to the number of years completed by the SHGs from the date of formation.

**Table 3.1**  
**Distribution of SHGs on the basis of Age of the SHG**

Sr. No	Age of SHG (years)	Number of SHG	Percentage
1	Less than 2 years	155	50.98
2	2-4 years	67	22.04
3	4-6 years	59	19.42
4	More than 6 years	23	7.56
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

Evident from Table 3.1 most of the SHGs i.e. 50.98% are less than two years old, 67 (22.04%) are 2-4 years old. This indicates that most of the groups have been formed recently and only 23 groups out of the sample groups were found to be more than 6 years old that means old groups became dysfunctional and new groups have been formed with the help of Government and NGOs. It was due to lack of entrepreneurial

initiative taken by group, so long as these groups felt like benefited through saving-lending activity, kept continuing the group, otherwise they dropped out.

### 3.2.2 Qualification of the Leader

There is no prescribed qualification by NABARD to either become the leader of the group or to be the member of SHG. But as a matter of fact leader of the group has to conduct meetings, keep the records of savings and lending, minutes of the meetings and a co ordination of various group activities in which being literate is an advantage and literacy makes a leader confident and help her to perform her duties well and managing the group for mutual benefits.

**Table 3.2**  
**Distribution of SHGs According to Qualification of the Group Leader**

Sr. No	Qualification of Group Leader	Number of SHGs	Percentage
1	Illiterate	2	0.66
2	Primary	123	40.46
3	Middle	83	27.30
4	H Sc and Above	96	31.58
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

It can be seen from Table 3.2 that though number of illiterate leaders is just 2 i.e. 0.66% but the level of literacy is still low i.e. 40.46% leaders are literate upto primary level only. 31.58 % leaders are qualified upto higher secondary only. So it can be concluded that most of the sample respondents need consistent training for the effective and efficient functioning of SHGs.

### 3.2.3 Tenure of Leadership

A leader's skill and efficiency depends on the experience he/she has about organising the things. Though it is not required from a leader to have a prior experience of running a SHG but a knowledge about functioning of SHG help a leader to run the group more effectively to maximise the mutual benefits. Moreover it helps him/her to win the confidence of members of the group which in turn minimise the group conflicts.

**Table 3.3**  
**Distribution of SHGs According to Tenure of Leadership (In Months)**

<b>Sr. No</b>	<b>Tenure of Leadership (In Months)</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Upto 12	34	11.18
2	13-24	69	22.70
3	25-36	72	23.68
4	37-48	98	32.24
5	49-60	31	10.20
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

It can be observed from above Table 3.3 that however the age of maximum groups was found to be between 1-2 years but the tenure of leadership is 37-48 months in case of 32.24%(98) leaders. This indicates that although the SHG might have become dysfunctional for some reasons but in formation of new groups the old leaders were given a preference by new group members due to their past experience of managing a group.

### **3.2.4 Size of the Group**

NABARD has prescribed a 10-20 member sized group for the effective and efficient functioning of the groups and it should not exceed 20 members limit. Less than 10 members will fall short for building a good corpus of funds whereas more than 20 members will be difficult to manage as well as problems of cohesion will arise. A strong cohesion of the group works as collateral to the banks to facilitate micro lending services to these SHGs.

**Table 3.4**  
**Distribution of SHGs According to Size of groups**

<b>Sr.No.</b>	<b>Number of Group Members</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	<12	207	68.09
2	12-15	97	31.91
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

It can be observed from the table that 68.09% (207) groups were in ideal size category. 97 groups have 12-15 members which indicate towards standard practices in the sample area about the size of membership.

### 3.2.5 Occupation of the Members of SHG

Though groups are often formed on the basis of uniformity of occupation of the members but NABARD has not specifically barred any person with different occupation to be the member of any group. So in the survey it was found that in each group members were engaged in different occupation like agricultural labour, wage earners, housewife, petty shop owner, farmers etc.

**Table 3.5**  
**Distribution of Members on the basis of their Occupation**

Sr. No	Occupation	Number of members	Percentage
1	Farmer	58	1.78
2	Agricultural Labour	1311	40.25
3	Petty Shop Owner	310	9.52
4	Tailor	596	18.30
5	Housewife	562	17.26
6	Wage Labour	414	12.71
7	Private Employee	2	0.06
8	Teacher	4	0.12
	<b>Total</b>	<b>3257</b>	<b>100.00</b>

Source: Field Survey 2014

It can be seen from Table 3.5 that majority of members are engaged in agriculture as a labour and housewives. Women are not occupied as a farmer. 596(17.26%) members are doing tailoring work which can be considered as a potential entrepreneurial activity with skill training imparted by the Government and NGOs. When it comes to shop ownership 9.52 (310) members are the owners of bangles and toys shop this can also be cultivated as a potential economic activity by guiding them for selling other profitable products.

### **3.3 Performance Indicators of SHGs**

SHGs scheme has been launched for the purpose of rural development, poverty alleviation and women emancipation through micro-credit and making formal banking system accessible to the financially excluded classes. SHGs become eligible for bank linkage only after completing 6 months of regular operations. These SHGs disburse need based credit to the members out of the savings corpus built in the bank account of SHG. If any member wishes to undertake an economic activity then this can be supported by the credit provided by the banks. A group leader is responsible and authorised to deal with all banking operations on behalf of the group.

No member is allowed to borrow from banks until the expiry of 6 months from the date of formation of group. In the first six months they learn to save on regular basis and understanding the rules and regulations of the group as a community organisation as well as a credit provider. They learn the lending procedures and modes of repayment and penalty for default. Successful utilisation of bank credit into an entrepreneurial activity adds point on the performance grade of the SHG.

The Haryana Community Forestry Project (HCFP) 2007 evaluated the quality of SHGs in a self styled way by developing nine broad indicators such as savings, credit, organisational capacity, financial management, awareness and attitudes, microenterprises, plans and visions, empowerment and influence, skill development, and networks and linkages.

Present study had made an attempt to identify some grassroots level issues and parameters of performance to grade the SHGs on the basis of 12 indicators of performance on a 70 point base performance measurement tool. Each SHG out of sample will be evaluated on 5 point scale and then these points have been aggregated to get the final score of SHG.

#### **3.3.1 Purpose of forming the Self Help Groups**

SHGs scheme was primarily launched to promote savings habit and undertaking some entrepreneurial activity to have a sustainable earnings for the poor, marginal farmers and women. Though it has promoted savings habit and saving -lending activity in the sample area but in the absence of capacity building training members have not initiated income generating activity with the exception of few.

**Table 3.6**  
**Distribution of Group on the basis of reason for forming group**

Sr.No.	Occupation	First Preference		Second Preference		Third Preference	
		No. of Groups	Percentage	No. of groups	Percentage	No. of groups	Percentage
1	No Reason	0	0.00	101	33.22	241	79.28
2	Taking Loan for increasing income	63	20.72	62	20.39	10	3.29
3	Accessing Bank/External Loans	0	0.00	11	3.62	5	1.64
4	To Promote Savings	149	49.01	4	1.32	5	1.64
5	To Start Entrepreneurial Activities	50	16.45	3	0.99	12	3.95
6	To uplift the social status of the members	32	10.53	120	39.47	27	8.88
	To take up community development activities	10	3.29	3	0.99	4	1.32
	<b>Total</b>	<b>304</b>	<b>100.00</b>	<b>304</b>	<b>100.00</b>	<b>304</b>	<b>100.00</b>

**Source:** Field Survey 2014

It can be seen from Table 3.6 that no one has given first preference, to form the group without reason which shows that all groups have been formed with a valid purpose. 20.72% groups have formed group for increasing income, 49.01% to promote savings, 16.45% to start entrepreneurial activity, 10.53% to uplift the social status and only 3.29% for the cause of community development. While as a second preference for forming a group is to uplift social status got the maximum percentage i.e. first preference for forming groups is to promote savings, second is to uplift social status and 79.28% have not assigned any reason at third place to form group.

### **3.3.2 Homogeneity of the Group**

Group dynamics call for cohesion which can be partly achieved through selection of likeminded members and partly the group become cohesive in the long run by sharing and working together for mutual benefits. A high degree of motivation, morale and management skills are required for the formation of SHGs. Theory of individual differences work here as every individual tries to establish individuality in person and in society. So these individual differences make the management of SHGs a difficult task and hence quite often persons with homogeneous attributes like same caste, religion, occupation, income etc are identified and welcomed to form a group in order



to minimise the intra group clashes. Greater the homogeneity greater will be the cohesion and consensus in decision making regarding loan disbursal, rate of interest to be charged from members, penalty for non payment, and selection of economic activity etc. When members belong to same socio-economic background it makes the management of SHGs easy and long lasting.

**Table 3.7**  
**Cross Tabulation for Profession of the SHG members and their Blocks**

Profession	Block			Total
	Firozpur Jhirka	Nuh	Punhana	
House Wife	584	536	417	1537
Agricultural Labour	118	81	64	263
Farmer	145	206	218	569
Petty Shop Owner	142	7	166	315
Wage Labour	2	0	4	6
Tailoring	128	117	199	444

Source: Field Survey 2014

From Table 3.7 it is clear that most of the SHG members of all the blocks are housewife. Firozpur Jhirka have maximum agricultural labour than other two blocks. There are only 7 petty shop owners in Nuh. Nuh has no wage labour and also no body is doing job there. Though in all the blocks, there are very few SHG members who are doing job. Punhana has maximum no. of tailors. It has also been depicted by the table that most of the members in a group belong to same profession and same village hence groups have been found considering homogeneity in formation of groups.

### **3.3.3 Frequency of Meetings**

Holding group meetings at fixed intervals is a prerequisite and main activity. Group dynamics call for group meetings to discuss upon various issues and to have a transparency in group operations. It is a platform to share, compare and solve the common problems. Further group meetings mean intervention of the group members in solving various socio-economic issues of the group and of the society. In the meetings members may decide to take part in community development programmes. Hence the performance of a group much depends on the frequency of these group meetings.

**Table 3.8**  
**Distribution of SHGs according to Frequency of meeting**

<b>Sr. No.</b>	<b>Frequency of Meeting</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Once in a week	122	40.13
2	Once in a Month	181	59.54
3	Twice in a Month	1	0.33
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

It is evident from Table 3.8 that 181 groups (59.54%) are conducting group meetings on monthly basis. However quite a good number 122 (40.13%) are conducting meetings on weekly basis. Overall the regularity in meetings has been found satisfactory.

### **3.3.4 Regularity of Meetings in last 6 Months**

It was observed that SHGs conduct meetings at monthly or weekly basis but to know the regularity and gaps, the data was collected for the 6 months regularity of meetings.

**Table 3.9**  
**Distribution of SHGs according to Regularity of meetings in last six months**

<b>Sr. No.</b>	<b>Regularity of Meeting</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	100% Held	202	66.45
2	75%-99% Held	102	33.55
3	51%-74% Held	0	0.00
4	< 50% Held	0	0.00
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

Table 3.9 revealed that 66.45% groups conducted all the meetings and 33.55% groups conducted more than 75% of the meetings scheduled in last six months duration. It is interesting to note that no group was found with less than 50% meetings.

### **3.3.5 Regularity in Attendance**

Along with regular conducting of meetings all the group members are required to attend the same on regular basis. The greater the regularity in attendance of the member the greater will be the utilisation of SHGs and it will be graded better on performance scale.

**Table 3.10**  
**Distribution of SHGs on the basis of Attendance at meetings**

<b>Sr.No.</b>	<b>Attendance of Members</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	>90%	270	88.82
2	75%-89%	34	11.18
3	50%-74%	0	0.00
4	<50%	0	0.00
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

It can be observed from Table 3.10 that majority i.e.270 (88.82%) SHGs recorded more than 90% attendance means 90% of the members attend meetings whenever group meetings are held. There is no group found that has less than 50% attendance which is an indicator of good performance of the groups and well coordinated efforts on part of group leader.

### **3.3.6 Participation in Decision Making**

As soon as a SHG completes six months of formation it becomes important to know whether members started participation in financial and non financial decisions of the group or not. The degree of participation can be observed through discussion with members on the issues related to the SHG like members' approval in sanctioning loan, management of default and actions to be taken for a community development plan etc. These are few markers to judge the level of participation in decision making.

**Table 3.11**  
**Distribution of SHGs on the basis of Participation of members in Decision Making**

<b>Sr. No</b>	<b>Participation of Members in Decision Making</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	>75%	162	53.29
2	55%-75%	142	46.71
3	33%-54%	0	0.00
4	<33%	0	0.00
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

Table 3.11 depicts an excellent level of participation of members in decision making. As a benchmark if more than 75% members of a group participate in decision making it gets an excellent rating on performance scale. In this survey it has been observed that 53.29% (162) SHGs had more than 75% members' participation in decision making which is an indicator of excellent performance on part of group and it fills the members with confidence to be decision makers in every walk of their life.

### 3.3.7 Training Programme

It is essential for the formation and smooth functioning of the group that members must be imparted with some training as to formation, bank linkage, fund rotation, book keeping and documentation and capacity building to take up some entrepreneurial activity. Bank facilitators however guide them for opening a bank account of the group, applying for a loan, book keeping etc but only Government agencies, NGOs and private players can play a greater role in providing capacity building training which will instill some skill in rural women and they can start a group venture or an individual enterprise. Further this training may be extended to marketing and selling of their products in urban markets. This study finds lack in this regard in the sample area.

**Table 3.12**  
**Distribution of SHGs on the basis of Training Programme**

Sr. No	Organisation of Training Programme	Number of SHGs	Percentage
1	Yes	4	1.32
2	No	300	98.68
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field survey 2014

It can be observed from Table 3.12 that no training program has been conducted as 98.68% respondents submitted that. Only 1.32 % (4) SHGs admitted that they have been given some training and that too on opening and operating group account and book keeping and documentation. No training have ever been imparted as regards to skill building to be self employed or starting own venture.

### 3.3.8 Regularity in Savings

Savings are the most prominent indicator of good performance rating for a SHG as it works as a tool of rotation of funds amongst the group members. In the absence of regular savings by each member a group is unable to build a corpus big enough to get loans from the banks. Moreover the main purpose of this scheme is to inculcate a financial discipline among the members so that they can be brought out of the shackles of poverty.

**Table 3.13**  
**Distribution of SHGs on the basis of Regularity of Savings**

<b>Sr.No.</b>	<b>Regularity in Savings</b>	<b>Number of SHG</b>	<b>Percentage</b>
1	100%	304	100.00
2	80%-99%	0	0.00
3	50%-79%	0	0.00
4	<50%	0	0.00
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

The table 3.13 shows that there is absolute regularity in savings amongst all the groups which indicates of building big corpus of funds and greater opportunities for rotation and repayment of funds.

**Table 3.14**  
**Distribution of SHGS on the basis of amount of Savings in First Year**

<b>Sr.No.</b>	<b>Regularity in Savings</b>	<b>Number of SHG</b>	<b>Percentage</b>
1	No Saving	0	0.00
2	Upto 5000	6	1.98
3	5001-10000	7	2.30
4	10001-20000	235	77.30
5	20001-30000	56	18.42
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

It can be seen from Table 3.14 that there is no group without savings in the very first year of formation of the SHG and 77.3% of the groups are saving around ₹10000-20000.

**Table 3.15**  
**Distribution of SHGs on the basis of amount of Savings in Second Year**

<b>Sr.No.</b>	<b>Regularity in Savings</b>	<b>Number of SHG</b>	<b>Percentage</b>
1	No Saving	0	0.00
2	Upto 5000	3	0.99
3	5001-10000	11	3.62
4	10001-20000	230	75.66
5	20001-30000	56	18.42
6	>30000	4	1.32
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

In the second year of formation of group there is no group without any savings. However there is a slight decrease in the no of groups who were saving between ₹10000-20000 as the same has been replaced by an increase in groups who are saving more than ₹ 30000.

**Table 3.16**  
**Distribution of SHGs on the basis of amount of Savings in Third Year**

<b>Sr.No.</b>	<b>Regularity in Savings</b>	<b>Number of SHG</b>	<b>Percentage</b>
1	No Saving	36	11.84
2	Upto 5000	2	0.66
3	5001-10000	3	0.99
4	10001-20000	206	67.76
5	20001-30000	53	17.43
6	>30000	4	1.32
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

In the third year of formation of SHG there has been a decreasing trend as no of groups without savings started increasing from zero to 36 which shows a demotivational and dysfunctional approach towards SHG. No of groups who were earlier saving between ₹10000-20000 has also fell down to 206 (67.76%) and with no increase in more than ₹30,000 savings category. It indicates that members save with great enthusiasm but in

the absence of any economic activity they start withdrawal which is depicted by a downward trend in savings.

**Table 3.17**  
**Distribution of SHGS on the basis of amount of Savings in Fourth Year**

<b>Sr.No.</b>	<b>Regularity in Savings</b>	<b>Number of SHG</b>	<b>Percentage</b>
1	No Saving	147	48.36
2	Upto 5000	0	0.00
3	5001-10000	0	0.00
4	10001-20000	107	35.20
5	20001-30000	46	15.13
6	>30000	4	1.32
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

**Table 3.18**  
**Distribution of SHGs on the basis of amount of Savings in Fifth Year**

<b>Sr. No.</b>	<b>Regularity in Savings</b>	<b>Number of SHG</b>	<b>Percentage</b>
1	No Saving	182	59.87
2	Upto 5000	0	0.00
3	5001-10000	8	2.63
4	10001-20000	72	23.68
5	20001-30000	38	12.50
6	>30000	4	1.32
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

And these downward trends in the savings continue in later years which ultimately became the cause of SHGs becoming defunct. Groups with no saving rises to 182 from zero and groups saving between ₹10000-20000 fell down 72 from 235.

### **3.3.9 Existence and Implementation of Rules and Regulations**

A set of rules and regulations and code of conduct is a prerequisite for the smooth and congenial functioning of a group and for that not only the framework for formulation and implementation of group rules is required but awareness of the same among members is also required. In absence of the familiarity with the group rules and

regulations there will be chaotic situation in the group. A well informed and managed group gets good ranking on performance index.

**Table 3.19**  
**Distribution of SHGs on the basis implementation of Rules and Regulations**

<b>Sr. No.</b>	<b>Implementation of Rules and Regulations</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Only exist not implemented	2	0.76
2	Implemented as well	260	99.24
	<b>Total</b>	<b>262</b>	<b>100.00</b>

Source: Field Survey 2014

Table 3.19 shows a positive trend towards existence and implementation of rules and regulations in SHGs. Out of total 304 groups 262 have rules and regulations and out of 262 groups 260 i.e. 99.24% have implemented them as well and only 2 groups out of 262 have been found with non implementation of rules.

**Table 3.20**  
**Distribution of SHGs on the basis of Set of Rules and Regulations**

<b>Sr.No.</b>	<b>Set of Rules and Regulations Exist</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Yes	262	86.18
2	No	42	13.82
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

From the Table 3.20 it is clear that 86.18 % of the groups have developed a set of group rules and regulations and only 13.82% of the groups were found without any set of rules and regulations.

### **3.3.10 Election of Office Bearers**

As a group is run on democratic principle of by the members, of the members and for the members, it necessitates the election of representatives to take care of administration work of the group. For this there is a provision to select two office bearers viz. Leader and Treasurer either unanimously or by election. They can be changed after a stipulated tenure as decided by the group members. The performance of the group depends on the leadership qualities of the leader as how she handles the group matters, how she takes decision and how keenly she directs the group towards contributing to social causes.



**Table 3.21**  
**Distribution of SHGs on the basis of Periodic Elections for the Office Bearers**

<b>Sr.No.</b>	<b>Frequency of Elections</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Election conducted every year	151	49.67
2	Once in two years	9	2.96
3	Beyond two years	88	28.95
4	Never Held	56	18.42
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

Table 3.21 depicts that most of the groups choose their leader through election either every year, two years or after two years. 49.67% had election every year, 28.95% hold election after every two years and 18.42% groups never had an election to choose their leader as they had a leader chosen with unanimous decision.

### **3.3.11 Maintenance of Books of Accounts and Documents**

Whatever be the number of transactions in a group it is essential to keep a record of that in order to have complete transparency. All SHGs were found to have books of accounts, though not based on scientific methods of accounting. Group leader is responsible to keep the records of group savings, disbursements and interest. In case of illiteracy of leader she might take help of other literate member of the group or any educated child can also do this work easily. So it was found that illiteracy does not pose much problem in maintenance of books and other documents as they are kept on simple basis. To evaluate the performance level of SHGs it is must to check the level of book keeping practices of the groups.

**Table 3.22**  
**Distribution of SHGs on the basis of Maintenance of Books of Accounts and Documents**

<b>Sr. No</b>	<b>Document</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Cash Book	1	0.33
2	Cash Book and Ledger	128	42.11
3	Cash Book and Member Passbook	175	57.57
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

It can be observed from the Table 3.22 nearly all SHGs were maintaining more than one set of book either cash book and ledger or cash book along with passbook. It can also be seen that 100% groups keep cash book to record the monthly savings and disbursements.

### 3.3.12 Status of Recording in the Books kept by SHGs

Keeping the books is not sufficient to measure the performance of the group but it is the status of regular recording in these books which helps a SHG to score more on performance score. Upto date and correct recording in all the books and documents fetch good score to a SHG on performance ranking.

**Table 3.23**  
**Distribution of SHGs on the basis of recording in Mentioned Documents**

<b>Sr. No</b>	<b>Status</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Upto date and correct recording	276	90.79
2	Upto date but incorrect recording	28	9.21
3	Not upto date but correct recording	0	0.00
4	Not upto date and incorrect recording	0	0.00
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

The table 3.23 reveals that 276 groups (90.79%) are recording the transactions efficiently i.e. upto date and correctly. Few groups were regular in recording but not correctly which might be due to non availability of any assistance from a literate person or the casual approach of the leader. None was found with incorrect and not upto date recording in the books maintained by the group.

### 3.3.13 Circulation of Money amongst Members

The group fund is disbursed and circulated amongst group members on the basis of need priority. As such there is no restriction on no of times a member can take loan from the group but it was found during the survey that most of the members have taken loan only for once.

**Table 3.24**  
**Distribution of SHGs on the basis of circulation of money from SHG to its members**

Sr. No	Circulation of Money	Number of SHGs	Percentage
1	2 times or more	54	17.76
2	1 time	250	82.24
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

Table 3.24 revealed that 82.24%(250) SHGs have circulated group fund only once and only 17.76% (54) SHGs circulated group fund for twice or more than that. This indicates that group members are not motivated enough to take loan in absence of any productive usage and to repay out of that. They took it as a burden than advantage.

#### **3.3.14 Disbursement of loan**

Measures the pattern of loan distribution among members and describes how many SHGs have granted loans to its members. However the degree of distribution depends on many factors like members' participation in financial decision, availability of funds, mutual trust among members and leadership skills or domination of the group leader. That is why it was found that all the groups were not disbursing loans for the one or other reasons mentioned above.

**Table 3.25**  
**Distribution of SHGs on the basis of Disbursement of Loans to the Members**

Sr.No.	Disbursement of Loans to Members	Number of SHGs	Percentage
1	Yes	81	26.64
2	No	223	73.36
	<b>Total</b>	<b>304</b>	<b>100.00</b>

It is clear from Table 3.25 that only 81 SHGs (26.64%) were disbursing loans to their members in sufficiently large number of members i.e. to more than 40% of members on the basis of their need. However, as a standard of 40% of total members getting benefitted is considered satisfactory but it can be observed that 73.36% groups are not disbursing loans to its members. So if a group has disbursed loan to either 20-30% members it comes under the category of no disbursements which is having a high % in

the sample area i.e. 73.36%. However, the reasons for low disbursements were lack of opportunities for entrepreneurial activities and member's reluctance to take loan at a very high rate of interest ranging from 18-24% per annum.

### 3.3.15 Beneficiaries of Group fund

As mentioned above the group fund rotation should not be limited to a few members only and the fund distribution should be equitable and need based. The larger the number of members taking advantage of group funds the higher performance score it would achieve and vice-versa.

**Table 3.26**  
**Distribution of SHGs on the basis of number of members taking**  
**Advantage of Group Fund/Loan**

Sr. No.	Number of members taking Advantage of Group Fund/loan	Number of SHGs	Percentage
1	0	16	5.26
2	1	39	12.83
3	2	73	24.01
4	3	75	24.67
5	4	65	21.38
6	5	32	10.53
7	6	4	1.32
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field Survey 2014

It can be observed from Table 3.26 that there are 16 SHGs (5.26%) in which no member has taken loan, 39 SHGs (12.83%) in which only one member has taken advantage of group loan, 73 SHGs have given benefit to two members, 75 SHGs (24.67%) have given loan to three members. Having no beneficiary or one, two, three beneficiaries out of a group of 10 members do not fetches a good performance on the score chart. As a matter of fact these groups are formed for self help through group cooperation but in absence of extending benefits to more than two or three members, the very purpose of the SHG formation is defeated whatsoever may be the reason behind it.

### 3.3.16 Repayment Performance

Rate of disbursements is directly proportional to rate of repayment. A prompt and

regular payment also motivates other lenders to extend their credit services to more number of members. Once a loan has been taken then repayment of the same becomes vital indicator of measuring group performance. As it is presumed that loan is taken to invest in some entrepreneurial activity and if the same is paid on time then, it is indicative of a success of the entrepreneurial venture.

**Table 3.27**  
**Distribution of SHGs on the basis of Performance of Repayment of Loan**

Sr.No.	Repayment of loan on time	Number of SHGs	Percentage
1	No Repayment	21	6.91
2	100%	214	70.39
3	90%-99%	64	21.05
4	80%-89%	5	1.64
5	70%-79%	0	0.00
6	Less than 70%	0	0.00
	Total	304	100.00

Source: Field Survey 2014

It is evident from Table 3.27 that 214 SHGs (70.39%) recorded 100% repayment by the members. Only 6.91% groups have cases of non repayment. Overall repayment rate has been found rather excellent i.e. upto 89%.

### **3.3.17 Track Record with Moneylender**

This parameter tends to track the repayment rate with the lenders. It also takes into account the reputation of SHGs with financing agencies and motivating subsequent loans as well as winning faith for other operational SHGs in the same area. Ideally SHGs should have borrowed at least twice from the lender and paid it fully to have good performance score.

**Table 3.28:**  
**Distribution of SHGs on the basis of Reputation and record of SHG with the Lender**

Sr. No.	Reputation and record of SHG with the Lender	Number of SHGs	Percentage
1	No loan linkage	21	6.91
2	1st loan from bank and irregular repayment	214	70.39
3	1st loan from bank and time repayment	64	21.05
4	2nd loan from bank and 100% repayment	5	1.64
	Total	304	100.00

Source: Field Survey 2014

It can be observed from Table 3.28 that nearly all the SHGs have bank linkage but 214 SHGs showed an irregular repayment pattern in the first loan though irregularity does not always result into NPAs but it may cause delays in repayment which may sometime result into poor reputation of the SHG. 64 SHGs (21.05%) have been regular in first loan repayment and only 5 SHGs took second loan but they had been regular in repayment.

### 3.4 Ranking of performance indicators

Indicators of performance of SHGs were grouped into four broad categories as to group constitution, organisational discipline, organisational systems and financial management and performance. SHGs have been ranked on the basis of mean and standard deviation.

**Table 3.29**  
**Performance indicators of SHGs with respective Ranks**

Sr. No.	Factors	N	Sum	Mean	Std.	Rank
<b>GROUP CONSTITUTION(SCORE 10)</b>						
1	Group Purpose	304	995.5	3.28	1.57	7
2	Homogeneity	304	836	2.75	0.97	9
<b>ORGANISATIONAL DISCIPLINE (SCORE 15)</b>						
3	Regularity of Meetings	304	1316	4.33	0.94	3
4	Attendance at Meetings	304	1452	4.78	0.63	2
5	Participation of Members in Decision-making	304	1236	4.07	1	6
<b>ORGANISATIONAL SYSTEMS SCORE (15)</b>						
6	Rules and Regulation Exist and Implemented	304	1300	4.28	1.76	4
7	Periodic Election of Leaders	304	958	3.15	1.98	8
8	Book Keeping and Documentation Cash book/Ledger/Minutes Book/Pass Book	304	1464	4.82	0.58	1
<b>FINANCIAL MANAGEMENT &amp; PERFORMANCE (SCORE-20)</b>						
9	Rotation of fund	304	732	2.41	0.97	10
10	Loan Disbursement to Members	304	685	2.25	0.76	11
11	Loan Repayment by Members	304	1272	4.18	1.43	5
12	Track Record with Lenders	304	645	2.12	0.79	12

Above calculations in Table 3.29 depict that on the basis of mean value of book keeping practices, attendance at meetings, regularity of meetings, existence and implementation of rules and regulations, participation of members in decision making, and repayment of loan by members have made a group to score high ranking. It can

also be analysed that other indicators such as purpose of the group, and periodic election of the leaders got low rankings which indicates that in the performance measurement these factors contribute little low as compared to other factors. There are areas which need due attention like homogeneity, rotation of fund, disbursements to members, and track record with lenders, in order to get good performance score.

### 3.5 Problems Faced by the SHGs

As the SHG scheme is not fetching the desired output respondents were questioned about the problems that they were facing. Lack of administrative experience, co-operation among members, long gestation period to get first loan and inadequacy of loan amount are some factors which hampered the growth and spread of SHGs in the sample area. The same has been represented by the following table.

**Table 3.30**  
**Distribution of SHGs on the basis of problems faced by the SHGs**

Sr.No.	Lack of administrative experience	Lack of cooperation among member	Difficulty to approach the authorities for getting loan	Delay in sanctioning loans	Inadequate loan amount	Limited no. of instalments for repayment of loan	No. of SHGs	Percentage
1	Yes						117	38
2		Yes					6	2
3			Yes				7	2
4				Yes			1	0*
5	Yes	Yes					84	28
6	Yes		Yes				43	14
7	Yes			Yes			16	5
8	Yes				Yes		7	2
9	Yes	Yes				Yes	9	3
10	Yes	Yes	Yes				5	2
11	Yes	Yes		Yes			1	0*
12	Yes	Yes				Yes	4	1
13	Yes				Yes	Yes	4	1
<b>Out of 304 SHGs</b>	<b>291</b>	<b>109</b>	<b>55</b>	<b>18</b>	<b>11</b>	<b>17</b>		
<b>Percentage</b>	<b>96</b>	<b>36</b>	<b>18</b>	<b>6</b>	<b>3</b>	<b>5</b>		
<b>Total</b>							<b>304</b>	<b>100</b>

Source: Field Survey 2014

\*Frequency is very small in comparison of total.

It is observed from Table 3.30 that there are 117 groups (38%) who said lack of administrative experience is the biggest problem faced by them. Only 2% admitted that there is lack of co-operation among members. 2% found it difficult to approach the authorities for getting a loan. Inadequacy of loan is not a significant problem faced by SHGs. However, most of the SHGs have quoted more than one problem that they were

facing while operating the group functions. 84 (28%) admitted as lack of administrative experience as well as lack of co-operation among members. 14% said lack of administrative experience and difficulty in approaching the authorities. 5% experienced problem due to lack of experience and difficulty in getting the loan sanctioned as a cause of disinterest in SHG scheme. 2% said inexperience and inadequacy of loan amount which bothered them as a member of SHG. 3% respondents told inexperience, non-cooperation and limited number of instalments of loan repayment as a problem area for low performance of the group. Hence it may be concluded that the major problem faced by most of the SHGs (96%) was due to lack of Administrative experience. Lack of cooperation among members was second dominating problem face by SHGs, 36% SHGs were facing problem due to this. Difficulty to approach the authorities for getting loan was identified as the third dominating problem faced by 18% of the SHGs. Rest of the problems are not so dominating and few of them were facing those problems. There are groups who faced only one problem that was lack of administrative experience, others faced two problems and few of them faced three problems. However the intensity of lack of administrative experience was seen highest among all the problems faced by SHGs. Hence it may be concluded that the problems are intense on demand side which can be overcome through guidance and counselling by Government Agencies and NGOs.

### **3.6 Educational Qualification of the leader and Performance Score of SHGs**

Performance of the SHG largely depends on the leadership skills and capabilities of the leader. However there are many leadership skills that a leader must possess like communication skill, knowledge, capacity to influence, educational qualification, experience etc but in this study an attempt has been made to check the linkage between literacy level of the leaders and the performance of their respective SHGs. Two Null hypotheses have been formulated and tested with Two Way ANOVA.

H<sub>01</sub>: There is no significant difference in the performance score of different Performance factors, when groups are classified on the basis of educational qualification of the group leaders.

H<sub>02</sub>: There is no significant difference in the performance score of different SHGs classified on the basis of educational qualification of the group leaders.

For these hypotheses testing, we have applied Two-way Analysis of Variance (ANOVA)



**Table 3.31**  
**Score and Rank of Indicators Measuring the Performance of Groups of SHGs Classified on the basis of**  
**educational qualification of the group leaders**

Educational Qualification of Leaders		Illiterate					Primary					Middle					High school and Above				
Sr.No.	Factors	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank
<b>GROUP CONSTITUTION(SCORE 10)</b>																					
1	Group Purpose	2	7	3.5	1.5	8	123	311	2.53	1.98	9	83	220	2.65	1.64	9	96	244	2.54	1.98	9
2	Homogeneity	2	8	3.75	1.25	7	123	529	4.31	1.05	4	83	346	4.17	1.04	7	96	436	4.54	0.88	3
<b>ORGANISATIONAL DISCIPLINE (SCORE 15)</b>																					
3	Regularity of Meetings	2	10	5	0	4	123	561	4.56	0.83	3	83	393	4.73	0.68	4	96	448	4.67	0.75	1
4	Attendance of Meetings	2	10	5	0	4	123	583	4.74	0.67	2	83	411	4.95	0.31	1.5	96	352	3.67	0.94	5
5	Participation of Members in Decision-making	2	10	5	0	4	123	529	4.3	0.95	5	83	391	4.71	0.7	5	96	306	3.19	0.58	6
<b>ORGANISATIONAL SYSTEMS (SCORE 5)</b>																					
6	Rules and Regulation Exist and Implemented	2	10	5	0	4	123	520	4.23	1.81	6	83	395	4.76	1.07	3	96	385	4.01	1.99	4
7	Periodic Election of Leaders	2	5	2.5	2.5	9.5	123	419	3.41	2.09	8	83	270	3.25	2.28	8	96	264	2.75	1.39	8
8	Book Keeping and Documentation Cash Book /Ledger/Minutes Book/Pass Book	2	10	5	0	4	123	603	4.9	0.43	1	83	411	4.95	0.31	1.5	96	442	4.6	0.8	2
<b>FINANCIAL MANAGEMENT &amp; PERFORMANCE (SCORE-20)</b>																					
9	Rotation of fund	2	4	2	0	11.5	123	297	2.41	1.01	10	83	217	2.61	1.08	10	96	214	2.23	0.74	11
10	Loan Disbursement to Members	2	4	2	0	11.5	123	263	2.14	0.84	11	83	187	2.25	0.74	11	96	213	2.41	0.65	10
11	Loan Repayment by Members	2	10	5	0	4	123	497	4.04	1.55	7	83	350	4.22	1.44	6	96	277	2.89	0.64	7
12	Track Record with Lenders	2	5	2.5	2.5	9.5	123	66	0.54	1.23	12	83	128	1.54	1.74	12	96	20	0.21	0.75	12
<b>Total Score (60)</b>		<b>46.25</b>					<b>42.11</b>					<b>44.79</b>					<b>37.71</b>				
<b>Grade</b>		<b>B</b>					<b>B</b>					<b>B</b>					<b>B</b>				

Following is the ANOVA table

**Table 3.32**  
**Analysis of Variance (ANOVA)**

Source of variation	Sum of Square	Degree of freedom	Mean Square	F	Result
<b>Performance Factors</b>	64.42	11	5.86	20.92	$F_{\text{tab}(11, 33)}=2.09$
<b>SHGs (Classified on the basis of Educational Qualification of the group leader)</b>	3.52	3	1.17	4.19	$F_{\text{tab}(3, 33)}=2.89$
<b>Error</b>	7.69	33	0.23	-	-
<b>Total</b>	<b>75.63</b>	<b>47</b>		-	-

Source : Author's calculation

Since calculated F- value (20.92) of performance factors is significantly greater than tabulated value (2.09) at 5% level of significance. Therefore null hypothesis is rejected. Hence, there is significant difference in the **performance scores of the performance factors** which are considered for measuring performance of the SHGs (classified on the basis of educational qualification of group leaders). Also calculated F-value (4.19) of SHGs (classified on the basis of educational qualification of group leaders) is greater than the tabulated value (2.89) at 5% level of significance. Therefore null hypothesis for this is also rejected. This implies that there is also significant difference in the **performance score of the different SHGs** classified on the basis of educational qualification of group leaders.

### **3.7 Age of the SHG and Performance Score**

Normally it is thought that the longer the period of existence of a SHG the better would be its level of performance as the group matures with the passage of time. And members learn with experience as to how to coordinate with other group members and banking officials. With the passage of time they become more communicative and start identifying their financial and other needs. In order to determine how the age of the group influences their performance scores, two null hypotheses have been formulated and tested with the help of Two Way ANOVA.

H<sub>01</sub>: There is no significant difference in the performance score of different Performance factors of SHGs classified on the basis of age of the group.

H<sub>02</sub>: There is no significant difference in the performance score of different SHG classified on the basis of Age of the group.

**Table 3.33**

**Score and Rank of Indicators Measuring the Performance of Groups of SHGs Classified on the basis of Age of the group.**

Age of SHGs		<2 years					2-4 years					4-6 years					>6 years				
Sl.No.	Factors	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank
<b>GROUP CONSTITUTION(SCORE -10)</b>																					
1	Group Purpose	155	456	3.18	1.42	8	67	213	3.18	1.57	10	59	209	3.54	1.57	8	23	82	3.57	1.51	8
2	Homogeneity	155	414	2.67	0.58	10	67	216	3.22	1.12	9	59	268	4.54	1.19	4	23	56	2.42	0.95	10
<b>ORGANISATIONAL DISCIPLINE (SCORE -30)</b>																					
3	Regularity of Meetings	155	727	4.69	0.73	4.5	67	295	4.4	1.17	4	59	249	4.22	0.98	6	23	91	3.96	1	6.5
4	Attendance of Meetings	155	755	4.87	0.49	3	67	297	4.43	0.9	3	59	295	5	0	1.5	23	113	4.91	0.41	1
5	Participation of Members in DecisionMaking	155	727	4.69	0.72	4.5	67	249	3.72	0.96	7	59	197	3.34	0.75	9	23	91	3.96	1	6.5
<b>Organisational Systems (Score- 15)</b>																					
6	Rules and Regulation Exist and Implimented	155	760	4.9	0.69	1	67	245	3.66	2.22	8	59	215	3.64	2.22	7	23	105	4.57	1.41	3
7	Periodic Election of Leaders	155	422	2.72	2.26	9	67	290	4.33	1.29	5	59	187	3.17	1.46	10	23	55	2.39	1.76	12
8	Book Keeping and Documentation Cash book/Ledger/Minutes Book/Pass Book	155	761	4.91	0.42	2	67	325	4.85	0.53	1	59	279	4.73	0.68	3	23	109	4.74	0.67	2
<b>FINANCIAL MANAGEMENT &amp; PERFORMANCE (SCORE-20)</b>																					
9	Rotation of fund	155	398	2.57	1.12	11	67	148	2.21	0.72	12	59	118	2	0	12	23	61	2.65	1.13	9
10	Loan Disbursement to Members	155	314	2.03	0.98	12	67	158	2.36	0.57	11	59	141	2.39	0.49	11	23	57	2.48	0.71	11
11	Loan Repayment by Members	155	608	3.92	1.79	6	67	263	3.93	1.53	6	59	263	4.46	0.89	5	23	104	4.52	1.17	4
12	Track Record with Lenders	155	585	3.77	1.62	7	67	305	4.55	1.19	2	59	295	5	0	1.5	23	99	4.3	1.4	5
<b>Total Score</b>		<b>44.92</b>					<b>44.84</b>					<b>46.03</b>					<b>44.47</b>				
<b>Grade</b>		<b>B</b>					<b>B</b>					<b>B</b>					<b>B</b>				

Following is the ANOVA table

**Table 3.34: Analysis of Variance (ANOVA)**

Source of variation	Sum of Square	Degree of freedom	Mean Square	F	Result (At 5% Level of Significance)
<b>Performance Factors</b>	32.82	11	2.98	10.64	$F_{\text{tab}(11,33)}=2.09$
<b>SHG Age groups</b>	0.11	3	0.04	0.14	$F_{\text{tab}(3,33)}=2.89$
<b>Error</b>	9.08	33	0.28	-	-
<b>Total</b>	42.01	47	-	-	-

Since calculated F- value (10.64) of performance factors is greater than tabulated value (2.09) at 5% level of significance. Therefore null hypothesis is rejected. Hence, there is significant difference in the performance scores of the Performance factors which are considered for measuring performance of the SHGs. But calculated F-value (0.14) of SHG Age groups is less than the tabulated value (2.89) at 5% level of significance. Therefore null hypothesis for this is accepted. This implies that is no significant difference on the performance score of the different SHGs classified on the basis of Age of their formation.

### **3.8 Size of the group and level of performance**

Size of the group i.e. number of members in a group was divided into two categories i.e. less than 12 members and 12-15 members. As per NABARD standard the ideal group size may vary from 10-15 and maximum number specified by it is 20. It is an assumption that performance of group depend on the quantum of membership though at the same time it is also believed that larger the group larger will be the differences and harder will be to come to a decision. So by formulating two null Hypotheses an attempt has been made to measure the influence of size of the group over its performance. A Two Way ANOVA has been used to test these hypotheses.

H<sub>01</sub>: There is no significant difference in the performance score of different Performance factors, when groups are classified on the basis of group size.

H<sub>02</sub>: There is no significant difference in the performance score of different SHG groups classified on the basis of group size.

**Table 3.35**  
**Score and Rank of Indicators Measuring the Performance of SHGs classified on the basis of size of the groups**

Size of the groups (No. of members in the group)		<12					12-15				
Sl. No.	Factors	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank
<b>GROUP CONSTITUTION(SCORE 10)</b>											
1	Economic Purpose	207	349	1.69	1.91	12	97	164	1.69	1.91	12
2	Homogenity	207	961	4.65	0.81	3	97	414	4.27	0.92	7
<b>ORGANISATIONAL DISCIPLINE (SCORE 30)</b>											
3	Regularity of Meetings	207	863	4.17	0.99	6	97	445	4.59	0.81	3
4	Attendance of Meetings	207	1001	4.84	0.55	1	97	453	4.67	0.74	2
5	Participation of Members in DecisionMaking	207	813	3.93	1	8	97	415	4.28	0.96	6
<b>Organisational Systems (Score-15)</b>											
6	Rules and Regulation Exist and Implimented	207	865	4.18	1.85	5	97	435	4.48	1.52	4
7	Periodic Election of Leaders	207	683	3.3	1.85	9	97	285	2.94	2.14	9
8	Book Keeping and Documentation Cash book/Ledger/Minutes Book/Pass Book	207	993	4.8	0.6	2	97	471	4.86	0.52	1
<b>FINANCIAL MANAGEMENT &amp; PERFORMANCE (SCORE-20)</b>											
9	Rotation of fund	207	495	2.39	0.94	10	97	237	2.44	1.03	10
10	Loan Disbursement to Members	207	478	2.31	0.73	11	97	211	2.18	0.8	11
11	Loan Repayment by Members	207	848	4.1	1.48	7	97	418	4.31	1.36	5
12	Track Record with Lenders	207	926	4.47	1.23	4	97	376	3.88	1.66	8
<b>Total Score (60)</b>		<b>44.83</b>					44.59				
<b>Grade</b>		<b>B</b>					<b>B</b>				

Following is the ANOVA table

**Table 3.36:**  
**Analysis of Variance (ANOVA)**

Source of variation	Sum of Square	Degree of freedom	Mean Square	F	Result
<b>Performance Factors</b>	25.22	11	2.29	9.55	$F_{\text{tab}(11, 11)}=2.82$
<b>SHGs (Classified on the basis of size of the groups)</b>	0.002	1	0.00	0.002	$F_{\text{tab}(1, 11)}=242.89$
<b>Error</b>	0.55	11	0.05	-	-
<b>Total</b>	43.16	23	1.88	-	-

Source : Author's Calculations

Since calculated F- value (9.55) of performance factors is significantly greater than tabulated value (2.82) at 5% level of significance. Therefore null hypothesis is rejected. Hence, there is significant difference in the performance scores of the performance factors which are considered for measuring performance of the SHGs (classified on the basis of size of the groups). While calculated F-value (0.002) of SHGs (classified on the basis of size of the groups) is significantly less than the tabulated value (242.89) at 5% level of significance. Therefore, null hypothesis is accepted. This implies that there is no significant difference in the performance score of the different SHGs classified on the basis of group sizes.

### **3.9 Blockwise comparison of performance of SHGs**

Three blocks namely Firozpur Jhirka, Nuh and Punhana have been chosen to collect primary data for the survey which reportedly have a large number of SHGs in southern Haryana. Despite of many similarities it is presumed that there would have been a difference in overall performance scores of SHGs in different blocks. A set of two null hypotheses have been formulated to draw a comparison among performance scores of SHGs of these three blocks and the same was tested with the help of Two Way ANOVA.

H<sub>01</sub>: There is no significant difference in the performance score of different Performance factors, when groups are classified on the basis of Blocks.

H<sub>02</sub>: There is no significant difference in the performance score of different SHGs classified on the basis of Blocks.

**Table 3.37**  
**Score and Rank of Indicators Measuring the Performance of SHGs classified on the basis of Score and Rank of Indicators**  
**Measuring the Performance of SHGs classified on the basis of Blocks**

	Block	Ferozepur Jhirkha					Nuh					Puhana				
Sr.No.	Factors	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank	N	Sum	Mean	Std	Rank
<b>GROUP CONSTITUTION(SCORE 10)</b>																
1	EGroup Purpose	109	251	2.3	1.81	11.5	92	210	2.28	1.79	10	103	197	1.91	1.61	12
2	Homogeneity	109	453	4.16	1.08	7	92	380	4.14	1.09	7	103	457	4.43	0.93	4
<b>ORGANISATIONAL DISCIPLINE (SCORE 1)</b>																
3	Regularity of Meetings	109	489	4.49	0.87	4	92	430	4.67	0.74	3	103	397	3.85	0.99	7
4	Attendance of Meetings	109	519	4.76	0.65	2	92	440	4.78	0.62	2	103	493	4.79	0.62	1
5	Participation of Members in Decision-making	109	471	4.32	0.95	5	92	416	4.52	0.85	4	103	349	3.39	0.79	8
<b>ORGANISATIONAL SYSTEMS (SCORE 15)</b>																
6	Rules and Regulation Exist and Implemented	109	515	4.72	1.14	3	92	390	4.24	1.8	5.5	103	405	3.93	2.05	6
7	Periodic Election of Leaders	109	381	3.5	2	9	92	347	3.77	2.08	9	103	230	2.23	1.47	11
8	Book Keeping and Documentation Cash book/Ledger/Minutes Book/Pass Book	109	533	4.89	0.46	1	92	454	4.93	0.36	1	103	479	4.65	0.76	3
<b>FINANCIAL MANAGEMENT &amp; PERFORMANCE (SCORE-20)</b>																
9	Rotation of fund	109	298	2.73	1.19	10	92	188	2.04	0.2	12	103	246	2.39	1	9
10	Loan Disbursement to Members	109	251	2.3	0.61	11.5	92	202	2.2	1	11	103	232	2.25	0.65	10
11	Loan Repayment by Members	109	467	4.28	1.32	6	92	351	3.82	1.79	8	103	452	4.39	1.13	5
12	Track Record with Lenders	109	410	3.76	1.65	8	92	390	4.24	1.45	5.5	103	491	4.77	0.91	2
<b>Total Score (60)</b>		<b>46.21</b>					<b>45.63</b>					<b>42.98</b>				
<b>Grade</b>		<b>B</b>					<b>B</b>					<b>B</b>				

**Table 3.38**  
**Analysis of Variance (ANOVA)**

Source of variation	Sum of Square	Degree of freedom	Mean Square	F	Result
<b>Performance Factors</b>	31.78	11	2.89	18.06	$F_{\text{tab}(11, 22)}=2.26$
<b>SHGs (Classified on the basis of Blocks)</b>	0.49	2	0.25	1.56	$F_{\text{tab}(2, 22)}=3.44$
<b>Error</b>	3.41	22	0.16	-	-
<b>Total</b>	43.16	35	-	-	-

Since calculated F- value (18.06) of performance factors is significantly greater than tabulated value (2.26) at 5% level of significance. Therefore null hypothesis is rejected. Hence, there is significant difference in the performance scores of the performance factors which are considered for measuring performance of the SHGs (classified on the basis of Blocks). While calculated F-value (1.56) of SHGs (classified on the basis of blocks) is less than the tabulated value (3.44) at 5% level of significance. Therefore, null hypothesis is accepted. This implies that there is no significant difference in the performance score of the different SHGs classified on the basis of Blocks.

### **3.10 Socio Economic Impact of SHGs of Different Blocks**

Though a separate analysis of impact of SHGs on social and economic conditions before and after joining SHGs have been done but a common socio-economic variable had been identified and analysed. A need was felt to determine whether educational qualification had made some influence over average income in different blocks or not. Following Hypotheses were formulated and tested with the help of Two Way ANOVA.

H<sub>01</sub>: There is no significant difference in the average income of the blocks.

H<sub>02</sub>: There is no significant difference in the average income of the groups formed on the basis of educational qualification.

H<sub>03</sub>: Blocks and Educational Qualification are independent of each other on the basis of average income.



**Table 3.39**  
**Two way Cross-Tabulation of Blocks and Educational Qualification of the group members according to their average income.**

Average Income Groups		<50,000			50,000-1,00,000			1,00,000-2,00,000			2,00,000-3,00,000			>3,00,000		
Blocks	Qualification	Average Income	No. of group Member	%	Average Income	No. of group Member	%	Average Income	No. of group Member	%	Average Income	No. of group Member	%	Average Income	No. of group Member	%
Ferozpur Zirkha	Upto 5 <sup>th</sup>	18000	5	0.56	74122	82	9.11	107308	26	2.89	220000	1	0.11	0	0	0.00
	Middle	0	1	0.11	72177	124	13.78	104542	12	1.33	0	0	0.00	0	0	0.00
	Metric & above	0	1	0.11	69692	13	1.44	110000	2	0.22	0	0	0.00	0	0	0.00
	Can sign only	0	0	0.00	80714	21	2.33	121071	7	0.78	0	0	0.00	0	0	0.00
<b>Total</b>		<b>18000</b>	<b>7</b>	<b>0.78</b>	<b>296706</b>	<b>240</b>	<b>26.67</b>	<b>442921</b>	<b>47</b>	<b>5.22</b>	<b>220000</b>	<b>1</b>	<b>0.11</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
Punhana	Upto 5 <sup>th</sup>	34333	12	1.33	63247	89	9.89	112500	2	0.22	0	0	0.00	0	0	0.00
	Middle	41000	14	1.56	65008	119	13.22	119500	4	0.44	0	0	0.00	0	0	0.00
	Metric & above	33333	9	1.00	60682	22	2.44	111500	4	0.44	0	0	0.00	0	0	0.00
	Can sign only	31000	9	1.00	57143	7	0.78	120000	7	0.78	0	0	0.00	0	0	0.00
<b>Total</b>		<b>139667</b>	<b>44</b>	<b>4.89</b>	<b>246080</b>	<b>237</b>	<b>26.33</b>	<b>463500</b>	<b>17</b>	<b>1.89</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
Nuh	Upto 5 <sup>th</sup>	24111	9	1.00	68625	72	8.00	116593	59	6.56	246667	3	0.33	0	0	0.00
	Middle	27333	3	0.33	66810	58	6.44	123200	20	2.22	0	0	0.00	0	0	0.00
	Metric & above	0	0	0.00	66250	4	0.44	100000	1	0.11	0	0	0.00	0	0	0.00
	Can sign only	33000	8	0.89	73017	29	3.22	125243	37	4.11	211667	3	0.33	350000	1	0.11
<b>Total</b>		<b>84444</b>	<b>20</b>	<b>2.22</b>	<b>274703</b>	<b>163</b>	<b>18.11</b>	<b>465036</b>	<b>117</b>	<b>13.0</b>	<b>458333</b>	<b>6</b>	<b>0.67</b>	<b>350000</b>	<b>1</b>	<b>0.11</b>

Following is the ANOVA table:

**Table 3.40**  
**Analysis of variance table (ANOVA)**

Source of Variation	Sum of Square	Degree of Freedom	Mean Sum of Square	F	Tabulated F-Value
<b>Block Income</b>	38144582584	2	19072291292	4.352	$F_{Tab(2,48)}=3.19$
<b>Educational Qualification</b>	21420926745	3	7140308915	1.629	$F_{Tab(3,48)}=2.80$
<b>Block*Qualification</b>	28432932724	6	4738822121	1.081	$F_{Tab(6,48)}=2.29$
<b>Error</b>	210337901204	48	4382039608	-	-
<b>Total</b>	298336343257	59	-	-	-

Source : Author's Calculations

Since calculated F-Value for Blocks (main effect) is 4.352, which is greater than tabulated F-value (3.19) therefore  $H_{01}$  is rejected at 5% level of significance. Hence there is significant difference in the average income of the three blocks. From table 3.39, it is clear that the average income of members from Nuh is more than other two blocks.

Calculated F-value for Educational Qualification (main effect) is 1.629, which is less than the tabulated F-value (2.80) therefore  $H_{02}$  is accepted at 5% level of significance. Hence there is no significant difference in the average income of the groups formed on the basis of their educational qualification.

Since calculated F-value for interaction effect between blocks and educational qualification is 1.081, which is also less than the tabulated F-value (2.29) at 5% level of significance. Hence  $H_{03}$  is also accepted this implies that Blocks and Educational Qualification are independent of each other on the basis of average income of group members.

## CONCLUSION

“The growth of SHG movement across the country as an instrument of financial intermediation provides tremendous opportunity to reach the people who do not have access to financial services” (Mathew Titus). Growing interest of the stakeholders and financing institutions calls for standardising the performance measurement of SHGs, especially in initial years to monitor their financial activities. Field workers, SHG

Promoting agencies and banks need to monitor and measure the performance of SHGs at regular intervals. This study has used a Technical Performance Measurement Tool developed by Sa Dhan. However, the standards have been altered as per the credentials of sample area.

According to PRADAN “A SHG is an informal association of 10 to 20 rural women, who are socio- economically homogeneous, with a background of affinity and meet regularly to transact the business of savings and credit”. SHG model is a savings led model quite distinguished from credit delivery model as it focuses on savings and leveraging the savings for the benefits of the group members. It is a process of self management and development for the women who are SHG members. SHGs not only confer social and economic benefits but also provide a community platform to the women to actively participate in community affairs, contending local elections and contributing to the eradication of social evils as an individual as well as a group.

This chapter considered the various aspects of performance of SHG which have been categorised into Group Constitution, Organisational Discipline, Organisational Systems and Financial Management and Performance, consisting different performance factors under each of these categories. Before measuring the performance a socio-economic profile of the group have also been drawn which helped to have a better understanding and measurement of the group performance.

Average age of the group i.e. the tenure of existence of a SHG in sample area was less than two years which indicates that most of the groups are newly formed and the old groups have become dysfunctional. Literacy level of the leader is however desirable trait but not found essential to be a good performer as a SHG. Experience however has been found more essential for the smooth functioning of the SHG and better liasoning with the bank officials. On an average basic qualification of most of the group leaders was primary schooling. However complete illiterate leader percentage was as low as 0.66%.

32.24% of the groups were found to have experienced leaders having 3-4 years of experience as a group leader of the same group or a group which has become dysfunctional. Group size was measured as less than 12 members in most of the sample SHGs i.e. 68.09% groups had a group size of 10 or 12 members which is an ideal size for smooth functioning of the group.

Majority of members were either agricultural labour or Housewife. Interestingly no group was found which did not have any valid purpose for formation of the group. Each group has got one or other purpose for formation of the group. 49.01% groups were found to have been formed to promote savings and uplifting the social status.

Members of the group were found homogeneous on the basis of economic and geographic proximity. Which means group is formed considering the factors of caste, religion, occupation and income to minimise the intra group conflicts and maximizing the cohesion.

Groups have been found very regular in conducting group meetings. 59.64% SHGs conducted group meetings once in a month however once in a week practice is also not discouraging. SHGs were observed to be 100% regular in conducting meeting in last six months either once in a month/week. Not only the conduct of meeting but attendance at group meetings has also been encouraging at a level higher than 90%. 88.82% SHGs recorded attendance more than 90% which indicates that all women members feel enthusiastic about the group meet to have a vent out for many individual and group issues.

Savings lead to action to SHG. So regular savings is a must to get going and the success rate of regularity in savings in the sample SHGs is 100% which provide greater opportunities for rotation and repayment of funds. However, it was found that no group is without savings in initial two years of formation but afterwards the percentage of SHGs with no savings started rising from 11.84% in third year to 48.36% in fourth year and 59.87% in fifth year which may result in dysfunctioning and closure of SHG.

As far as the organisational discipline is concerned SHGs performed upto the mark in almost all the parameters. Most of the SHGs i.e. 99.24% (260) were observed to have a set of defined rules which had been implemented as well only 13.82% SHGs were found without rules in existence.

Group represents a democratic administration of activities in which a leader is elected by the group members. 49.67% SHGs responded to have yearly elections of leader and 28.95% had election after more than two years and there are few groups who never had election to choose their leader rather the leader is selected on a consensus of all the group members.

Most of the SHGs were found to be good when it comes to organisational systems. Groups maintain books and documents religiously despite of low level of literacy. They just don't keep the books but keep them updated as well.

Circulation of fund has not been very frequent. Most of the groups were observed to have members who took loan only for once. 26.64% of the groups disbursed loan to its members. It was also observed that highest percentage of SHGs disbursed loan to 2 or 3 members i.e. the average number of beneficiaries of the loan is 2-3 per SHGs out of 10-12 members. Repayment rate has been encouraging and very high at a percentage of 70.39% repaid 100% of their loan. 70.39% of the groups had taken first loan from the bank but had been irregular in repayment. However 21.05% have taken first loan and repaid on time. Main problem faced by SHGs was lack of administrative experience in the group.

It can be analysed on the basis of scoring and ranking technique that book keeping and documentation, attendance at group meetings, regularity in conducting group meetings and existence of rules and regulations are the major factors responsible for quality performance of the SHGs. It also depicted the areas requiring more attention like group composition, rotation of fund and disbursement of loans to members and need to improve track record with the lenders.

To ascertain the relationship between educational qualification of leaders, age of SHGs, size of the group and performance of the groups Two Way ANOVA has been applied whose result show that there is significant difference in the performance score of SHGs emanating to educational qualification of leaders. Age of the group and size of the group do not influence the performance of the group. Blockwise comparison shows that difference in performance scores of different blocks is not much significant i.e. each block SHGs are fairing at par.

A socio economic analysis of all three blocks shows that the average income of members from Nuh is more than other two blocks. There is no significant difference in the average income of the groups formed on the basis of their educational qualification. It may be concluded that Blocks and Educational Qualification are independent of each other if classified on the basis of average income of group members.

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## CHAPTER – 4

### SOCIAL IMPACT OF SHGs ON RURAL WOMEN

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Mahatma Gandhi stated, “Women are the noblest of God’s Creation, supreme in their own sphere of activity”

#### **4.1 Introduction**

Change is inevitable as a law of nature. A sudden change is resisted more by the components of society but change if implemented in phased manner acts like a tool of development and growth. As a matter of fact every society is a blend of traditional and modern practices. Pace of change determines the pace of development of societies. A fast change converts a traditional and conservative society into a liberal society i.e. individuals learn to take control of their lives breaking out the shackles of age old traditions which become unproductive over a period of time.

This development provides widening vistas of choices and independence in terms of financial and professional decision making. So efforts should be made to develop kind of change strategies which can explore the potential for transformation of the society and minimising the barriers at the same time.

Since the ancient period women, marginal farmers and economically weaker sections of the society have been deprived to be benefitted from change. NABARD’s SGSY (Swaranjayanti Gram Swarozgar Yojana Scheme has been an endeavour to emancipate women and other disadvantaged section of the society to be a part of developmental process.

“Women’s empowerment can cease corruption and violence, promotes greater environmental sustainability” (Nelson and Prescott 2003).

“ Access to financial resources through microfinance not only gives access to self employment but also contributes to the amelioration of family life and influences the social situation of disadvantaged by promoting self confidence and the capacity to play an active role in society” (Dobra 2011). Social impact is important for women in particular as it provides a boost to their emancipation thereby constituting a vital part of economic development process and alleviating poverty.

It has been proved that when women gain confidence and a will to work they do it with

greater diligence than men and they perform better in collectives than in isolation. “ It is observed that majority of rural women who are associated with Self Help Group activity positively succeeded to gain them empowered”. Under SGSY programme Self Help Groups for women are formed to make them less dependent on men, to give them confidence to identify their problems and voice to solve them with the help of group members. It also aimed at total transformation in women behaviour about social evils prevailing in the society against women. “Self Help Group is a suitable means for empowering women and the impact of SHGs on socio-economic status of women were found significant.”

This chapter presumes that “Women’s empowerment can cease corruption and violence, promotes greater environmental sustainability” and attempts to assess the impact of the Self Help Groups on the social upliftment of rural women. **Self Confidence, Communication Skills, Awareness and Reaction to social evils and Behavioural Changes** are the parameters used for assessment of social impact of Self Help Groups on women. But before going through social impact variables it is essential to present demographic characteristics of the sample respondents.

#### 4.2 Demography of the Sample Population

On the basis of schedule of members the data have been classified into various demographic characteristics represented below.

##### 4.2 .1 Age of the Respondents

There is no age bar to be a member but a minor cannot be a member of the group. Unmarried, very young and old women though not prohibited being the members of SHG but are reluctant to join and old are either dependent or occupied in family matters.

**Table 4.1**  
**Age Wise Distribution of Members**

Sr. No	Age (In years)	Frequency	Percent
1	20-30	232	25.8
2	30-40	657	73.0
3	40-45	4	0.4
4	Above 45	7	0.8
	<b>Total</b>	<b>900</b>	<b>100.0</b>

Source: Field Survey 2014



It is evident from Table 4.1 that majority of the members i.e. 73% are in the age group of 30-40 years and 25.8% are in the age group of 20-30 years which shows their enthusiastic attitude towards contributing to family income. Women above 45 years or more prefer to stay at home and taking care of children and elderly are not interested in undertaking any income generating activity.

#### 4.2.2 Gender Wise Classification

As far as policy guideline is concerned it does not prohibit males to be the members of SHG but membership has been acquired by women predominantly.

**Table 4.2**  
**Gender Wise Distribution of Members**

Sr No	Gender	Frequency	Percent
1	Male	3	.3
2	Female	897	99.7
3	Total	900	100.0

Source: Field Survey 2014

Evident from Table 4.2 that 897 (99.7%) sample members are females and only 3 (0.3%) are males. So in the sample area maximum SHG members are women.

#### 4.2.3 Caste Wise Classification of Members

Caste or community however, does not form any basis for becoming SHG member but while formation of a group it is preferred to have members belonging to same community to have a better affinity and cohesion. If a village is dominated by a particular community then SHGs of that village may have more members from that community.

**Table 4.3**  
**Caste Wise Distribution of Members**

Sr. No	Caste	Frequency	Percent
1	SC	50	5.6
2	OBC	396	44.0
3	BC	200	22.2
4	Gen	254	28.2
	<b>Total</b>	<b>900</b>	<b>100.0</b>

Source: Field Survey 2014

It can be seen from Table 4.3 that 44% of the sample members belong to other backward classes, 22.2% are from backward class, 28.2% from General category and surprisingly only 5.6% from scheduled castes.

#### 4.2.4 Occupation of Husband of SHG Members

Occupation of husband plays a very important role in a woman's life in order to determine her socio-economic status, occupation of husband can not be ignored. As a matter of fact they might be motivated by husbands to join SHGs and availing benefits of cheaper group loans for purposes for which credit is otherwise not available without collateral and income proofs etc.

**Table 4.4**  
**Distribution of Members on the Basis of Occupation of their Husband**

Sr No	Occupation of Husband	Frequency	Percent
1	Farmer	224	24.9
2	Wage earner	374	41.6
3	Shop owner	259	28.8
4	Artisan	23	2.6
5	Govt. Job	6	.7
6	Others	14	1.6
	<b>Total</b>	<b>900</b>	<b>100.0</b>

Source: Field Survey 2014

As shown by Table 4.4 husbands of most of the members are wage earner which pressurises women to undertake an income generating activity to support family income. 28.8% are petty shop owners having small income, 24.9 % are farmers having seasonal and erratic income. All these facts put women under a dire need to go either for income generation activities or taking consumption loans to help in children education, their marriages and white wash and construction.

#### 4.2.5 Literacy Level of the Members

Education is the key component in social upliftment of any society or a nation as a whole. Education makes the life more purposeful, better and enriched with knowledge of all spheres of life and imparts confidence to survive in odd circumstances in life.

However SHGs work as a platform for women emancipation for the educated no matter less or more but apart from that it acts as a catalyst to sensitize them towards education.

**Table 4.5**  
**Distribution of Members on the Basis of Literacy Level**

	<b>Frequency</b>	<b>Percent</b>
Upto 5 <sup>th</sup>	360	40.0
Middle std	355	39.4
Metric and above	56	6.2
Can sign only	129	14.3
<b>Total</b>	<b>900</b>	<b>100.0</b>

Source: Field Survey 2014

From Table 4.5 it can be interpreted that 40% of the respondents are literate but up to 5<sup>th</sup> standard, 39.4 % up to middle standard and only 14.2% are nearly illiterate and can sign only. Metric and above is very less i.e.6.3%. The result reveals a low level of female literacy in the sample area.

#### **4.2.6 Marital Status of Sample Members**

It is the duty of the husband to take care of all the needs of wife, children and parents which is possible only when there is a regular source of income. But in the sample area it was found that most of the SHG members have husband with a wage earning occupation which too is an erratic source of income in the long run and that necessitates the women to participate in income generating activities to shoulder the responsibility of the husband. It was observed that maximum members were married.

**Table 4.6**  
**Distribution of Sample Members on the Basis of Marital Status**

	<b>Frequency</b>	<b>Percent</b>
Unmarried	10	1.1
Married	884	98.2
Widow	3	.3
Live-in partner	3	.3
<b>Total</b>	<b>900</b>	<b>100.0</b>

Source: Field Survey 2014

It is evident from Table 4.6 that 98.2% members are married, 0.3% are married but widowed and only 1.1% members were unmarried. It shows that married women are more interested in contributing to family income or it is their husbands who have promoted them to become members and get loans and then women repay their loans by taking money from them only as the loan money is still at the disposal of husbands.

### 4.3 Self Confidence

It was interesting to note that despite of a low level of literacy among members they were found to be very confident which is a sign of social empowerment of women is. Every member of SHG gets an opportunity either listening others' problems or to share their own problems with other members who may be more experienced or may be having better problem solving aptitude. As a result even an introvert gets voice. Moreover self confidence not only help them to stand up for individual or group problems but it invokes a feeling of achieving economic betterment by undertaking income generating activities. She becomes decisive from indecisive, extrovert from introvert and come up to share family responsibility in totality.

Five indicators have been used in the study to measure level of confidence among group members which are Self Worth, Facing Family's Financial Crisis, Coming Forward to Help Neighbours, Being a Decision Maker and Acquiring Respectable Position in the family. Following hypothesis has been formulated to test the change in level of self confidence before and after joining SHG.

**H<sub>0</sub>** : There is no significant difference in level of self-confidence pre and post joining SHG.

**H<sub>1</sub>** There is a significant difference in level of self-confidence pre and post joining SHG.

In order to test this Hypothesis McNemar Test has been employed in the present study.

The test statistic using McNemar test is as under.

$$\chi^2 = \frac{(A - D - 1)^2}{(A + D)} \text{ with d.f.} = 1$$

#### 4.3.1 Self Worth of the Respondents

Association with SHG provides an identity and a social status of recognition which is an esteem booster and a benchmark of women empowerment and emancipation. Self

worth means a positive attitude towards self and valuing self or treating oneself as a worthy person instead of worthless. It helps a person to get enough confidence to explore the problems and then coming out with solutions in the times of financial crisis in the family, helping neighbours in crisis and in participating family decisions. In order to check whether the members have developed a feeling of self worth or not, following Hypothesis has been framed and tested with the help of Mc Nemar Test.

**H<sub>0</sub>** : There is no significant difference in level of self worth and general confidence pre and post joining SHG.

**H<sub>1</sub>** There is a significant difference in level of self worth and general confidence pre and post joining SHG.

**Table 4.7**  
**Cross-Tabulation**

		Post SHG		Total
		Yes	No	
Pre SHG	Yes	287 (31.89)	14 (1.56)	301 (33.44)
	No	354 (39.33)	245 (27.22)	599 (66.57)
<b>Total</b>		<b>641</b> <b>(71.22)</b>	<b>259</b> <b>(28.78)</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets show percentage.

From Table 4.7 it is clear that 641 (71.22%) group members have feeling of self-worth and general confidence out of which 354 (39.33%) have developed this feeling after joining SHG. This indicates towards positive social impact on members.

**Table 4.8**  
**Chi-Square Tests**

	Value	Exact Sig. (2-sided)
Mc-Nemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Since p-value is quite less than 0.05, this implies strong evidence of rejection of null hypothesis and acceptance of alternate hypothesis. Hence group members started feeling self- worth and general confidence after joining SHG.

#### 4.3.2 Confidence of the Respondents to face Family Financial Crisis

When a woman is not having an income of her own she is dependent on her husband for all her smallest needs even. Every time she needs to ask from her husband for her financial requirements be it personal or family expenditure. But the situation gets worse when she is denied even after asking. This denial is not only dissatisfying rather humiliating for a woman. But SHG enables a woman to save, invest in the group pool and borrow from it and to come out of this type of helplessness and feeling a financial freedom. To analyse whether there has been a change in confidence level to face financial crisis of family after joining SHG a hypothesis has been formulated and tested.

**H<sub>0</sub>** : There is no significant difference in level of confidence to face family financial crisis pre and post joining SHG.

**H<sub>1</sub>** There is a significant difference in level of confidence to face family financial crisis pre and post joining SHG.

**Table 4.9**  
**Cross-Tabulation**

		Confidence to Face Financial Crisis of the Family		
		Post SHG		Total
		Yes	No	
Pre SHG	Yes	295 (32.78)	6 (0.67)	301 (33.44)
	No	390 (43.33)	209 (23.22)	599 (66.56)
Total		685 (76.11)	215 (23.89)	900

Source: Field Survey 2014

From Table 4.9, it is clear that 685 group members were confident to face financial crisis of the family out of which 390 becomes confident after joining SHG. It can be analysed that 76.11% sample members show a positive response towards coming up to face financial crisis of family which has shown an increase from 32.78% to 43.33%.

**Table 4.10**  
**Chi-Square Tests**

	Value	Exact Sig. (2-sided)
McNemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Here also p-value is quite smaller than 0.05, which shows strong evidence against acceptance of null hypothesis. Hence  $H_0$  is rejected and  $H_1$  is accepted i.e., there is significant improvement in the confidence of the group members in facing financial crisis of their families after joining SHG.

#### 4.3.3 Tendency to Help Neighbours

SHGs are run on the principles of democracy i.e. for the group, of the group and by the group and by the virtue of this principle group members develop strong concern to help each other inside the group as well as outside the group. The human tendency to socialise is highlighted by the SHG and the members feel inclined towards helping people in need in their neighbourhood. This had been verified by formulating a hypothesis and testing .

**H<sub>0</sub>** : There is no significant difference in willingness to help neighbours pre and post joining SHG.

**H<sub>1</sub>** There is a significant difference in willingness to help neighbours pre and post joining SHG.

**Table 4.11**  
**Cross Tabulation**

<b>Intention to Help Neighbours</b>				
		<b>Post SHG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
Pre SHG	Yes	429 (47.67)	1 (0.11)	430 (47.78)
	No	312 (34.67)	158 (17.56)	470 (52.22)
Total		741 (82.33)	159 (17.67)	900

Source: Field Survey 2014

From Table 4.11 it is clear that 741 (82.33%) group members are intended to help their neighbours, out of which 312 (34.67%) are those who were initially not able to help their neighbours but after joining SHG they were also intended to help their neighbours.

**Table 4.12**  
**Chi-Square Tests**

	Value	Exact Sig. (2-sided)
McNemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Here also p-value is quite smaller than 0.05, which indicates towards rejection of null hypothesis. Hence  $H_1$  is accepted which implies that after joining SHG more group members intended to help their neighbours than earlier.

#### **4.3.4 Decision Making in the Family Issues by the Group Members**

If someone gains confidence, decision making becomes consequential as a matter of fact. Moreover joining a SHG makes a member a partner of all activities whether income generating or others. Even the group meetings also contribute to uplift the confidence in a group member to take decision on group related issues be it choosing of Leader/ Treasurer or deciding upon to whom the loan should be granted on priority basis. This enable them to participate in important family decisions like children education, size of the family, health, construction, purchase of assets and any other household needs. So it may be concluded that SHGs have helped in enhancing the importance of women in family decisions. Now they are being consulted upon to finalise important decisions. To check the impact of SHGs on the decision making of members in family issues following hypothesis has been framed and tested with the help of Mc Nemar Test.

**$H_0$**  : There is no significant difference in the decision making capabilities pre and post joining SHG.

**$H_1$**  There is a significant difference in the decision making capabilities pre and post joining SHG.



**Table 4.13**  
**Cross-Tabulation**

<b>Decision Maker In The Family Decisions</b>				
		<b>Post SHG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
<b>Pre SHG</b>	<b>Yes</b>	333 (37.00)	0 (0.00)	333 (37.00)
	<b>No</b>	307 (34.11)	260 (28.89)	567 (63.00)
<b>Total</b>		640 (71.11)	260 (28.89)	900

Source: Field Survey 2014

From Table 4.13 it is clear that 640 (71.11%) group members are the decision maker in their family decisions, out of which 307(34.11%) are those who turned decision maker of their family after joining SHG.

**Table 4.14**  
**Chi-Square Tests**

	<b>Value</b>	<b>Exact Sig. (2-sided)</b>
McNemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Here p-value is quite smaller than 0.05, which shows strong evidence against acceptance of null hypothesis. Hence  $H_0$  is rejected. So it can be concluded that after joining SHG more group members have become decision maker in their family decisions than earlier.

#### **4.3.5 Treatment of the Respondents in the Family**

Society is conservative towards women and not very gentle on par with their male counterparts. Though it has not made any significant difference in the respect that a women member of the family gets but at least now she can ask male members to be polite with them and not to take them for granted. And they too deserve a respectable treatment as a vital part of the family. To check whether there has been a change in the

level of respect in the family a hypothesis has been formulated and tested.

**H<sub>0</sub>** : There is no significant difference in the level of respect of members in the family pre and post joining SHG.

**H<sub>1</sub>** There is a significant difference in the level of respect of members in the family pre and post joining SHG.

**Table 4.15**  
**Cross-Tabulation**

<b>Degree of Respect in Family</b>				
		<b>Post SHG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
Pre SHG	Yes	422 (46.89)	0 (0.00)	422 (46.89)
	No	351 (39.00)	127 (14.11)	478 (53.11)
Total		773 (85.89)	127 (14.11)	900

Source: Field Survey 2014

From Table 4.15 it is clear that 773 (85.89%) group members are respected in their family, out of which 351(39%) are those who began to be respected in their family after joining SHG.

**Table 4.16**  
**Chi-Square Tests**

	<b>Value</b>	<b>Exact Sig. (2-sided)</b>
Mc-Nemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Here p-value is quite smaller than 0.05, which shows strong evidence against acceptance of null hypothesis. Hence, H<sub>0</sub> is rejected and implies that after joining SHG more group members have started getting a respectable position in their families than earlier.

### 4.3.6 Aggregate Result of Self Confidence Level among SHG Members

The study has used five indicators to measure the change in general confidence level of sample respondents before and after joining SHGs and therefore, following Hypothesis has been formulated and checked by using Mc Nemar test.

H<sub>0</sub> : There is no significant difference in level of self-confidence pre and post joining SHG.

H<sub>1</sub> : There is a significant difference in level of self-confidence pre and post joining SHG.

**Table 4.17**  
**Result of Mc Nemar Test for Self Confidence**

Sr.No	Measures of Self Confidence	Calculated Value of $\chi^2$	Level of Significance	Result
1	Feeling of self-worth and general confidence	312.285	0.000	HS
2	Confident to face financial crisis of the family	370.427	0.000	HS
3	Intension to help Neighbours	307.029	0.000	HS
4	Decision maker in the family decisions	305.003	0.000	HS
5	Gaining Respect in family	349.003	0.000	HS

HS means Highly Significant at 5% level.

It is clear from Table 4.17 that the calculated values of the  $\chi^2$ -test for self-confidence are more than the tabulated value (3.84) at 5% level of significance, hence, null hypothesis is rejected. Therefore there is significant difference in self-confidence among the group members before and after joining the SHGs.

### 4.4 Communication Skills of the Respondents

It is a permanent and regular feature of a group to hold group meetings either on weekly/ fortnightly/ monthly basis to review the working and activities of the members. This inculcates a habit of expressing their opinions amongst the group members and they come up with suggestions on issues raised in meetings in particular. In the beginning some of them hesitates to speak but gradually they gain confidence to communicate what they think and what they aspire from being part of the group. It

helps to improve their communication skills slowly but remarkably. To check whether SHGs have played a role in improving their communication skills the study has used three indicators which have been explained in this section and a Hypothesis has been framed and tested with the help of Wilcoxon Sign Rank Test.

H<sub>0</sub>: There is no significant difference in communication skills pre and post joining SHG.

H<sub>1</sub>: There is a significant difference in communication skills pre and post joining SHG

#### 4.4.1 Degree of Communication in the Group Meetings

Communication is directly linked with the knowledge and ideas. Initially if some member lacks knowledge / ideas, she would acquire some knowledge by listening to other members, about the issues discussed in the meetings. Then that member tries to co-relate those issues with her own and in the next meetings they can share their ideas with other members. However articulation of knowledge/ ideas may vary from person to person but for sure they get voice after joining SHG.

**Table 4.18**

**Distribution of Members According to Nature of Communication in the Meetings Before and After Joining The SHGs**

Sr.No.	Nature of Communication	No. of members	
		Before Joining	After joining
1	Hesitates to Talk	253 (21.11)	104 (11.56)
2	Speak only if asked	128 (14.22)	243 (27)
3	Rarely speaks	519 (57.67)	213 (23.67)
4	Freely speaks	Nil (0)	340 (37.78)
<b>Total</b>		<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

It can be seen from table 4.18 that 21.11% of the members i.e. 253 were hesitant to talk even before they join SHG but after joining SHG its only 104 i.e. 11.56% were hesitant to talk. Only 14.22% (128) were ready to speak when asked before joining SHG but there has been a good increase in expressing themselves when asked i. e. 27%. Prior to joining the group there were 519 members (about 58%) who were rarely expressive but

the percentage steeply fell down to 23.67% after joining of their group. 37.78 % of members feel free to talk after joining SHG whereas there was no member in this category earlier. Overall analysis shows a positive shift in the level of communication skills which might accrue to the joining of SHGs.

#### 4.4.2 Number of Officials Approached by the Members

Continuous participation in the group meetings has given them confidence to articulate their problems with NGO workers, Government Officials, Bank Managers. It was found during the survey that some of these group members have turned so expressive that they came to discuss the procedure for gold loan even without their husbands. It shows a high level of improvement in their speaking skills.

**Table 4.19**  
**Distribution of Members According to Number of Officials Approached Before and After Joining the SHGs.**

Sr. No	No. of officials approached	No. of members	
		Before Joining	After joining
1	Never approached	900 (100)	392 (43.6)
2	2-3	Nil (0)	131 (14.9)
3	More than 3	Nil (0)	377 (41.9)
<b>Total</b>		<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

It could be observed from table 4.19 that no member could find herself capable of meeting a bank official before joining SHG but after joining SHG 14.9% could be able to meet 2-3 officials and 41.9% could meet and articulate with even more than three bank officials to sort out their queries. This is an indicator of improvement in the confidence of the members which enabled them to meet the officials of various financial organisations.

#### 4.4.3 Response to Field Workers on Developmental Surveys

Various NGOs have undertaken different research projects in the sample area as this area is intensely backward in all respects. Talking to some NGO workers about their experience they told women were reluctant to answer their questions but gradually they

started answering few questions which possibly was an outcome of joining SHGs. They were either scared of their family members or hesitant to answer to outsiders.

**Table 4.20**  
**Distribution Of Members According To Their Response To Field Workers On Developmental Surveys Before And After Joining The SHGs.**

Sr. No.	No. of officials approached	No. of members	
		Before Joining	After joining
1	Rarely	898 (99.8)	350 (38.7)
2	Answer only a few questions	2 (0.2)	236 (26.2)
3	Enthusiastic respondent	Nil (0)	314 (34.7)
<b>Total</b>		<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

From the table 4.20 it can be seen that initially almost all members were reluctant to answer the questions asked by the field workers but after joining SHG, 26.2% have started answering a few questions and 34.7% became enthusiastic respondents to the field workers and provided them with the valuable inputs to carry out their research.

#### **4.4.4 Aggregate Result of Level of Communication among Sample Members**

Communication is the pillar of every society which makes the society to speak for their grievances, rights and suggestions. Community organisations create awareness which result into higher confidence level among members of these organisations. Three indicators have been used to measure change in the level of communication among rural women before and after joining SHG. Following hypothesis has been formulated to measure the change in communication level of the respondents and the same was tested with the help of Wilcoxon Sign Rank Test.

H<sub>0</sub>: There is no significant difference in communication skill pre and post joining SHG.

H<sub>1</sub>: There is a significant difference in communication skill pre and post joining SHG

**Table 4.21**  
**Results of Wilcoxon Sign Rank Test for Communication Skill**

		<b>Ranks</b>	<b>N</b>	<b>Mean Rank</b>	<b>Sum of Ranks</b>
Difference between after and before joining SHG	In level of communication	Negative Ranks	183	242.83	44438.50
		Positive Ranks	421	328.44	138271.50
		Ties	296		
		<b>Total</b>	<b>900</b>		
	In No. of officials approached by members to discuss problems	Negative Ranks	0	.00	.00
		Positive Ranks	508	254.50	129286.00
		Ties	392		
		Total	900		
	In responding to field workers on developmental surveys	Negative Ranks	0	.00	.00
		Positive Ranks	550	275.50	151525.00
		Ties	350		
		Total	900		

From the table 4.21 it is clear that out of 900 group members 421 shows improvement in level of communication, 508 group members approached to the officials to discuss their problems and 550 group members were responding to field workers on developmental surveys after joining SHG.

Since, p-values are quite smaller than 0.05 for all the three factors and their averages, this implies a very strong evidence against the null hypothesis in favour of the alternative hypothesis hence  $H_0$  is rejected.

This shows that the group members have significantly improved over level of communication, approaching officials and also on responding to field workers on the developmental survey after joining SHG. Hence over all communication skills of the group members have been improved after joining SHG.

**Table 4.22**

**Test Statistics**

	Difference between before and after joining SHG		
	In level of communication	In No. of officials approached by members to discuss problems	In responding to field workers on developmental surveys.
Z	-11.193 <sup>a</sup>	-20.656 <sup>a</sup>	-21.022 <sup>a</sup>
Asymp. Sig. (2-tailed)	.000	.000	.000

a. Based on negative ranks.

b. Wilcoxon Sign Rank Test

It is clear from table 4.21 that the calculated values of Z for all the three categories are less than tabulated value (-1.96) at 5% level of significance and hence the null hypothesis is rejected. It is concluded that there is a significant improvement in communication skills of the group members after joining SHGs.

#### **4.5 Awareness of Social Evils**

One of the biggest advantages of joining with community organization is leading a quality life in terms of economic independence, more respect in the family, participation in decision making, awareness of legal rights and various welfare schemes launched by the government from time to time. Group meetings, government officials, NGO workers create awareness among the members. They educate, guide and train them about the social evils prevalent in their society, what could be the possible hazards and what are the legal remedies available for these social evils. Members become more assertive after group participation and there increase desire and ability to protect socially unwanted trades like drinking, gambling and violence against women, becomes the mode the disposition of improved assertiveness.

At micro level these social evils hamper the individual's development and hinders the growth of society at large. The impact of these community organizations has been studied with respect to Women Harassment by Husband, Alcoholism, Abortion, Dowry, Child Marriages and Illicit Relationship. Following Hypothesis was formulated



to check the level of awareness about social evils and reaction to them. To test the same the study has employed Mc Nemar Test.

Ho: There is no significant difference in the level of awareness about social evils and reaction to them pre and post joining SHG.

H1: There is a significant difference in the level of awareness about social evils and reaction to them pre and post joining SHG.

#### 4.5.1 Harassment of Women

Any type of harassment is against the Indian Constitution which generates an undignified living to all women. Women are regarded as the creator of good human beings and citizens as per all spiritual texts and has been given a place before God. So any sort of harassment which devoids her of this prime position and her rights of a dignified living is considered as sin. Hence, it should be protested not only by the individuals but by the organizations as well. In the study we have analysed the women harassment and the reaction towards harassment of women by their husbands. Following hypothesis has been formulated to check the level of awareness about social evils and tested with the help of Mc Nemar Test.

Ho: There is no significant difference in the level of awareness about harassment and their reaction, pre and post joining SHG.

H1: There is a significant difference in the level of awareness about harassment and their reaction pre and post joining SHG.

**Table 4.23**

<b>Cross Tabulation</b>				
<b>Protest Against Harassment by Husband</b>				
		Post SHG		Total
		Yes	No	
Pre SHG	Yes	90 (10.00)	0 (0.00)	90 (10.00)
	No	328 (36.44)	482 (53.56)	810 (90.00)
<b>Total</b>		<b>418 (46.44)</b>	<b>482 (53.56)</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

From Table 4.23, it is clear that 418 (46.44%) group members protest against harassment by husband out of which 328 (36.44%) group members were able to protest against harassment by husband after joining SHG.

**Table 4.24**  
**Chi-Square Tests**

	Value	Exact Sig. (2-sided)
Mc Nemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Since p-value is quite smaller than 0.05, which shows strong evidence against acceptance of null hypothesis. Hence  $H_0$  is rejected i.e. there is significant improvement in the number of group members who protest against harassment by husband after joining SHG.

#### **4.5.2 Alcoholism**

Alcoholism is yet another disturbing and rampant social evil that exists in the society more where people are living below poverty line. Association with SHG has made women to recognise that alcoholism is in fact the root cause of physical and verbal abuse to women and it demoralises the society in different ways. They have come up as a group to eradicate this social evil for them and well being of the society at large. NGO workers educate them about the consequences of alcoholism on the women, children, family and society as a whole and guide them how to take control of this situation to safeguard their family from this evil. Hence, a hypothesis has been framed and tested with Mc Nemar Test.

$H_0$ : There is no significant difference in the level of awareness about alcoholism and reaction to it, pre and post joining SHG.

$H_1$ : There is a significant difference in the level of awareness about alcoholism and reaction to it, pre and post joining SHG.

**Table 4.25**  
**Cross Tabulation**

<b>Protest Against Alcoholism</b>				
		<b>Post SHG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
<b>Pre SHG</b>	<b>Yes</b>	74 (8.22)	3 (0.33)	77 (8.56)
	<b>No</b>	534 (59.33)	289 (32.11)	823 (91.44)
<b>Total</b>		<b>608 (67.56)</b>	<b>292 (32.44)</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

From the Table 4.25, it is clear that 608 (67.56%) group members protest against alcoholism out of which 534(59.33%0 group members were able to protest against alcoholism after joining SHG.

**Table 4.26**  
**Chi-Square Tests**

	<b>Value</b>	<b>Exact Sig. (2-sided)</b>
Mc Nemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Since p-value is quite small and less than 0.05, this implies the strong evidence of rejection of null hypothesis. Hence, there is good improvement in protest against alcoholism by group members after joining SHG.

#### **4.5.3 Infanticide/ Foeticide**

The SHGs movement has made women to stand up against the heinous act of foeticide especially female foetus. Though in the sample area the reported cases of abortions are very less because of some religious limitations as most of the population is following Islam which is against infanticide but still there are some families which were involved in this act of abortion is a result of either unwanted pregnancy or female foeticide and women after joining SHG could raise their voice against it and NGO workers educate

them about the methods of contraception to size their family adequately keeping in mind the resources of the family. They are being told that both boys and girls are equally a liability till they become independent earners. Following hypothesis has been formulated and tested.

Ho: There is no significant difference in the level of awareness about infanticide and reaction to it, pre and post joining SHG.

H1: There is a significant difference in the level of awareness about infanticide and reaction to it, pre and post joining SHG.

**Table 4.27**  
**Cross Tabulation**

<b>Protest Against Abortion</b>				
		<b>Post SHG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
<b>Pre SHG</b>	<b>Yes</b>	50 (5.56)	0 (0.00)	50 (5.56)
	<b>No</b>	65 (7.22)	785 (87.22)	850 (94.44)
<b>Total</b>		<b>115 (12.78)</b>	<b>785 (87.22)</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Table 4.27 depicted, that only 115 (12.78%) group members protest against abortion out of which 65 (7.22%) were able to protest against abortion after joining SHG.

**Table 4.28**  
**Chi-Square Tests**

	<b>Value</b>	<b>Exact Sig. (2-sided)</b>
McNemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Since p-value is quite small and less than 0.05, this implies the strong evidence of rejection of null hypothesis. Though number of group members who protest against abortion is quite smaller, still it has increased after joining SHG.

#### 4.5.4 Dowry

Dowry system is a deep rooted social evil prevalent in the Indian society irrespective of caste, literacy and income level. Means it is widespread whatsoever the caste, the level of literacy of bride and the income level of bride's parents. It has been a tradition since ancient times that when a girl is married off the parents of girl give her all the necessary items as a gift from their side but when some particular things are demanded by the parents of groom, it becomes an evil which puts a pressure on the mind of girls parents either to fulfil their demands or to let their daughter face the consequences which may be physical harassment to burning alive. Even after 65 years of independence we could not get rid of this social evil which seemingly does not appear so fatal but consequences of which are very painful. Government with the help of NGOs have created awareness about the rights of women in dowry cases and have also initiated to sensitise males for not demanding dowry. It becomes essential to check the level of protest against Dowry, hence, a hypothesis has been framed and tested.

Ho: There is no significant difference in the level of protest against dowry, pre and post joining SHG.

H1: There is a significant difference in the level of protest against dowry, pre and post joining SHG.

**Table 4.29**  
**Cross Tabulation**

<b>Protest Against Dowry</b>				
		<b>Post SHG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
Pre SHG	Yes	396 (44.00)	3 (0.33)	399 (44.33)
	No	323 (35.89)	178 (19.78)	501 (55.67)
<b>Total</b>		<b>719 (79.89)</b>	<b>181 (20.11)</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Table 4.29, reveals that 719 (79.89%) group members protest against dowry out of which 323 (35.89%) were able to protest against dowry after joining SHG.

**Table 4.30**  
**Chi-Square Tests**

	Value	Exact Sig. (2-sided)
McNemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Since p-value is quite smaller than 0.05, this implies the strong evidence of rejection of null hypothesis. Hence there is improvement in number of group members, who are able to protest against dowry after joining SHG.

#### **4.5.5 Early Marriage**

Is yet another menace of the conservative and poorly developed societies where girls are not sent to schools for education but are married at a very early age. And decision making being the male domain women cannot win over their husbands and elderly in the family to speak against child marriages. However association with SHGs have shown a remarkable improvement in giving enough confidence to women to participate in family decision making which has helped them to protect their daughters from child marriages and motivating them for education. Following Hypothesis and its testing has validated this issue.

**H<sub>0</sub>**: There is no significant difference in the reaction to early marriage, pre and post joining SHG.

**H<sub>1</sub>**: There is a significant difference in the reaction to early marriage, pre and post joining SHG.

**Table 4.31**

#### **Cross Tabulation**

<b>Protest Against Early Marriage</b>				
		<b>Post SHG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
<b>Pre SHG</b>	<b>Yes</b>	101 (11.22)	3 (0.33)	104 (11.56)
	<b>No</b>	115 (12.78)	681 (75.67)	796 (88.44)
<b>Total</b>		<b>216 (24.00)</b>	<b>684 (76.00)</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Evident from Table 4.31 that only 216 (24%) group members protest against child marriage out of which 115 (12.78%) were able to protest against child marriage after joining SHG.

**Table 4.32**  
**Chi-Square Tests**

	Value	Exact Sig. (2-sided)
McNemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Since p-value is quiet less than 0.05, this implies the strong evidence of rejection of null hypothesis. Though number of group member who protest against child marriage is quiet low, still it has increased after group members joined SHG.

#### 4.5.6 Illicit Relationships

It has been seen that in low developed societies adulterous relationships are also prevalent. As a matter of fact it is great mental torture for a woman. However the incidence is quite low in the sample area but women came forward in resisting the illicit relationships in their area. Following Hypothesis had been framed and tested to check their protest against this social evil.

**H<sub>0</sub>:** There is no significant difference in the protest against illicit relationships, pre and post joining SHG.

**H<sub>1</sub>:** There is a significant difference in the protest against illicit relationships, pre and post joining SHG.

**Table 4.33**  
**Cross Tabulation**

<b>Protest Against Illicit Relationships</b>				
		<b>Post SHG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
<b>Pre SHG</b>	<b>Yes</b>	99 (11.00)	5 (0.56)	104 (11.56)
	<b>No</b>	57 (6.33)	739 (82.11)	796 (88.44)
<b>Total</b>		<b>156 (17.33)</b>	<b>744 (82.67)</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

It is revealed by Table 4.33 that only 156 (17.33%) group members protest against illicit relationships out of which 57(6.33%) were able to protest against illicit relationship after joining SHG.

**Table 4.34**  
**Chi-Square Tests**

	Value	Exact Sig. (2-sided)
McNemar Test		.000 <sup>a</sup>
N of Valid Cases	900	

a. Binomial distribution used.

Since p-value is quite less than 0.05, this implies the strong evidence of rejection of null hypothesis. Though number of group member who protest against illicit relationship is quiet low, still it has increased after group members joined SHG.

#### **4.5.7 Aggregate Result of Mc Nemar Test for Reactions to Social Evils Before and After Joining the SHGs**

Less developed societies are characterised by prevalence of social evils due to illiteracy, ignorance, conservatism and dominance of some particular sections of the society. Association with the Self Help Groups has culminated into awareness about social evils among the members and invoking a reaction in extreme cases. Following hypothesis has been formulated to test the reaction of members towards social evils before and after joining SHGs with the help of Mc Nemar Test.

$H_0$  : There is no significant difference in reaction to social evils before and after joining SHGs

$H_1$  : There is a significant difference in reaction to social evils before and after joining SHGs



**Table 4.35**  
**Result of Mc Nemar Test for Reactions to Social Evils**

Sr. No	Protest Against	Calculated Value of $\chi^2$	Level of Significance	Result
1.	Harassment by husband	326.003	0.000	HS
2.	Alcoholism	523.091	0.000	HS
3.	Abortion	63.015	0.000	HS
4.	Dowry	312.150	0.000	HS
5.	Child marriage	104.415	0.000	HS

HS means Highly Significant at 5% level of significance

It is clear from table 4.35 that the calculated values of  $\chi^2$ -test for all kinds of social aspects before and after joining the SHGs are higher than the tabulated value (3.84) at 5% level of significance. Therefore, the null hypothesis is rejected and can be concluded in favour of alternate hypothesis that there is significant difference in reaction to the evils among the sample members before and after joining the SHGs.

#### **4.6 Behavioural Changes With Respect to Problematic Situations**

It has been a proven fact that group activities/ community organisations have always worked as catalyst to bring about changes in the society. These social organisations work in the interest of the society and give people confidence and support to explore their potential in solving individual problems in particular and eradication of social evils in general. Where these organisations are passive these social evils become chronic and people take a mode of indifference reacting to it which is harmful for the growth of society and the nation as a whole. Especially when we talk about women emancipation the role of these social groups become all the more important as women do the best in collectives.

To analyse the changes in the behaviour of members about reacting to some unpleasant practices by males to women after their joining of SHGs a set of behavioural aspects like verbal abuse, physical torture, neglecting and insulting and psychological abuse have been identified and then responses towards these situations are measured

before and after joining SHG and tested. Following hypothesis has been formulated and tested with the help of WilCoxon Sign Rank Test.

Ho: There is no significant difference in the behavioural changes with respect to problematic situations pre and post joining SHG.

H1: There is a difference in the behavioural changes with respect to problematic situations pre and post joining SHG.

#### 4.6.1 Verbal Abuse

No two people are alike so do their views. It has always been observed that when there is a decision making situation which needs a detailed discussion is subject to disagreements among who are participating in that discussion and sometimes the words may be soft or abusive resulting into positive or negative impact. However, everyone likes the words to be soft enough to create a positive influence. Harsh words do not only create a negative influence but it may hurt the feelings of the recipient. These words are termed as abusive which may be reacted upon or be tolerated silently due to lack of confidence of the receipt. If there is a reaction it will result in conflicts and quarrels and on the contrary a no reaction will make the user habitual of this practice against the weaker sex.

**Table 4.36**  
**Members' Reaction Against Verbal Abuse**

Sr. No.	Reaction	Before Joining	After Joining
1.	Keep Silence	900 (100.00)	150 (16.67)
2.	Resist	0 (0.00)	750 (83.33)
3.	Lodge complaint in the group	0 (0.00)	0 (0.00)
4.	Go and talk to parents	0 (0.00)	0 (0.00)
5.	Lodge FIR	0 (0.00)	0 (0.00)
	<b>Total</b>	<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

As a matter of fact keeping silence to the problems is no solution but reacting to these types of situations may result in the end of such undignified language especially to women members of the family. The SHGs have given confidence to the members to break their silence and start reacting to unpleasant situations in their life. Group discussion and counselling by the NGO workers have helped them to resist verbal abuse.

From the Table 4.36 it can be interpreted that before joining SHG all the members were following a policy of silence against verbal abuse but after joining SHG the % drops down to 16.67% which means a positive impact of SHGs over their behaviour. 83.33% members start resisting to verbal abuse by husbands by their own without feeling a need to complaint in the group, to relatives or to the authorities. It shows that just a strong resistance is all required to curb this practice.

#### 4.6.2 Physical Torture

In family members interact with each other and communicates about various issues of day to day life. To have always a consensus on everything is not practical, there may crop a disagreement and misunderstandings which may lead to a dispute among family members. Sometimes when these disputes cannot be settled by words it may take a shape of physical torture to women. When these women join a community organisation they start reacting towards this type of situation.

**Table 4.37**  
**Members' Reaction against Physical Torture**

Sr. No.	Reaction	Before Joining	After Joining
1.	Keep Silence	0 (0.00)	0 (0.00)
2.	Resist	900 (100.00)	0 (0.00)
3.	Lodge complaint in the group	0 (0.00)	490 (54.44)
4.	Go and talk to parents	0 (0.00)	385 (42.78)
5.	Lodge FIR	0 (0.00)	25 (2.78)
	<b>Total</b>	<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

It can be seen from Table 4.37 that physical torture is resisted by all the members but before joining SHGs they were not able to take any action against it. Soon after joining SHGs they (54.44%) got a platform and courage to lodge complaint in the group, 42.78% started talking to their parents which earlier they were concealing and in extreme cases 2.78% of the members are even ready to lodge a FIR .

#### 4.6.3 Ignoring and Insulting

Man is gregarious and prefers to be a part of group. He has communication needs which he may satisfy by conversing to family members or some social groups when a conversation in a group takes place the ideas of one member may go unnoticed and her presence is not recognised which leads to a feeling of mental humiliation. She may/may not react to the neglect and humiliation. However reaction may result into regret by other member and assurance of being taken care of in future and non reaction may keep them ignorant of her humiliation. So to make one's presence feel one should be vocal and if not recognised the one should react to the non cognition.

**Table 4.38**  
**Member's Reaction against Ignoring and Insulting**

Sr. No.	Reaction	Before Joining	After Joining
1.	Keep Silence	900 (100.00)	78 (8.67)
2.	Resist	0 (0.00)	645 (71.67)
3.	Lodge complaint in the group	0 (0.00)	177 (19.67)
4.	Go and talk to parents	0 (0.00)	0 (0.00)
5.	Lodge FIR	0 (0.00)	0 (0.00)
	<b>Total</b>	<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total

It is evident from Table 4.38 the that there has been a positive impact of joining SHG towards reacting non recognition as people used to keep silence but after joining 71.67% started resisting, 19.67% members feel to complain in the group. However they feel that this problem can be sorted out merely by breaking the silence and resisting the insult and humiliation and no need to lodge a FIR to authorities.

#### 4.6.4 Psychological Attack

People exchange ideas and information in groups and with family members. But sometimes words and the ways of articulation have a deep emotional and psychological impact on the receiver. This impact influences the mind of the receiver which may lead to a psychological injury. But no reaction to the situation makes it worse so a member should take charge of protecting her of this type of psychological attack by sharing it with relatives/group members and even to authorities.

**Table 4.39**  
**Member's Reaction against Psychological Attack**

<b>Sr. No.</b>	<b>Reaction</b>	<b>Before Joining</b>	<b>After Joining</b>
1.	Keep Silence	613 (68.11)	0 (0.00)
2.	Resist	6 (0.67)	152 (16.89)
3.	Lodge complaint in the group	281 (31.22)	379 (42.11)
4.	Go and talk to parents	0 (0.00)	369 (41.00)
5.	Lodge FIR	0 (0.00)	0 (0.00)
	<b>Total</b>	<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

From the Table 4.38 it is clear that after joining no member keeps silence towards mental humiliation. 16.89% started resisting , 42.11% started complaining in the group, and 41% started discussing with parents and relatives however not resourcing to the authorities.

#### 4.6.5 Aggregate Result of Behavioural Changes with Respect to Problematic Situations Pre and Post Joining SHG.

Societies are gearing up for changes and these community organizations are working as change agents and making women bold to react to social evils of dowry, insult, physical and mental torture and bringing things to light rather than hiding them from society. To check whether SHGs have been successful in this role or not Hypothesis was formulated and tested with the help of Wilcoxon sign Rank Test.

Ho: There is no significant difference in the behavioural changes with respect to problematic situations pre and post joining SHG.

H1: There is a significant difference in the behavioural changes with respect to problematic situations pre and post joining SHG.

**Table 4.40**  
**Results of Wilcoxon Sign Rank Test for Behavioural Changes**

		Ranks			
			N	Mean Rank	Sum of Ranks
Difference in reaction of members to behavioural changes before and after becoming members in the SHGs	Verbal abuse	Negative Ranks	0	.00	.00
		Positive Ranks	750	375.50	281625.00
		Ties	150		
		<b>Total</b>	<b>900</b>		
	Physical torture	Negative Ranks	0	.00	.00
		Positive Ranks	900	450.50	405450.00
		Ties	0		
		<b>Total</b>	<b>900</b>		
	Ignoring and insulting	Negative Ranks	0	.00	.00
		Positive Ranks	822	411.50	338253.00
		Ties	78		
		<b>Total</b>	<b>900</b>		
	Psychological attack	Negative Ranks	0	.00	.00
		Positive Ranks	788	394.50	310866.00
		Ties	112		
		<b>Total</b>	<b>900</b>		

Table 4.40 revealed that out of 900 group members 750 shows react against verbal abuse by resisting, all the 900 group members react against physical torture by lodge complaint in the group, talk to parents or by lodging FIR. 882 group members react against ignorance and insult by resisting or complaining in the group. 788 group members react against psychological attack by resisting, lodge complaint in the group or by talking to parents.

**Table 4.41**  
**Result of Wilcoxon Sign Rank Test on Reaction of Members to Behavioural Changes Before and After Joining SHGs.**

Sr. No.	Problematic situation	Z-value	Level of Significance	Result
1.	Verbal abuse	-27.386 <sup>a</sup>	0.000	HS
2.	Physical torture	-26.802 <sup>a</sup>	0.000	HS
3.	Ignoring and Insulting	-26.522 <sup>a</sup>	0.000	HS
4.	Psychological Attack	-24.704 <sup>a</sup>	0.000	HS

a. Based on negative ranks.

HS means Highly Significant at 5% level of significance

It is evident from the Table 4.41 that the calculated values of Z for all the four problematic situations are less than tabulated value (-1.96) at 5% level of significance, hence we have strong evidences of rejecting null hypothesis. It is concluded that there is a significant difference in the behavioural changes with respect to problematic situations pre and post joining SHG.

### **Conclusion**

The main emphasis of this chapter has been to study and analyse the social impact on women of sample area. For this purpose four variables like self confidence and self worth, communication skills, awareness against social evils and reaction of members towards some unpleasant practices prevailing in the society. Each variable is then tested on the basis of before and after joining SHGs. A demographic profile of the sample respondents have also been drawn to know the characteristics of the sample population.

Non parametric tests like Mc Nemar and Wilcoxon Sign Rank test have been applied to analyse the level of significance of each variable before and after joining SHGs. Mc Nemar test has been used for Yes and No responses and Wilcoxon Signed Rank Test has been used to determine both direction and magnitude of difference between before and after values. Null hypothesis was tested as to there is no significant difference between all the four variables of social impact before and after joining SHG and for all the variables the impact was found to be significant and positive.

Involvement in this community organisation has helped women to improve in a

significant manner viz. their confidence and communication skills which are the two most important indicators of social upliftment of the rural women. It made them confident enough to interact with the outer world beyond the four walls of house and fields. It was found during survey that now women have become more vocal with the bank officials in not just asking for group loans but they also enquire their eligibility for other types of loans such as gold loan. They are aware of welfare schemes launched by the Government from time to time. The results showed a positive impact with respect to reaction to social evils. Awareness is the key to resistance and awareness level was found positive after joining SHGs. Now they are confident enough to discuss ingenuine behaviour by the family members in the group or warn them by lodging complaints either with the relatives, group or authorities in extreme cases. “The impact of formation of self helps Groups and microfinance has enhanced their socio- economic position in the society. Small loans can make good business sense amongst women in particular as it gives them an independent means of generating wealth, becoming self reliant and sharing financial responsibility with their husbands and earning self respect for themselves at the same time.”

It can be concluded that for all the four variables since the calculated value is more than the table value, null hypothesis is rejected in favour of alternate hypothesis.



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## CHAPTER - 5

### ECONOMIC IMPACT OF SELF HELP GROUPS ON RURAL WOMEN

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*Dr Radhakrishnan has observed that “the Progress of our land cannot be achieved without active participation of our mothers, wives, sisters and daughter. In all stages of economic and social activities, involvement becomes essential.”*

#### **5.1 Introduction**

According to census 2011 out of total population women constitute nearly half of the population in India and they should be considered equally important for the growth of economy. No country can flourish by ignoring the women labour as a main component in the economic development and for achieving the goal of sustainable development. In all the developed economies women developmental programs aimed at women emancipation by providing them employment opportunities, training for self employment, education, health, financing etc. However women emancipation is a holistic term which may encompass social, political, cultural and economic aspects. The developmental programmes which revolve around these four aspects of women empowerment are considered to be the best for any economy striving hard for sustainable development. Since mid 1970's India has been relying on special employment generation and poverty reduction programmes to take care of vulnerable and those who had been excluded from the financial system. In this move all rural self employment programmes were integrated into SGSY in 1999 and again this programme was restructured in 2011 as the National Rural Livelihood Mission in the name of Aajeevika. Aajeevika focused on mobilizing the poor into collectives at village, block, district and state levels and promoting the larger participation of groups through training and skills development and ensuring financial inclusion. “The key players in financial inclusion would be banks, micro finance institutions, self help groups, post offices and MUDRA bank (Micro Units Development Refinance Agency Bank)”. Further financial inclusion would strengthen the reach of SHGs at village level which will empower women and develop community powers of rural population. It would also help to promote village cottage industry.

Women have been considered as the most disadvantaged, underprivileged and vulnerable section of the society. And another school of thought considers women as a origin of good citizens, a “Shakti” and a treasure of utmost powers of not just child bearing but as and when need arises she cooperates in running the family efficiently and effectively with even meager resources gracefully. Past has been a proof of difference women centric movements whenever they collectively worked for eradication of social evils of child marriage, sati pratha, educational reforms polygamy etc.

In this study exclusion of women in institutional finance/credit has been analyzed as a major policy drawback of women developmental programmes. However NABARD initiated a strategy in the name of SHG Linkage with the bank in the year 1992. The scheme was focused on women collectives and making them eligible to have access to the formal banking system which was not available to them earlier. Access to formal banking system brings in many opportunities for the empowerment of women. Government’s SGSY sponsors almost 2 million SHGs across the nation. About 16 million poor households have gained access to formal banking systems through NABARD’s SHG-Bank Linkage programme. SHGs are meant not only to provide credit but also to “bring about” poverty alleviation and women’s empowerment. These can be treated as forums of solidarity that enable women to address discriminatory practices, gain access to credit to fuel entrepreneurship or meeting consumption needs as well as to seek access to services and spaces of governance. Lending to small groups of poor women is viewed as a socially and economically empowering paradigm and has resulted in very high repayment rates, because the group based forms puts a pressure on the women to repay loan. As it has been rightly put up by M M Jana that “Women entrepreneurship is more suitable than regular entrepreneurship not only from transparency point but also from good administration and honesty, imaginative power, ability to hard work, persistence, ability to take risk and profit earning capacity”.

The term SHG is used to imply an economic entity that organizes its economic functions, autonomy and assertion of reproductive rights. However SHGs today have turned into a vehicle of savings for family well being and poverty alleviation (Kishore, 2002).

## **5.2 Economic Impact Variables**

Impact of SHGs on the economic conditions of rural women of Haryana has been analyzed by using variables like assets holding, annual income, expenditure, savings and borrowings. Further assets holding has been analysed on the parameters of value of assets, pattern of assets held by members and change in value of assets after becoming members of SHGs. Annual income has been analysed on the basis of average income, profession wise income of the members before and after joining SHG. Expenditure analysis has been performed by total annual expenditure and consumption expenditure pattern before and after joining SHGs. Savings have been checked on the parameters of avenues of savings and number of savings of a member per annum and total amount of savings per annum. As far as loans are concerned it has been checked on the basis of total loan amount, frequency, change in loan pattern regularity in repayment and its source, reason of default and purpose of taking loan. To measure the impact of these economic variables following hypothesis has been formulated and tested with the Paired Z Test.

**H<sub>0</sub>** : There is no significant difference in the economic conditions of the members before and after joining SHG

**H<sub>1</sub>**: There is a significant difference in the economic conditions of the members before and after joining SHG

### **5.2.1 Assets Holding**

Assets are the possessions and a means of livelihood for the members of SHG. However the amount and composition of these assets may vary from family to family. The most common assets are agricultural equipments, land, houses, utensils, some electronic items, bullock carts and some jewellery etc. Assets holding has been analysed on the parameters of value of assets, pattern of assets held by members and change in value of assets after becoming members of SHGs. SHGs have not resulted in a major change in non movable assets but movable assets holding has improved considerably.

#### **5.2.1(a) Value of Assets Held by Members**

This parameter has considered the total value of assets held by members before and after becoming member of SHG. Household background and possession of moveable

/non movable assets have been taken into account and change in number of members possessing different amount of assets as categorized in five intervals has been analysed. Minimum amount of assets has been taken as less than 5000 and maximum range is more than ₹ 50000.

**Table 5.1**  
**Distribution of Members Based On Value of Assets**

Sr. No.	Amount (₹)	Before Joining SHGs No. of Members	After Joining SHGs No. of Members
1.	Less than 5,000	339 (37.67)	0 (0.00)
2.	5,000- 10,000	218 (24.22)	0 (0.00)
3.	10,000-20,000	278 (30.89)	225 (25.00)
4.	20,000-50,000	55 (6.11)	637 (70.78)
5.	Above 50,000	10 (1.11)	38(4.22)
<b>Total</b>		<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

It can be seen from Table 5.1 that there were only 6.11% members who have assets of worth ₹ 20000 - 50000 before joining SHG which has significantly increased to 70.78% after joining SHGs. And households having assets less than ₹ 5000 has turned to zero as compared to 37.67% before becoming members. It shows that financial assistance from SHGs has resulted in assets creation directly or indirectly. Either this fund is utilized to buy household assets or to buy agricultural equipments to have better produce and improved income or is being invested in existing business like shop, poultry, dairy etc.

#### **5.2.1 (b) Pattern of Assets Held by Members**

Total assets were categorized in two categories namely Household assets consisting of utensils, jewellery, T.V., audio system, refrigerator, watch, vehicle, kitchen appliances, cell phone, computer, internet, dish/cable T.V. and moveable/ non moveable assets such as agricultural assets, cattle, pigs, goats/sheep, bullock carts, and house. Any sort of income generation has a bearing on the value and pattern of assets possessed by the family. Same has been depicted by the following table no 5.2.

**Table 5.2**  
**Pattern of Assets Held by Members**

Sr. No	Type of Assets	Before Joining SHGs				After Joining SHGs			
		Min (₹)	Max (₹)	Average Value	Std Deviation	Max (₹)	Average Value	Std deviation	
1	Household Assets	1,000	79,450	9,078	8603	5,300	91,450	28,055	11248
2	Moveable/Non-moveable Assets	800	9,32,500	85,064	49191	3,000	12,41,000	1,13,320	64448
	Total	<b>1,800</b>	<b>10,12,450</b>	<b>94,142</b>		<b>8,300</b>	<b>13,32,450</b>	<b>1,41,375</b>	

Source: Field Survey 2014

Evident from Table 5.2, before joining SHGs, minimum amount of household assets was ₹1,000 only and maximum was of ₹79,450 and minimum amount of moveable\ non moveable assets was of ₹ 800 only and maximum was of ₹ 9,32,500. Though average value of household assets was ₹9, 078 with standard deviation 8603 and average value of moveable\ non-moveable assets was ₹ 85,064 with standard deviation 49191. After joining SHGs, minimum amount of household assets increased to ₹5,300 and maximum amount increased to ₹91,450 and minimum amount of moveable\ non moveable assets increased to ₹ 3,000 and maximum amount increased to ₹ 12,41,000 and the average value of household assets increased to ₹28,055 with standard deviation 11248 and average value of moveable\ non-moveable assets increased to ₹1,41,375.

Hence, after joining SHGs, there is good increment in the minimum, maximum and average value of assets both household and moveable\ non-moveable. It is an indicator of positive impact on economic conditions of the members and shows that financial assistance brings changes in the pattern of assets holding.

#### **5.2.1(c) Change in the Value of Assets after joining SHGs**

Any effort put in the direction of either income generation or availability of credit necessarily has a bearing on the value of assets. As a matter of fact both have a potential to bring about a change in the value of household and other assets. SHGs reportedly have resulted in increase in the value of assets. Same has been depicted by the following table.

**Table 5.3**  
**Changes in the Value of Assets after Becoming the Members of the SHGs**

<b>Sr.No.</b>	<b>Direction of change in Value</b>	<b>No. of Members</b>	<b>Percentage to Total</b>
1.	Decreased	1	0.11
2.	No Change	0	0.00
3.	Increased	899	99.89
	<b>Total</b>	<b>900</b>	<b>100.00</b>

Source: Field Survey 2014

It can be observed from Table 5.3 that almost all the members seem benefitted after joining SHG as 99.89% members record an increase in their assets holding either household or productive assets. No member has reported a no change in their assets which shows that SHGs are contributing in their assets building which is good for them as well as for the economic development.

“As per study conducted in 24 Pargana(s) by M M Jana it was found that there has been a remarkable improvement in average assets positions of twenty micro women entrepreneurs after exploring micro finance assistance”.

### **5.2.2 Income Generation**

The core idea behind SHGs is invoking entrepreneurial activities among members to make them bread earners for their family and women emancipation. The group makes it mandatory to save something on monthly basis so to be eligible for a bank loan out of that pool. Then the group distributes this loan amount on the basis of need. The member taking the loan as well as the one who surrenders that loan for the need of other, both are benefitted. One in the form of credit to invest in agriculture, shops, dairy, poultry etc and other will get a regular income of interest on this loan. However these loans can be used either for production or consumption purposes. A productive investment becomes a source of earning and repayment on time whereas a consumption loan sometimes poses a burden on the member. The very motive of this scheme is to record a boost in income of the members after joining SHGs

#### **5.2.2 (a) Annual Average Income of members**

Poor are not poor because they don't have income but they are poor because of income inequalities. SHGs scheme is targeted not just to enhance income of members but also

to reduce income inequalities by providing income avenues or credit facilities at subsidized rates.

**Table 5.4**  
**Distribution of Members According To Average Income per Annum**

<b>Sr. No.</b>	<b>Income Range</b>	<b>Before Joining SHG</b>	<b>After Joining SHG</b>
<b>1</b>	Less than 20,000	10(1.11)	14(1.56)
<b>2</b>	20,000-50,000	209(23.22)	57(6.33)
<b>3</b>	50,000-1,00,000	579(64.33)	640(71.11)
<b>4</b>	1,00,000-2,00,000	99(11.00)	181(20.11)
<b>5</b>	2,00,000-3,00,000	3(0.33)	7(0.78)
<b>6</b>	More than 3,00,000	0(0.00)	1(0.11)
	<b>Total</b>	<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Table 5.4 revealed that the earnings of members have jumped to ₹ 50000-100000 and ₹100000-200000 category i.e. from 64.33% to 71.11% and 11% to 20.11. However the increase in income level has not touched the desired level as it was found during the survey that loans were mostly taken for consumption purpose and not for productive purpose. In a study conducted by (Rani and Hooda 2015) on the SHGs of district Sonapat it was found that average income of participants has increased after joining SHG and a decreased standard deviation shows that income inequalities has decreased.

### **5.2.2 (b) Income of the Members from Different Occupations**

Sample respondents were found different occupied to analyse their income level. Most preferred occupations among members were agriculture, poultry, dairy, petty shops and jobs. Some of them were occupied in more than one occupation. Association with SHG had motivated them either to invest in the existing family activity or to initiate some new activity for a few. Following table has depicted the same.



**Table 5.5**  
**Occupation-Wise Distribution of Income**

Sr. No	Profession	Before Joining SHGs				After Joining SHGs			
		No. of Members	Min (₹)	Max (₹)	Average Income	No. of Members	Min (₹)	Max (₹)	Average Income
1.	Agriculture	624	1,000	2,00,000	47,872	634	8,000	3,50,000	76,344
2.	Poultry	51	2,000	1,00,000	38,534	59	35,000	1,40,000	65,581
3.	Dairy	44	2,000	85,000	46,867	45	5,000	90,000	49,940
4.	Shop	42	2,000	1,00,000	63,222	45	5,000	2,20,000	68,066
5.	Job (Pvt.\Govt)	176	2,000	1,50,000	68,866	200	2,000	1,80,000	82,350
6.	Average annual Income of member	937	8,000	2,40,000	65,853	983	8,000	3,50,000	78,006

Source: Field Survey 2014

From the Table 5.5 it is clear that 624 member were earning on an average ₹ 47,872 per annum from agriculture before joining. After joining SHGs, 634 members started earning ₹ 76,344 per annum from agriculture. Minimum and Maximum earning from agriculture increased from ₹ 1,000 and ₹ 2,00,000 to ₹ 8,000 and ₹ 3,50,000 respectively after joining SHGs.

51 members were earning on an average ₹ 38,534 per annum from Poultry before joining. After joining SHGs, 59 members started earning ₹ 65,581 per annum from Poultry. Minimum and Maximum earning from Poultry increased from ₹ 2,000 and ₹ 1,00,000 to ₹ 35,000 and ₹ 1,40,000 respectively after joining SHGs.

44 members were earning on an average ₹ 46,867 per annum from Dairy before joining. After joining SHGs, 45 members started earning ₹49,940 per annum from Dairy. Minimum and Maximum earning from Dairy increased from ₹ 2,000 and ₹ 85,000 to ₹ 5,000 and ₹ 90,000 respectively after joining SHGs.

42 members were earning on an average ₹ 63,222 per annum from Shop before joining. After joining SHGs, 45 members started earning ₹68,066 per annum from Shop. Minimum and Maximum earning from Poultry increased from ₹ 2,000 and ₹ 1,00,000 to ₹ 5,000 and ₹ 2,20,000 respectively after joining SHGs.

176 members were earning on an average ₹ 68,866 per annum from jobs before joining. After joining SHGs, 200 members started earning ₹82,350 per annum from jobs. Minimum earning remained the same that is ₹ 2,000 and maximum earning increased from ₹ 1,50,000 to ₹ 1,80,000 after joining SHGs.

Average annual income of the members, before joining SHG was ₹ 65,853 which has increased to ₹ 78,006 after joining SHGs. Minimum average income of the members has not changed after joining SHGs, but maximum average income has increased from 2,40,000 to 3,50,000 per annum.

From the above analysis it can be interpreted that there had been an increase in minimum earning from almost all the professions taken up by the members which indicates that the loan money had been utilised in different activities along with consumption like dairy, poultry and shop which were already in existence but due to want of financial support had not been able to perform better. This had a twofold effect on one hand it has increased the minimum level of earnings and on the other hand it has generated some avenues of employment to other women members.

“M M Jana study revealed that women micro entrepreneurs average income level is dependent of micro finance assistance”.

This indicates towards positive impact of micro finance interventions whatever the mode is.

### **5.2.3 Expenditure**

When income is low the expenditure remains need based but as the income level increases the pattern of expenditure undergoes a change. It starts moving towards buying durables and spending on entertainment from merely on food, cloth and shelter earlier. Women join these SHGs as a source of income generation to make shift in expenditure pattern as commonly they belong to lower income group and they perceive their savings as a group member to be future source of income to spend more on meeting their expenses.

#### **5.2.3 (a) Total amount of Expenditure**

Whenever income increases expenditure and savings also increase proportionately. Association with SHGs provides avenues of income generation and credit which in turn is utilised in different activities ranging from production to consumption.

**Table 5.6**  
**Distribution of Members Based on the Total Amount of Expenditure**

<b>Sr. No.</b>	<b>Amount of Expenditure in (₹)</b>	<b>Before Joining SHG</b>	<b>After Joining SHG</b>
<b>1</b>	Less than 5,000	294(32.67)	177(19.67)
<b>2</b>	5,000-10,000	329(36.56)	447(49.67)
<b>3</b>	10,000-15,000	263(29.22)	230(25.56)
<b>4</b>	More than 15,000	14(1.56)	46(5.11)
	<b>Total</b>	<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

As can be seen from Table 5.6 that the change is visible in 5000-10000 category i.e. from 36.56 (329) members to 49.67% (447) started spending from 5000-10000 rupees whereas there is not much increase in the 10000-15000 and more than ₹ 15000 category after becoming the member of SHG. As per another study there has been a decrease in annual expenditure after joining SHGs whereas an increased Standard Deviation shows an increased variation in expenditure pattern.

### **5.2.3 (b) Pattern of Consumption Expenditure**

Pattern of expenditure can be defined as a function of level of earnings, occupation community, area and level of awareness. Most of the village poor spend in an identical pattern unless they are guided otherwise or they have more disposable income in hand. SHGs not only help them in procuring credit but members also learn by discussing with other members how to spend it judiciously.

Table 5.8 depicted that after joining SHGs average expenditure on education, food, clothing and entertainment have increased and for medical and others have decreased. No. of members spending on medical facilities is also decreased around 10%. While no. of member spending on entertainment has been increased a lot around 35% and also there is small increment in no. of member who are spending on other things.

There is a huge difference in minimum amount of expenditure before and after joining SHGs for expenditure on others. Minimum amount of expenditure on other categories is almost same before and after joining SHGs.

**Table 5.7**  
**Item-Wise Distribution of Consumption Expenditure**

Sr. No	Item	Before Joining SHGs				After Joining SHGs			
		No. of Members	Min (₹)	Max (₹)	Average Expenditure	No. of Members	Min (₹)	Max (₹)	Average Expenditure
1.	Education	900 (100)	100	8,000	1,778 (16.75)	900 (100)	100	9,000	2,163 (21.46)
2.	Food	900 (100)	200	7,500	2,169 (20.43)	900 (100)	100	8,000	2,468 (24.48)
3.	Clothing	900 (100)	100	8,000	1,879 (17.70)	900 (100)	100	13,000	2,001 (19.85)
4.	Medical	900 (100)	50	6,000	1,661 (15.64)	805 (89.44)	100	13,000	1,384 (13.73)
5.	Entertainment	75 (8.33)	100	3,000	630 (5.93)	416 (46.22)	100	3,000	855 (8.48)
6.	Others	03 (0.33)	2,000	3,000	2,500 (23.55)	16 (1.78)	50	3,000	1,210 (12)
	<b>Total</b>	<b>3,678</b>	<b>2,550</b>	<b>35,500</b>	<b>10,617</b>	<b>3,937</b>	<b>550</b>	<b>49,000</b>	<b>10,081</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Also, there is good increment in maximum expenditure on clothing and medical. Others are almost same.

### 5.2.4 Savings

Micro credit programmes are aimed at inclusion of the excluded classes and making formal banking facilities accessible to them which were not available to them earlier. Formal banking does not allow people to open account or to get loans without identity proofs and collaterals. Joining a self help group pre-requires a regular monthly saving decided by the group. This saving makes the group eligible for bank loans. In other words it is the savings corpus of the group which does not only become the means of a loan but also acts like seed money to start and continue the lending activity of the group.

So savings play an important role for uplifting the economic status of the masses. As a matter of fact women are thrifty by nature but SHGs provide them avenues to get better returns on their savings either in the form of greater rate of interests or in the form of loans to start entrepreneurial activities.

### 5.2.4 (a) Avenues of savings and no of savings of a member

With increased income and awareness women start savings on regular basis in the avenues available though women are inclined to save more by nature but association of women with SHGs channelise their amount of thrift into productive investment avenues which not only protect their money but also help them to earn out of that savings. The most common avenues of savings have been taken such as Post Office, Banks, SHGs, NBFCs (Non Banking Finance Companies), Co-operatives and Private Lending. Savings have been analysed on the basis of average minimum and maximum amount of savings before and after joining SHGs. The data have also depicted the number of investors per saving avenue.

**Table 5.8**

**Number of Members Investing In Different Avenues of Savings And Average No. of Savings of A Member Per Annum.**

Sr. No	Avenues of Saving	Before Joining SHG				After Joining SHG			
		No. of investors	Min (₹)	Max (₹)	Amount (₹)	No. of investors	Min (₹)	Max (₹)	Amount (₹)
1	Post office	220	400	6000	2,223	229	500	12000	3,893
2	Banks	749	100	7800	2,482	780	200	8400	3,879
3	SHGs	Nil	0	0	0	885	100	6000	1,305
4	NBFC (Pvt fin Cos)	Nil	0	0	0	7	1000	1200	1,167
5	Co-operatives	Nil	0	0	0	5	100	4800	2,725
6	Private lending	Nil	0	0	0	4	3600	4800	3,600
	<b>Total</b>	<b>969</b>				<b>1910</b>			
	<b>Weighted Mean</b>				<b>2,423</b>				<b>2,674</b>

Source: Field Survey 2014

Table 5.8 showed a change that before joining SHGs 969 investments were made by the members in Post office and Banks only and average saving was ₹ 2,423. After joining SHGs average saving become ₹ 2,674 and the number of investments has increased to 1910. Along with post offices and banks, there is significant increment of 885 in the no. of investments in SHGs. Though investment in

NBFCs, Co-operatives and private lending has also been started by the group members after joining SHGs, still these are not preferable avenues of investment among the group members. According to a study annual savings of individuals has increased after joining SHG and an increased standard deviation is suggestive of increase in variation of savings instruments of the participants.

#### 5.2.4 (b) Number of Members w.r.t. amount of savings

Following table shows the spread of amount of savings of sample respondents. The amount ranges between ₹1000<savings<8000. Members' savings have been analysed on the given parameters before and after joining SHGs.

**Table 5.9**  
**Distribution of Members According to Annual Amount of Savings**

<b>Sr. No.</b>	<b>Amount Savings(Rs)</b>	<b>Before Joining SHGs No of Members</b>	<b>After Joining SHGs No of members</b>
<b>1.</b>	Less than 1,000	96(10.67)	15(1.67)
<b>2.</b>	1,000-3,000	465(51.67)	84(9.33)
<b>3.</b>	3,000-5,000	239(26.56)	307(34.11)
<b>4.</b>	5,000-8,000	91(10.11)	363(40.33)
<b>5.</b>	More than 8,000	9(1.00)	136(15.11)
<b>Total</b>		<b>900</b>	<b>900</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

It is evident from Table 5.9 that 51.67% members could save up to ₹3,000 before joining SHG whereas after joining SHG there has been an increase in the amount of savings up to ₹ 8,000. It shows a positive impact of SHG to inculcate the habit of savings among members. It is interesting to note that there were only 1% members who were saving more than ₹ 8,000 which grew to 15.11% after joining SHG which also indicates that SHGs would have provided them of more income avenues in the form of interest income from inter loaning and investment in some existing income generation activities, had made more money available for savings. They have a motivation as well money to save now.

### 5.2.5 Loans

Sample respondents belong to a category which cannot access to formal banking system for want of collateral security, identity proofs, ITRs (Income Tax Returns) etc. whereas they too have financial needs. This is the core purpose of microfinance to include the excluded sections of the society and to alleviate the poverty. All financial inclusion programmes aim at enhancing the credit base and the amount of borrowings so that these disadvantaged sections of the society may indulge in some entrepreneurial activities to earn their living can be utilised.

#### 5.2.5 (a) Change in Average Amount of Loan

Following table depicted the range of loan taken by members before and after joining SHGs and change in average amount of loan. Majority members were reluctant in taking loans before joining SHG but later started taking loans and an increase in mean amount of loan taken post joining SHG has also been reported and the same has been as shown in the following table.

**Table 5.10**  
**Distribution of Members Based on the Amount of Loan**

Sr. No.	Amount Loan(Rs)	Before Joining SHGs No of Members	After Joining SHGs No of Members
1.	No Loan	428(47.56)	386(42.11)
2.	Less than 10,000	184(20.44)	12(1.33)
3.	10,000-20,000	159(17.67)	256(28.44)
4.	20,000-50,000	89(9.89)	194(21.56)
5.	Above 50,000	40(4.56)	52(5.78)
<b>Total</b>		<b>900</b>	<b>900</b>
<b>Mean Amount of Loan</b>		<b>17974.73</b>	<b>23539.92</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

It can be understood from Table5.10 that there has been a decrease in the number of members which were not taking loans after joining SHG means now more women have started taking loans than earlier. As far as the amount is concerned more no of members are borrowing in ₹20000-50000 category and less than ₹ 10,000 has seen a fall from

20.44% to 1.33%, % of members borrowing more than ₹50,000 has also increased from 4.56% to 5.78% after joining SHGs. There has been an increase in the average amount of loan taken after joining the SHG. The mean amount of loan increased to ₹ 23,540 from ₹ 17,975.

### 5.2.5 (b) Frequency of Loan

A question was designed to know the frequency of loan or credit facility availed by the group members before and after joining SHG. As a matter of fact more the frequency of availing credit more will be the possibility of utilisation of funds into investment avenues as well as it shows a more positive impact of SHGs on the economic conditions of members but at the same time it may be a sign of over indebtedness and entails negative effects of multiple loaning.

**Table 5.11**  
**Frequency Of Loan**

<b>Sr. No.</b>	<b>Frequency of Loan</b>	<b>Before Joining No of Members</b>	<b>After Joining No of Members</b>
<b>1</b>	1(Once)	315	345
<b>2</b>	2(Twice)	112	169
<b>3</b>	>2(More Than Twice)	45	0
<b>4</b>	<b>Total</b>	<b>472</b>	<b>514</b>

Source: Field Survey 2014

Table 5.11 revealed that before joining SHG out of 900 Members 472 were taking loan, the mean amount of the bank loan taken by the members was ₹ 17,974.73. But after joining SHG, out of 900 group members 514 members have started taking bank loan and the mean amount of loan has increased from ₹ 17,974.73 to ₹ 23,539.92. It can be seen from the table that there has been an increase in the number of members taking loan for twice whereas some has started taking loans who earlier were not taking loans but surprisingly no member is availing loans for more than twice. It may be because in the absence of productive utilisation of loan, it poses a burden of repayment and very high rate of interest charged by the group. Members are discouraged to take frequent loans after joining SHGs in order to avoid multiple loaning.

### 5.2.5 (c) Change in Loan Pattern

As soon as the group is linked with the bank, it starts aspiring for group credit.



Though there had been an increase in average amount of loan taken by members, frequency of loans and a change in pattern of loan had been reported before and after joining SHG but probably the direction of change is not found in a desired manner. Members are now more prone to get consumption loans than production loans as the credit which was not available to them earlier for their consumption expenditure and emergencies is now available out of group funds without any collateral.

**Table 5.12**  
**Change In Loan Pattern After Becoming SHG Member**

Sr. No.	Change in Pattern	No. of Members	Percentage to Total
1.	Yes	699	77.67
2.	No	125	13.89
3.	Can't Say	76	8.44
	<b>Total</b>	<b>900</b>	<b>100.00</b>

Source: Field Survey 2014

It is clear from Table 5.12 that as far as pattern of loan is concerned 77.67% members noticed a change in the pattern of loan as to production vs consumption loans. 13.89% did not notice any change in the loan pattern after becoming member of SHGs.

#### **5.2.5 (d) Regularity in Repayment**

Regularity in repayment forms basis for the subsequent loans so it is important to be regular in repayment of loan. Members visualise a group loan as cheaper than private loan and a habit of financial discipline emanating from SHG helps them to be regular in repayment.

**Table 5.13**  
**Regularity In Repayment Of Loan**

Sr. No.	Regular Repayment of Loan	Before Joining No of Members	After Joining No of members
1	Yes	216(45.76)	470(91.44)
2	No	256(54.23)	44(8.56)
	<b>Total</b>	<b>472</b>	<b>514</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Table 5.13 revealed that repayment of loans in the sample area is highly encouraging. It has increased to 91.44% from 45.76%. It indicates the regular saving habits and involvement of the members into income generation activities in order to make timely repayment and avoiding penalty from the group.

### 5.2.5 (e) Source of Repayment of Loan

Alongwith regularity, the source from which these loans are repaid is an important issue to be dealt with. Because once a loan is taken, one is bound to repay with interest from the day one. So members should comprehend the source capacity to repay in order to avoid overburdening. In the sample area the prevalent known sources of repayment were income from employment, entrepreneurial activities and husband's income.

**Table 5.14**  
**Source of Loan Repayment**

<b>Sr. No.</b>	<b>Source of Loan Repayment</b>	<b>Before Joining No of Members</b>	<b>After Joining No of Members</b>
<b>1</b>	Income from employment	8(1.69)	120(23.35)
<b>2</b>	Income from economic activity	2(0.42)	161(31.32)
<b>3.</b>	Loan from Moneylender	0(0.00)	0(0.00)
<b>4.</b>	Husband	462(97.88)	233(45.33)
	<b>Total</b>	<b>472</b>	<b>514</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

It can be observed from the Table 5.14 that there is a change in sources of repayment. As most of the members are married so before joining SHG 97.88% loans were repaid by husband from his income but post joining SHG it has decreased to 45.33%. It is also interesting to note that 23.35% members are now repaying loans out of employment income which indicates that due to SHGs employment opportunities have increased and 31.32% (161) members have also started economic activities and repaying loans out of that. This is again a positive impact indicator of SHGs.

### 5.2.5 (f) Reasons of Default in Repayment of Loan

Rate of default in repayment was found quite low in the sample area after joining SHGs. The group norms, rules, regulations and penalties imposed by the group for non payment of loan instalments are yet another factors which validates the lowest rate of default in repayment of loans.

**Table 5.15**  
**Reason of Default in Loan Repayment**

<b>Sr. No.</b>	<b>Source of Loan Repayment</b>	<b>Before Joining No of Members</b>	<b>After Joining No of members</b>
1	Consumption of Loan for H/H purpose	51(19.92)	11(25)
2	To repay moneylender's interest	35(13.67)	0(0.00)
3.	Spent on daughter's marriage	36(14.06)	9(20.45)
4.	Failure of business	0(0.00)	0(0.00)
5.	Spent on medical treatment	122(47.66)	24(54.54)
6.	Other reasons	12(4.69)	0(0.00)
	<b>Total</b>	<b>256</b>	<b>44</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Table 5.15 showed although the rate of default is less after becoming members of SHGs but the major reason for default is medical treatments. This indicates that the loans from SHG if being utilised on some medical procedure therefore likelihood possibility of default is more. It also indicates towards lack of health insurance practices in the sample area.

### 5.2.5 (g) Purpose of Taking Loans

The purpose for which loans are taken by the members may vary from member to member ranging from agriculture to construction. Most of the members have utilised the loan for consumption purposes such as children education, daughter's marriage, festival and construction. In fact neither of the two i.e. bank and group leader restrict the disbursement of loan to production purposes. As long as the instalment is paid nobody raises eyes.

**Table 5.16**  
**Distribution of Members on the Basis of Purpose of Taking Loan.**

<b>Sr. No.</b>	<b>Purpose of Loan</b>	<b>Before Joining SHGs No of Members</b>	<b>After Joining SHGs No of Members</b>
1.	Agriculture	156(33.05)	130(25.29)
2.	Investment	12(2.75)	22(4.28)
3.	To start a business	40(8.47)	61(11.87)
4.	Children Education	102(21.61)	139(27.04)
5.	Daughter's Marriage	109(23.09)	58(11.28)
6.	Festival	32(6.78)	49(9.53)
7.	Construction	20(4.24)	55(10.70)
<b>Total</b>		<b>472</b>	<b>514</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Evident from Table 5.16 that after joining SHGs agricultural spending has decreased, investment has increased from 2.75% to 4.28%. Most of the loans have been utilised for children education and construction of houses. Decrease in utilisation of loan for Daughter's marriage indicates yet another positive social impact i.e. girls are being sent for education and curb on early marriages of girls.

### **5.2.6 Aggregate Result of Economic Impact Variables**

The study has used five variables to measure the impact of SHGs on economic conditions of the members. Following hypothesis has been formulated to test the economic impact and tested with the help of Paired Z Test.

**H<sub>0</sub>**: There is no significant difference in the economic conditions of the members before and after joining SHG

**H<sub>1</sub>**: There is a significant difference in the economic conditions of the members before and after joining SHG

**Table 5.17**  
**Results of Paired Z-Test for Economic Variables**

<b>Sr. No.</b>	<b>Economic Variables</b>	<b>Z Value Calculated</b>	<b>Level of Significance</b>	<b>Result</b>
1	Assets	22.056	0.000	HS
2	Annual Income	20.204	0.000	HS
3	Expenditure	7.409	0.000	HS
4	Saving	50.764	0.000	HS
5	Loan	20.861	0.000	HS

HS means Highly Significant at 5% level.

Table 5.17 depicted that calculated z-value is greater than tabulated z-value (1.96) at 5% level of significance for all the economic variables. Hence  $H_0$  is rejected in favour of  $H_1$ . This also implies that there is a significant difference in the values of the variables before and after joining SHGs. Since Z-values are positive which indicate that there is increment in the value of economic variables after joining the SHG.

### **Conclusion**

This survey has measured the changes in economic status using parameters of assets creation, income generation, pattern of expenditure, savings, loans and poverty before and after joining SHGs. Association with SHGs has shown a remarkable increase in the assets creation of women members. However, the change is more significant in creation of moveable assets rather than in immovable. The households having assets less than ₹ 5000 has turned to Zero as compared to 37.67% before they were members of SHGs. Now the members having assets worth Rs20000- 50000 has increased to 70.78% from 6.11%, and not even a single member was found who did not feel any change in her assets.

More no. of members reported a change in the level of earnings from ₹ 20000-50000 to ₹ 50000-200000. Average earnings before joining SHG was ₹ 47,872 p.a. mainly from agriculture which has increased to ₹ 76,344 p.a. However there has not been much increased in the income from dairy business which indicates some shortcomings in the dairy business.

There has been a decrease in the number of members who are not taking loans after

joining SHGs and the amount of borrowings have increased to ₹20000-50000 category. 77.67% noticed a change in the pattern of loan as to productive vs. consumption loans.

Repayment rate is also quite high i.e. 91.44% from 45.76% and the main source of repayment was husband's income prior to joining SHGs but it has decreased to 45.33% and now 23.35%. Members are paying loans out of their own income either from employment or from business. Most of the loans have been utilised in children education.

Average savings have increased from ₹ 2,423 to ₹ 2,674 after joining SHGs. Earlier people used to invest in post office and banks but now 885 members are investing in SHGs also. Total no of investors were 969 before joining SHGs which is now 1910 after joining SHGs.

Average expenditure on education, food, clothing and entertainment has increased and on medical and others has been decreased.

Results of paired Z-Test are positive which implies that there is increment in the value of economic variables after becoming members of SHGs.

As far as the policy part is concerned, the self – employment programmes have had a very limited impact on livelihoods and employment as the amount of expenditure on training and skills development, marketing support has been much less than required.

The Economic Impact of SHGs is considered as a positive step towards poverty eradication. It is now taken as a matter of pride to be SHG member. These groups have improved the village life and community welfare remarkably. Members have a better access to improved housing, better education for children, improved standard of living, food security and have been successful to procure health and hygiene. An up liftment in the status and role of women in home and in the village is another marker of a positive influence of SHGs.

In the words of Pt Jawaharlal Nehru---“You can tell the condition of a nation by looking at the status of its women.”

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## **CHAPTER-6**

### **BARRIERS IN THE DEVELOPMENT OF SHGs IN THE SAMPLE AREA**

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#### **6.1 Introduction**

On the basis of survey it was observed that despite of many benefits and positive impacts of SHGs the spread of the scheme is not upto the desired level. There is a long way to go if we want a balanced outreach around the north region. The scheme is inflicted with lots of impediments in its way which may be categorised in two categories such as:

- 1) Demand side Barriers
- 2) Supply side Barriers

Some of the barriers have been supported by primary and secondary data and some of them are deductive in nature that has been derived through oral discussions with the group leaders, members and bank facilitators.

#### **6.2 Problems Faced by the SHGs**

As the SHG scheme is not fetching the desired output, respondents were questioned about the problems that they were facing. Lack of administrative experience, co-operation among members, long gestation period to get first loan and inadequacy of loan amount are some factors which hampered the growth and spread of SHGs in the sample area. The same has been represented by the following table.

It is observed from Table 6.1 that there are 117 groups (38%) who said lack of administrative experience is the biggest problem faced by them. Only 2% admitted that there is lack of co-operation among members. 2% found it difficult to approach the authorities for getting a loan. Inadequacy of loan is not a significant problem faced by SHGs. However, most of the SHGs have quoted more than one problem that they were facing while performing the group functions. 84 (28%) admitted that there is a lack of administrative experience as well as lack of co-operation among members. 14% reported lack of administrative experience and difficulty in approaching the authorities. 5% experienced problem due to lack of experience and difficulty in getting the loan sanctioned as a result of disinterest in SHG scheme. 2% said inexperience and inadequacy of loan



**Table 6.1**  
**Distribution of SHGs on the basis of problems faced by the SHGs**

Sr.No.	Lack of administrative experience	Lack of cooperation among member	Difficulty to approach the authorities for getting loan	Delay in sanctioning loans	Inadequate loan amount	Limited no. of instalments for repayment of loan	No. of SHGs	Percentage
1	Yes						117	38
2		Yes					6	2
3			Yes				7	2
4				Yes			1	0*
5	Yes	Yes					84	28
6	Yes		Yes				43	14
7	Yes			Yes			16	5
8	Yes				Yes		7	2
9	Yes	Yes				Yes	9	3
10	Yes	Yes	Yes				5	2
11	Yes	Yes		Yes			1	0*
12	Yes	Yes				Yes	4	1
13	Yes				Yes	Yes	4	1
<b>Out of 304 SHGs</b>	<b>291</b>	<b>109</b>	<b>55</b>	<b>18</b>	<b>11</b>	<b>17</b>		
<b>Percentage</b>	<b>96</b>	<b>36</b>	<b>18</b>	<b>6</b>	<b>3</b>	<b>5</b>		
<b>Total</b>							<b>304</b>	<b>100</b>

Source: Field Survey 2014

\*Frequency is very small in comparison of total.

amount which bothered them as a member of SHG. 3% respondents told inexperience, non-cooperation and limited number of instalments of loan repayment as a problem area for low performance of the group. Hence it may be concluded that the major problem faced by most of the SHGs (96%) was due to lack of administrative experience. Lack of cooperation among members was second dominating problem faced by SHGs, 36% SHGs were facing problem to due to this. Difficulty to approach the authorities for getting loan was identified as the third dominating problem faced by 18% of the SHGs. However the intensity of lack of administrative experience was seen highest among all the problems faced by SHGs. Hence it may be concluded that the problems are intense on demand side and pose barriers in the development of SHGs. There is lack of co-operation and absence of group spirit among the group members. Some of the members reported to have single problem of administration in the group whereas some have reported many problems associated with the running of SHGs. Getting a subsidized loan from the bank and then trading up that loan with other members is the main activity of the groups.

Entrepreneurial content was found to be the least among groups. However joining with SHGs has developed a financial discipline either to repay the loan or making their savings as a tool for earning as the group fund is allocated on average 2-3 members and rest of the members get share of interest paid by the loanee member. From either side no capacity building training has been ever imparted or received. Though women have turned more vocal with the bank officials even to discuss other forms of individual loans like gold loan but that too is not for undertaking any entrepreneurial activity but for consumption purposes.

**Table 6.2**  
**Region-wise Loans disbursed during 2013-14**

<b>Region</b>	<b>No. of SHGs</b>	<b>Loan disbursed ( ₹ Lakh)</b>	<b>Region-wise share to total loan disbursed</b>
Northern Region	23918 (1.75)	28048 (1.16)	1.75
Southern Region	874585 (64.01)	2061551 (85.84)	64.01
<b>Total(All Regions)</b>	<b>1366421</b>	<b>2401736</b>	<b>100.00</b>

Source: NABARD

Table 6.2 clearly depicts that there are regional disparities in disbursement of loans to SHGs and disbursements of loans are skewed towards southern region. Out of total SHGs in the country only 1.75% belongs to north and 64.01% to south which shows that south alone has 64.01% share as compared to 35.99% rest of the nation. 1.16% of total loan disbursements are done in north whereas 85.84% in south. If we distribute this 1.16% among all the states in north then share of Haryana is negligible.

**Table 6.3**  
**Relative Position of Microfinance in Haryana as on March 31, 2012**  
**(Amount in crore)**

Particulars	Number of SHG	Savings	Loan disbursed	Outstanding Bank Loans against SHG
India	7960349	6551.41	16534.77	36340.00
Haryana	44184	36.78	87.70	205.75
Share of Haryana (%)	0.56	0.56	0.53	0.57

**Source:** Status of Microfinance 2012, NABARD

It is clear from Table 6.3 that the share of microfinance in Haryana is not even 1% of the country with respect to number of SHGs formed, savings, loans disbursed and outstanding loan amount.

### **6.3 Demand Side Barriers**

Linking the financially excluded with the formal financial system alone is not sufficient to make them independent as is found in the study. The main problem faced by SHGs in the area was lack of administrative experience and over dependence on the bank facilitators for all the administrative work. Apart from that some more hurdles in the development of SHGs were explored during survey.

#### **6.3.1 Lack of Resource Planning**

Members themselves are not capable enough of selecting a profitable livelihood activity. They concentrate only on a few activities of agriculture, dairy, poultry, bangle shop whereas there are so many other profitable activities such as dari/carpet making, pickles and jams, bee hiving, vermicompost, floriculture, fisheries, mushroom farming, herbs plantation, nursery, bakery etc can be undertaken with some sessions of technical trainings as is undertaken by the SHGs in southern region. The focus on training should

be imparting capacity /skill building training alongwith training on formation of the group , group meetings and maintenance of books of accounts so that women can plan better for resource utilisation.

**Table 6.4**  
**Occupation of the Members**

Agriculture	624
Poultry	51
Dairy	44
Shop	42
Job (Pvt.\Govt)	176

Source: Field Survey 2014

It can be observed from table 6.4 that most of the members are opting for agriculture, poultry, Dairy and petty shops which shows there is concentration of efforts only towards some activities which needs to be channelised in more profitable avenues.

### **6.3.2 Women’s Ignorance towards Investment Decisions**

Most of the rural women are ignorant about investment decisions. They invest in existing activities which are less profitable and insecure, or they invest in their husband’s activities. It is rare to see a rural woman to invest in lucrative activities out of her own credit and savings alone. It was observed during the survey that they either take advice of their husbands for investment decisions or handover their money to their husbands to spend, the way husbands want to. It is a big barrier in the development of Women Self Help Groups in the sample area. Women should be counselled and trained for coming forward to decide their own as to where should they invest the fund with the help of NGOs and successful Women Self Help Groups of other areas.

### **6.3.3 Lakh of Economic Empowerment as Micro Finance is merely a reinforcement of traditional roles**

Financial assistance helps women to perform traditional roles in a better way but being in the same low productivity sectors like agricultural labour, one or two milching cattle, they don’t move towards initiating micro enterprises. They get more freedom to spend

their own ways such as on daughter's marriage, education, buying household assets to improvise her living. But this comes at a cost as men withdraw their contributions to specific types of household expenditure and also make them responsible to go and discuss with bank officials about further loan potential.

#### **6.3.4 Tough competition from male counterparts**

Women have to face tough competition from their male counterparts if they opt for the same business activity which men are doing e.g. Dairy. As an individual woman can not win this competition as society is non supportive to woman. She has to face lots of humiliation while she makes efforts to explore market or clientele for her business. Males entrepreneur are preferred by the society. Some of the occupations can be kept reserved for women when banks grant micro loans to both, meaning thereby men should be discouraged to give competition to women in the same enterprise.

#### **6.3.5 Lack of group spirit**

As the group head towards maturity, the group is supposed to take up an economic activity under SHG scheme but it was found that most of the groups come to a closure before attaining maturity. Every member prefers individualism over group. They take financial assistance from group to invest in already existing agriculture, other vocation, simply consume it on construction/repairs/whitewashing of their houses, handover to their husband or in buying movable/non movable assets. Banks can restrict the usage of first loan towards group activity by keeping a progress record and members may be let free for utilizing subsequent loans.

#### **6.3.6 Inter group competition**

The limited space and opportunity available for selling, generate inter group competition i.e. the best products will be chosen amongst available by the visitors and it is discouraging for other SHGs whose product is little less preferred by the visitors of crafts fairs and exhibitions. These types of experiences have been shared by the women of the sample area. These homebound producers are thrown to open competition with national level handicrafts manufacturers.

#### **6.3.7 Inter Loaning Practices**

Another practice of inter loaning was also observed like a group applies for a bank loan and gets it at a subsidised rate then instead of utilising it for a group activity it lends this

sum to another group at nearly 2% per month rate of interest and the income is shared by all members of lending group. This effort less money making hampers the growth of entrepreneurial activity among the SHGs.

### 6.3.8 Household utilisation of loan

Loan amount is used for household expenditure which has helped women to raise their standard of living though marginally but it has not contributed to the growth of economy as well as for the outreach of the programme.

**Table 6.5**  
**Distribution of Members on the Basis of Purpose of Taking Loan.**

Sr. No.	Purpose of Loan	Before Joining SHGs No of Members	After Joining SHGs No of Members
1.	Agriculture	156(33.05)	130(25.29)
2.	Investment	12(2.75)	22(4.28)
3.	To start a business	40(8.47)	61(11.87)
4.	Children Education	102(21.61)	139(27.04)
5.	Daughter's Marriage	109(23.09)	58(11.28)
6.	Festival	32(6.78)	49(9.53)
7.	Construction	20(4.24)	55(10.70)
<b>Total</b>		<b>472</b>	<b>514</b>

Source: Field Survey 2014

Figures in brackets indicate percentage to total.

Evident from Table 6.5 that after joining SHGs agricultural spending has decreased, investment has increased from 2.75% to 4.28%. Most of the loans have been utilised for children education and construction of houses. Decrease in utilisation of loan for Daughter's marriage indicates yet another positive social impact i.e. girls are being sent for education and curb on early marriages of girls. But overall loan utilisation has been for consumption and not production.

## **6.4 Supply Side Barriers**

As far as financial institutions are concerned they are less motivated to promote this scheme as micro credits result in macro burdens and they lack in developing a close monitoring system. Once a loan is granted to the group, they are never asked or monitored w.r.t. the utilisation of loan and number of beneficiaries in the whole group. Banks are just concerned about the repayment which is found quite high as the group norms compel members to pay regularly to avoid penalties.

### **6.4.1 Narrow Role played by NGOs**

NGOs are just helping and have a sympathetic outlook towards rural poor women. But these women do not need sympathy rather they need self sustainable interventions through which they can earn a livelihood for their own and family. Not even Goonj (An NGO) whose founder, Anshu Gupta has recently been awarded by Megasaysay award is making arrangements for food, shelter and cloth but not imparting any capacity building training to make these poor women self reliant.

### **6.4.2 Lack of Marketable Potential**

Few of them have tried undertaking some activities like biscuits making, handfans, dari making etc. but they were unable to make marketable products due to lack of training support from the Government and NGOs. Secondary data shows that nothing has been spent on marketing efforts from government side. So just giving money and expecting to start a business from poor and nearly illiterate women is not a good idea to let this scheme bloom like Southern India.

### **6.4.3 Absence of market place for the products**

Handmade /Homemade products are definitely a like by urban high class but these are rarely sold out at urban outlets as rural women can never be successful to procure a shelf space without any guidance and support. Crafts fair and Haat Bazaars are organised by the Government but at different and far away locations from their homes. So products are made but kept waiting long for the announcement of another craft fair. Following table is showing the events organised in last four years and current year. But single event held in particular state on annual basis.

**Table 6.6**  
**Saras Exhibition Schedule for the State of Haryana**

01.12.11 to 10.12.11	Kurukshetra	Haryana
28.10.12 to 07.11.12	Kaithal	Haryana
29.11.13 to 10.12.13	Gurgaon	Haryana
24.11.14 to 06.12.14	Kurukshetra	Haryana
20.11.15 to 30.11.15	Karnal	Haryana

Source: Saras Calendar from Ministry of Rural Development

#### **6.4.4 Lack of insurance for Animals**

If an individual takes loan for livestock from the bank it covers the cost of insurance of the livestock but when a SHG member utilises the group fund in buying animals for dairy, poultry etc there is no provision for animal insurance. This is a big reason why women don't take up dairy farming as livelihood activity which is comparatively easier to start requiring no extra skill.

#### **6.4.5 Concentration of corporate efforts in Southern India**

Many companies (Hindustan Lever Ltd., Colgate Palmolive) are imparting training to women SHGs in South for manufacturing of particular products or selling innovative products (solar torches, lanterns, vermin compost pits, fish seeds, sericulture etc.) in the interior villages. Some packaging works or other job works like tailoring, label making etc are arranged for these SHGs but no company has approached to SHGs in Haryana for these type of activities whereas the State has well developed infrastructure as compared to other regions.

#### **6.4.6 Problems of financial illiteracy**

It is clear from table 6.7 that most of the leaders and members are literate upto primary level which is not sufficient to understand the complexity of finance/credit.

Bank facilitators help them to open an account, maintaining the books of records and help them to get a loan from bank and as soon as the loan is sanctioned his job is over. Now the utilisation and allocation of this fund is left with the leader or members who are not financially literate. So a loan is taken away at subsidised rate and lent again to



members on need basis who readily get agree to pay a monthly interest to the group which is distributed among remaining members and repaying the EMI to the bank. No one ever asks neither bank nor group as to where that fund has been utilised and wherefrom the repayment has been arranged by the member who has taken loan. But one thing is sure that banks get a regular instalment of repayment from the group, as group has predetermined set of rules and penalties for any default in making repayment.

**Table 6.7**  
**Distribution of Members on the basis of literacy level**

	<b>Frequency</b>	<b>Percent</b>
Upto 5 <sup>th</sup>	360	40.0
Middle std	355	39.4
Metric and above	56	6.2
Can sign only	129	14.3
<b>Total</b>	<b>900</b>	<b>100.0</b>

Source: Field Survey 2014

#### **6.4.7 Lack of Government spending on marketing**

There is some reluctance on part of the Government when it comes to marketing spending. Following table clearly depicts the government attitude toward marketing expenditure. Lack of marketing spending further demotivates members to engage in entrepreneurial activity whose output does not have a market. As a matter of fact these rural women are not so resourceful to explore markets for themselves and spend on promotion of their products.

Table 6.8 clearly depicts that a big chunk ₹ 2172.38 (69.30%) out of total fund of ₹ 3134.73 Lakhs allocated for the state has been absorbed by subsidies and nothing has been spent on marketing which is the biggest shortcoming in the development of SHGs in Haryana.

#### **6.4.8 Lack of sectoral disbursements to Swarozgaris in Sample District**

As majority of the SHGs are being run under SGSY scheme in which group members are known as swarozgaris. Unjust disbursements can be seen from the following

**Table 6.8**

<b>SWARANJAYANTI GRAM SWAROZGAR YOJANA - FINANCIAL ACHIEVEMENTS</b>										
<b>DETAIL of EXPENDITUE INCURRED</b>										<b>IN LAKHS</b>
<b>EXPENDITURE ON</b>										<b>TOTAL EXP.</b>
<b>Year</b>	<b>Ngos/ Facili-Tators</b>	<b>Basic Orientation Prog-Ramme</b>	<b>Skill Devel-Opment</b>	<b>Infrast-Ructure Deve-Lopment</b>	<b>Marketing</b>	<b>Revolving Funds</b>	<b>Subsidy</b>	<b>Risk Fund</b>	<b>Formation Of Feder- Ations</b>	
2008-09	39.37	3.92	59.61	67.61	0	129.9	479.85	0	0	780.26
2009-10	37.5	0	46.77	55.38	0	100.2	539.63	0	0	779.48
2010-11	50.3	1.6	22.4	65.59	0	105.4	573.19	0	0	818.48
2011-12	50.39	4.12	2.24	35.15	0	84.9	579.71	0	0	756.51
<b>TOTAL</b>	<b>177.56</b>	<b>9.64</b>	<b>131.02</b>	<b>223.73</b>	<b>0</b>	<b>420.4</b>	<b>2172.38</b>	<b>0</b>	<b>0</b>	<b>3134.73</b>

**Source:** Compiled from Monthly Progress Reports of SGSY, Haryana

table that in district Mewat the maximum disbursements is in primary sector and in that too it is in live stock. Lack of disbursements in secondary and tertiary sector again poses a barrier in the development of SHGs in the sample district.

**Table 6.9**  
**Swarozgaris under SGSY in Haryana as on March 31, 2012**  
**(Plan Year: 2011-12)(Lakhs ₹)**

**Sector wise Physical Coverage of Members of SHGs and Individual**

Sr. No	Name of District	Primary Sector				Secondary Sector					Tertiary Sector	Total
		Irrigation	Live Stock	Others	Sub Total	Village 111(1 St.	HandyCraft	Handloom	Others	Sub Total		
1	Ambala	0	1042	2	1044	0	0	0	0	0	191	1235
2	Bhiwani	0	1920	0	1920	20	0	0	284	304	19	2243
3	Faridabad	0	64	0	64	50	0	0	11	61	215	340
4	Fatehabad	0	1210	0	1210	0	0	0	106	106	0	1316
5	Gurgaon	0	427	0	427	1	0	0	2	3	57	487
6	Hisar	0	824	0	824	0	0	0	645	645	0	1469
7	Jhajhar	0	415	25	440	31	1	0	282	314	5	759
8	Jind	0	2267	10	2277	0	0	0	163	163	0	2440
9	Kaithal	0	820	0	820	0	0	690	0	690	0	1510
10	Karnal	0	499	0	499	0	0	0	1120	1120	0	1619
11	Kurukshetra	0	1283	0	1283	0	0	0	67	67	126	1476
12	M/garh	0	457	0	457	0	0	0	653	653	0	1110
13	Mewat	0	948	0	948	5	0	0	0	5	72	1025
14	Palwal	0	164	1	165	0	0	0	0	0	721	886
15	Panchkula	0	170	148	318	3	0	2	47	52	0	370
16	Panipat	20	499	6	525	0	68	0	0	68	257	850
17	Rewari	0	733	0	733	151	0	0	0	151	22	906
18	Rohtak	0	555	5	560	0	0	0	31	31	5	596
19	Sirsa	0	973	100	1073	0	0	0	10	10	0	1083
20	Sonipat	0	1331	0	1331	0	0	0	14	14	0	1345
21	Y/nagar	0	1282	124	1406	0	10	0	0	10	0	1416
<b>Total</b>		<b>20</b>	<b>1788</b>	<b>421</b>	<b>1832</b>	<b>261</b>	<b>79</b>	<b>692</b>	<b>3435</b>	<b>4467</b>	<b>1690</b>	<b>2448</b>

**Source:** Compiled from Monthly Progress Reports of SGSY, Haryana

It is depicted by Table 6.9 that Mewat has received maximum disbursements i.e. 51% in primary sector Swarozgaris and in that too it is only for the livestock, only 1.12% has been disbursed to secondary sector Swarozgaris and 4.26% in tertiary sector Swarozgaris. It may be concluded that the sample district has not caught the attention of the government in sectoral disbursement of funds

#### **6.4.9 Lack of Government initiatives on capacity building training**

Credit disbursements at subsidised rate of interest do not ensure that it would be invested in an economic activity. As a matter of fact these women know how to make some of the products at household level but to make a commercial product they need some sort of training. However they are given training on the formation and management of the SHG but capacity building training is missing as can be seen from the table below, that Government seems reluctant on spending on capacity building training. Revealing of primary data support that members have rarely been given any capacity building training.

**Table 6.10**  
**Distribution of SHGs on the basis of Training Program**

<b>Sr. No</b>	<b>Organisation of Training Program</b>	<b>Number of SHGs</b>	<b>Percentage</b>
1	Yes	4	1.32
2	No	300	98.68
	<b>Total</b>	<b>304</b>	<b>100.00</b>

Source: Field survey 2014

Table 6.11 depicts the status of training given to swarozgaris. It can be seen from the table that in the year 2008-09 the no is maximum which is a benchmark period in the state of Haryana but after that the number reduced drastically and content of training is also not known as whether it was capacity building or general group management training. Further it is not known whether any professional agency has been ever called for imparting such type of capacity building training.

**Table 6.11**  
**District-wise Details of training provided to the Swarozgaris**

YEAR	No. of Members of SHGs Trained						No. of Individual Swarozgaris trained						Total No. of Swarozgaris trained(SHG+Individual)								
	Total	SC	ST	Women	Minorities	Disabled	Total	SC	ST	Women	Minorities	Disabled	TARGET OF SWARO-ZGARIS THAT REQUIRES TRAINING	Total	% age of col 16 with col 15	SC	ST	Women	Minorities	Disabled	
2008-09	2697	1087	54.98	1545	884.25	12	431	67.34	667	424	63.57	2	4277.31	1624	285.71	474.47	0	1377	858	12	
2009-10	70	50	0	0	70	0	0	0	0	0	0	0	3274	70	19.5	50	0	0	70	0	
2010-11	397	186	0	392	103	0	0	0	0	0	0	0	3446	397	93.11	186	0	392	103	0	
2011-12	564	91	0	434	555	0	0	0	0	0	0	0	813	564	208.12	91	0	434	555	0	
<b>TOTAL</b>	<b>3728</b>	<b>1414</b>	<b>54.98</b>	<b>2371</b>	<b>1612.25</b>	<b>12</b>	<b>431</b>	<b>67.34</b>	<b>667</b>	<b>424</b>	<b>63.57</b>	<b>2</b>	<b>11810.31</b>	<b>2655</b>	<b>606.44</b>	<b>801.47</b>	<b>0</b>	<b>2203</b>	<b>1586</b>	<b>12</b>	

#### 6.4.10 Lack of Private Banks Participation

Public sector commercial banks and RRBs are doing their share in promoting SHGs but private banks are still reluctant to cater to the needs of rural population as they are not apprehending this concept as a business model. A PPP (Public Private Partnership) model can work wonders even if these private sector banks assume it as their corporate social responsibility. Following table has depicted the progress of private banks in SGSY.

**Table 6.12**  
**Progress under Microfinance - Savings of SHGs with Private Sector Commercial Banks as on 31 March 2014**

Amount ₹ lakh

S. NO	Name of the Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Under SGSY/NRLM & other Govt.sponsored Prog. Scheme			Out of Total SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings – Amount	No. of SHGs	No. of Members	Savings - Amount	No of SHGs	No. of Members	Savings – Amount
<b>NORTHERN REGION</b>										
	<b>Haryana</b>									
<b>1</b>	AXIS Bank	3	<b>45</b>	0.00	<b>3</b>	<b>45</b>	0.00	3	<b>45</b>	0.00
<b>2</b>	Federal Bank	1	<b>10</b>	0.46	<b>0</b>	<b>0</b>	0.00	0	<b>0</b>	0.00
<b>3</b>	HDFC Bank	133	<b>1995</b>	0.71	<b>0</b>	<b>0</b>	0.00	133	<b>1995</b>	0.71
<b>4</b>	ICICI Bank	1	13	0.16	<b>0</b>	<b>0</b>	0.00	1	13	0.16
	<b>Total</b>	<b>138</b>	<b>2063</b>	<b>1.33</b>	<b>3</b>	<b>45</b>	<b>0.00</b>	<b>137</b>	<b>2053</b>	<b>0.87</b>
	<b>Grand Total -</b>	<b>4022810</b>	<b>48171932</b>	<b>663145.63</b>	<b>1233087</b>	<b>14016278</b>	<b>158449.12</b>	<b>3483212</b>	<b>41448708</b>	<b>565641.83</b>

**Source: NABARD status of microfinance**

It is clear from Table 6.12 that there are only four private sector banks all over Haryana who have come forward for contributing to this scheme . Out of the four private players HDFC is contributing a major share i. e. out of total WSHGs linked with private banks in Haryana, 97.17% (1995) have been linked with HDFC alone. As far as regional share is concerned that too is very less i.e. only 0.34% (138) of SHGs have been linked with private sector banks in Haryana out of 40228 SHGs all over India, only 0.04% (2063) members out of total membership of 4817193 and savings are 0.0002% out of a total amount of 663145.6 Lakhs. Hence, there is a need to have more aggressive approach from these private sector banks.

**Table 6.13**  
**STATEMENT-III-B Progress under Microfinance - Savings of SHGs with**  
**Regional Rural Banks as on 31 March 2014**

Amount ₹ lakh

S. No	Name of the Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Under SGSY/NRLM & other Govt. sponsored Programme Scheme			Out of Total SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings Amount	No of SHGs	No. of Members	Savings Amount
	<b>NORTHERN REGION</b>									
	<b>Haryana</b>									
<b>1</b>	Haryana Gramin Bank	20467	220437	2055.61	12435	136654	1167.67	16620	177347	1176.91
	<b>Total</b>	<b>20467</b>	<b>220437</b>	<b>2055.61</b>	<b>12435</b>	<b>136654</b>	<b>1167.67</b>	<b>16620</b>	<b>177347</b>	<b>1176.91</b>

Source : Annual report of NABARD 2013-14

**Table 6.14**  
**Progress under Microfinance - Savings of SHGs with Co-operative**  
**Banks as on 31 March 2014**

Amount ₹ lakh

Sl.No.	Name of the Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Under SGSY/NRLM & other Govt.sponsored Prog. Scheme			Out of Total SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount
<b>NORTHERN REGION</b>										
	<b>Haryana</b>									
	Ambala DCCB	145	1401	15.40	0	0	0.00	108	1273	13.82
	Bhiwani DCCB	0	0	0.00	0	0	0.00	0	0	0.00
	Faridabad DCCB	0	0	0.00	0	0	0.00	0	0	0.00
	Fatahabad DCCB	245	2472	13.65	245	2472	13.65	26	268	2.18
	Gurgaon DCCB	247	2941	20.60	21	251	1.68	243	2880	18.57
	Hissar DCCB	378	3953	19.36	356	3733	17.34	69	699	2.56
	Jhajjar DCCB	36	360	1.15	0	0	0.00	24	240	0.79
	Jind DCCB	0	0	0.00	0	0	0.00	0	0	0.00
	Kaithal DCCB	48	474	1.36	0	0	0.00	31	302	0.62
	Karnal DCCB	218	3216	56.80	0	0	0.00	218	3216	56.80
	Kurukshetra DCCB	35	363	2.45	0	0	0.00	5	60	0.38
	Mahindergarh DCCB	90	991	9.05	18	200	1.80	89	981	9.03
	Panchkula DCCB	187	1299	12.73	2	20	0.10	134	1159	11.84
	Panipat DCCB	149	1635	17.90	5	58	13.00	126	1443	14.26
	Rewari DCCB	223	2637	26.34	219	2484	25.14	223	2637	26.34
	Rohtak DCCB	253	2644	13.99	8	80	0.23	8	80	0.23
	Sirsa DCCB	325	3250	57.48	0	0	0.00	325	3250	57.48
	Sonepat DCCB	1165	9320	62.75	23	230	0.70	1165	9320	62.75
	Yamuna Nagar DCCB	5	50	5.00	0	0	0.00	2	20	2.00
	<b>Total</b>	<b>3749</b>	<b>37006</b>	<b>336.01</b>	<b>897</b>	<b>9528</b>	<b>73.64</b>	<b>2796</b>	<b>27828</b>	<b>279.65</b>

Source: NABARD status of microfinance

Table 6.13 depicts the extent to which RRBs have been successful in spreading this scheme in Haryana. RRBs have 20467(20.83%) SHGs out of total north region i.e. 98521 SHGs and 2111760 SHGs at all India level. This indicates a positive trend towards SHG Bank linkage through RRBs.

It is clearly visible in above table 6.14 that District Mewat has not got a place when it comes to savings of SHGs with co operative banks. It is also a barrier in development of SHGs in the sample district because as a matter of fact to make this scheme successful a conglomerate effort of all formal financial agencies is a must.

### **Conclusion**

It may be concluded that the major problem faced by most of the SHGs (96%) was lack of administrative experience. Lack of cooperation among members was second dominating problem faced by 36% SHGs. 18% of the SHGs found it difficult to approach the authorities for getting loan. Hence the problems are intense on demand side and pose barriers in the development of SHGs. There is lack of co operation and absence of group spirit among the group members. Getting a subsidised loan from the bank and then trading up that loan with other members is the main activity of the groups.

Linking the financially and socially excluded with the formal financial system alone is not sufficient to make them independent as is found in the study. There are other factors as well to make them self dependent. When it comes to selection of economic activity they just follow what is traditionally available or what others are doing in the same proximity such as agriculture, dairy, poultry, bangle shop etc whereas there are so many other profitable activities such as dari/carpet making, pickles and jams, bee hiving, vermin compost, floriculture, fisheries, mushroom farming, herbs plantation, nursery, bakery etc. The focus on training was on formation and organisation of the group instead of skills building.

It was surprising to know that this microfinance intervention has done a little to empower women economically as men pull out their hands from specific types of expenditure as soon as they come to know about the small earnings of women. So it can be said that women's small earning makes men more empowered.

As far as financial institutions are concerned they are less motivated to promote this



scheme as micro credits result in macro burdens due to lack of close monitoring system. It was observed during survey that NGOs are just helping rural poor women on sympathetic grounds only, whereas they need self sustainable interventions through which they can earn a livelihood for their own and family. Lack of marketable potential makes the situation worse even if they try to undertake some productive work like biscuit making, handfans, dari making etc. No training to manufacture and no marketing support rendering the product non marketable and is very discouraging.

Absence of market place is yet another problem in development of SHGs in the sample area. Handmade /Homemade products are definitely liked by urban high class but these products can never be successful to procure a shelf space on urban shops without any guidance and support. Crafts fair and Haat Bazaars are organised by the Government but at different and far away locations from their homes and once in a year phenomenon which makes it difficult for them to participate in these events frequently.

Public private partnership model has not been adopted in north region to introduce corporate contributions in imparting training to manufacture or selling innovative products like solar products. Most of the leaders and members were found literate upto primary level which is not sufficient to understand the complexity of finance/credit.

Reluctance of Government to spend on marketing is highly discouraging to engage people in entrepreneurial activities. Secondary data sources depict that a major part of ₹ 2172.38 (69.30%) out of total fund of ₹ 3134.73 Lakhs, allocated for the state has been absorbed by subsidies and nothing has been spent on marketing. There has been unjust disbursements in Mewat District with a maximum of (51%) in primary sector namely in livestock. Lack of disbursements in secondary (merely 1.12%) and tertiary sectors (only 4.26%) pose a barrier in the development of SHGs.

Lack of capacity building training initiatives is yet another factor responsible for low development of SHGs in Haryana. It was felt during survey that members were given training by NGOs or bank facilitators but no professional agency was ever hired to impart any product making skill.

From above discussion it may be concluded that these barriers had hampered the growth of SHGs in this area. Strategies can be developed to remove these obstacles so that this scheme can prove a catalyst in bringing about socio-economic changes in the

life of rural women. As a matter of fact no country can develop without working for women emancipation strategies. Women can be an immense source of development of the family, community, society and nation as a whole.

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## CHAPTER-7

### **SUMMARY OF FINDINGS AND SUGGESTIONS**

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#### **7.1 Introduction**

Empowerment is a subjective term which may encompass Economic, Social, Emotional and Administrative strength. The concept of women empowerment would fetch volumes of meaning as everyone defines women empowerment in one's own way on the basis of experience, age, gender, community etc. For some people, when there is absence of gender bias, a woman is said to be empowered. For others if a woman is earning bread for her and family she is empowered. If a woman becomes a decision maker she is identified as empowered woman. When she does not need company of her husband to go to bank and talk about loan she is assumed empowered.

Since time immemorial woman has been designated as “Shakti---Durga Avtaar” but at the same time is being treated as “Abla”. Even the modernisation could not help much to bring women out of the shackles of helplessness. A large number of factors were found associated as a cause of deprivation of the place that she deserves. From economists' point of view, women constitute half of world population but bear a disadvantageous status in the society with a low literacy rate, low work participation rate, low urban population share as compared to their male counterparts. That is why a need was felt to develop women centric interventions by the Government to reach Millennium Development goals of sustainable development and alleviation of poverty. Various developmental programmes and schemes have been launched by the Government for rural development to bring about social and economic reforms but as the backwardness is highly skewed in some areas no such programme could prove a complete success. This consistently makes policymakers to look for alternatives best suited to Indian rural poor in general and women in particular. Micro finance interventions were suggested as a measure to reach the unreached and NABARD's Self Help Group scheme for women came as a welcome change in this direction which was launched in 1992 with an objective of linking the financially excluded to the mainstream.

Though many central and state Government poverty alleviation programs are currently in vogue in India with a strategy focus on Infrastructure, Social Development

(especially education and health) and rural livelihoods but the poor access to credit markets and formal banking system has been identified as a root cause of poverty amongst the rural poor and the most disadvantaged section of the society. Considering this a long lasting Microfinance system with well equipped resources is apprehended as a stimulant for economic growth from the very basic level. Micro financing is regarded as a tool for Socio-Economic benefit in a developing country like India. As a means of poverty amelioration it can give loans to poor individuals without sacrificing financial viability. As credit plays a vital role in beginning and expanding the business, microfinance has been treated as an important tool for promoting economic development. The benefits of economic growth are accessible to relatively advantaged sections of the society who find it easier to participate in the growth process and the disadvantaged section has to wait much longer to reap the benefits of economic growth. Engaging these unused or underutilised sections of the society in the economic mainstream is essential to achieve higher growth which calls for access to formal financial services.

Micro Finance originated in India in 1969 with the nationalization of banks to see that 1% of the profits of these banks goes to the poor towards their micro enterprises. The Micro Finance initiative in private sector in India can be traced to the initiative undertaken by SEWA (self employed women's association) Sahakari Bank set up in 1974 by registering as an urban co-operative Bank. Then the initiatives of NABARD in 1992 in association with NGOs for promoting and extending financial services through SHGs has now blossomed as a micro finance initiative. It has been recognized as a decentralized, cost effective and fastest growing micro finance intervention in the world.

From the secondary data the progress of microfinance at National, State and District level has been studied from the year 2008 onwards and it was found that the year 2012-13 has been the worst year in the span of these five years as the number of SHGs linked to banks for their savings accounts declined by 8% for the first time since 1992. Year 2013-14 showed a marginal increase of 1.53% with ₹74.30 Lakh SHGs savings linked to banks as against ₹73.18 lac in 2012-2013. Fresh loans sanctioned by the banks declined in 2010-11 and 2011-2012 but in next two years it has increased over the previous years. In 2013-14, 13.66 lakh SHGs were granted loans with a percentage

increase of 12.02% over previous year. As far as the amount of loans is concerned it increased by 17%. The share of All Women SHGs has increased to 84% in 2013-14 while the groups formed under SGSY now constitutes 30% of total SHGs formed.

Agency wise progress reports proved that the commercial banks are the major contributory at 54.15% level followed by 28.42% linked to RRBs and 17.43% linked to co-operative banks. But in Haryana out of total Northern Region the share of RRBs in linking SHGs is 20.77% followed by commercial banks with a share of 12.44%. Cooperative banks performance however have been disappointing in the state as well. Southern region reported the highest average of ₹ 16,878 and north eastern region reported the lowest average savings per SHG at ₹4,073 lakh. Haryana reported ₹1,054 lakh as average savings per group. So it may be concluded that commercial banks have outperformed the other two agencies namely RRBs and co-operative banks at the national level. It is observed that Andhra bank has outperformed in loan disbursements to nearly all type of SHGs whether formed under SGSY or all women groups with 100978 SHGs linked with the bank and total amount disbursed is ₹ 2,74,671.60 lakh as on March 2014. On the contrary the contribution of private sector banks is quite less as compared to Public sector banks in this programme. ICICI bank is the highest contributor by disbursing ₹ 80,715.50 Lakh to 43517 SHGs out of which 43490 SHGs were women SHGs. HDFC bank is ranked second with disbursement of ₹76,997.73 Lakh to 35826 SHGs with 100% disbursement to women SHGs. Dhanalakshmi Bank holds the third position after disbursement of ₹25,034.05 lakh to 4573 SHGs at all India level.

RRBs have outperformed commercial and co-operative banks in Haryana in total northern region with disbursing loans of ₹ 1,469.20 Lakh to 825 SHGs followed by commercial banks disbursing loans of ₹ 1,445.71 Lakh to 1012 SHGs. Punjab National Bank has taken a lead to link SHGs with banks with 11318 SHGs out of total 18675 (60%) SHGs in Haryana, 127700 (8.86%) in northern region and 374416 (3.02%) in all public sector banks at national level. However, the data still indicate the skewed growth of SHGs in southern region with total number of SHGs stood at a whopping 874585 with loans disbursal of ₹ 2,06,155.70 lakh. It can be observed that there are only four banks in the private sector that have initiated this scheme. HDFC bank however has outperformed other banks in terms of number of SHGs and amount of

savings. HDFC bank has a total number of SHGs as 133 out of total SHGs linked with private sector banks i.e. 138 (96%) in Haryana, out of 23487(0.57%) in North, 278649 (0.05%) in India. RRBs have been successful in expanding this scheme in Haryana. RRBs have 20467(20.83%) SHGs out of total north region i.e.98521 SHGs and 2111760 SHGs at all India level. This indicates a positive trend towards SHG Bank linkage through RRBs. It is disappointing to see a mere 3749 SHGs linked with co-operative banks in Haryana with an average amount of savings of ₹ 37,006 lakh. It is just 3.25% out of total SHGs linked with co operative banks in rest of India. So these banks need to gear up their efforts to be better performer.

Whatsoever may be the size of microfinance in Haryana it still can not be described as scheme with less potential as the state households too have a strong communal affinity who have taken up this scheme as a community organizations for women empowerment. Though the share of microfinance in Haryana is less1% of the country with respect to number of SHGs formed, savings, loans disbursed and outstanding loan amount. It can be observed that there are only four banks in the private sector that have come forward to start this scheme. HDFC bank however has outperformed other banks in terms of number of SHGs and amount of savings. HDFC bank has a total number of SHGs as 133 out of total SHGs linked with private sector banks i.e. 138 (96%) in Haryana, out of 23487(0.57%) in North, 278649 (0.05%) in India. It was also found that even private commercial sector banks too have performed better in south with having 207944 (75%) SHGs linked with private sector banks.

WSHGs (Women Self Help Groups) and SGSY( Swarnjyanti Gram Swarozgar Yojana) are the two promotional schemes launched few years back to scale up the microfinance lending and linking rural poor women to the mainstream which has been considered as a measure of poverty alleviation and women emancipation. From Haryana two districts namely Mewat and Sirsa were selected for this scheme in March 2013 and total no of SHGs to be formed were 2000. Out of the total grant of ₹28.81 Lakh ₹ 11.72 (40.68%) Lakh were granted to Mewat District for promotion of SHGs and training and capacity Building. This scheme performed beyond targets in the first year as 1210 SHGs were formed in Mewat as against a target of 1000 SHGs and 1217 SHGs were formed in Sirsa as against the target of 1000 SHGs. Out of WSHG Development fund ₹ 42.68 Lakh were spent as a grant to anchor agency and expenditure on capacity building and

that total spending on grant to anchor agency and capacity building has increased to ₹ 94.86 lakh upto 31-03-2015 which shows an enthusiastic outlook of anchor agencies towards this scheme.

Whereas the progress under SGSY shows that the total number of new SHGs has declined to 2397 in 2012-13 from 7898 in 2009-10 in Mewat district and only 327 SHGs have been newly formed upto March 2012. During the year 2012-13, number of SHGs which passed Grade I is only 353 which has seen a decline from 823 in 2009-10. Number of SHGs which passed Grade II during 2012-13 is 211 which has also decreased from 623 in 2009-10. Number of women SHGs which has undertaken economic activity has declined from 459 in 2009-10 to 120 during 2012-13. Data shows an overall a declining performance of SHGs under SGSY from 2009-10 to March 2013. The scheme gained momentum in the initial years of launch but soon started losing sheen as lack of economic activity creation in the district and withdrawal of support from the supporting agencies as soon as SHG reach Grade II and their incentive to help these SHGs finishes. 26135 SHGs were formed in Haryana as on March 31, 2012 of which 21202 have passed Grade I and 15620 Grade II. 14700 SHGs have taken up economic activities. 16109 women SHGs formed which comes out to be 62% which is less than national figure of 68%. Kaithal district with 2047 has formed maximum whereas Palwal with 425 SHGs has formed minimum in the State. It was also found that 91% of the funds available have been utilised for the programme during 2012-13. 72% of available funds were spent on Mewat in 2008-09 whereas there has been an increase in expenditure to 91% despite of declining growth of SHGs during 2012-13, this indicates toward a laggard behaviour in promoting SHGs in the initial years by spending less out of total available funds.

Further lacuna in spending pattern is that much has been spent on NGOs or facilitators and developing infrastructure whereas less and a negligible amount has been spent on orientation and skill development programme. Marketing spending is zero which indicates a reluctant behaviour on part of authorities and that has rendered the SHG products poorly marketable of SHGs products. Assistance provided to women swarozgaris to pursue economic activities has seen a 200% increase in 2011-12, number of SC swarozgaris has also increased to 35% in 2011-12. However the target set for minorities could not be achieved in any of the year from 2008 to 2012. However



the number of SHG members who were given training declined from 2697 in 2008-09 to a mere 564 in 2011-12 which indicates towards lack of attention of authorities to training needs of these members be it SC/ ST or Women. If the same practice continues then this SHG scheme will remain a saving lending activity and the very purpose of women emancipation through livelihood activities can not be fulfilled. The position of individual woman swarozgaris trained is more disappointing as 424 women swarozgaris were trained in a span of four years and only 2 persons with disability were given training under SGSY.

The authorities have not disbursed the credit targeted to SHGs and Individual Swarozgaris in any of the years from 2008-2011 except during 2011-12. Credit disbursed is even less than 50% of the target amount. Total amount of credit and subsidy disbursed to SHGs has increased from ₹ 898.96 lakh in 2008-09 to ₹1957.08 in 2011-12 whereas the total amount of credit and subsidy disbursed to individual swarozgaris has reported a decline from ₹ 738.71 lakh in 2008-09 to ₹292.1Lakh in 2011-12. Per family investment and subsidy credit ratio has improved significantly in 2011-12. In totality the results are disheartening for the success of Self Help Groups scheme in Mewat District in particular and Haryana in general and hence may be concluded that Haryana is lagging behind in the outreach of this solidarity saving lending scheme.

Present study has been undertaken to measure the impact of Self Help Groups on the social and economic conditions of rural women of Haryana in general and Mewat in particular. Performance of SHGs has been measured on a 5 point scale and 12 indicators categorised in 4 categories, viz., Group Composition, Organizational Discipline, Organizational Systems and Financial Management. The study has been initiated with the following objectives: (i) To explore the origin, development and performance of SHG in Mewat District (ii) To evaluate the social upliftment of rural women after becoming SHG member; (iii) To analyze the impact of SHGs on Economic Empowerment of rural women; (iv) To make comparison among Blocks regarding socio-economic impact of SHGs; (v) To explore the barriers in development of SHGs; (vi) To suggest policy measures for women empowerment through effective and efficient functioning of SHGs.

Various hypotheses have been formulated to test the significance of relationship between educational qualification of leader, age of the group, size of group and performance of the group. A comparative analysis of performance of all the three blocks has also been done to check the best performer block in Mewat District. Some hypotheses have also been framed to measure the impact of SHGs on social and economic conditions of members before and after joining SHGs.

Both primary and secondary data has been used to conduct the study. The primary data have been collected from the sample respondents by adopting the method of interview schedule, personal interview and observations. To elicit the required information a well structured schedule has been designed with probing questions. The data have been collected from the primary sources of 900 members and 304 group leaders of SHGs by adopting random multistage sampling technique through pretested and structured schedule. The data and information pertain to the year 2014. The collected data have been analysed with the help of statistical tools like frequency, percentage, cross tabulation, Mc Nemar test, Sign Rank test, Paired Z test, Chi Square test, Two Way ANOVA. Secondary data related to different aspects of SHGs have been collected from the official websites of Mewat Development Agency, Haryana Government, published reports, books, articles, journals, news paper clippings and district gazetteers. Thesis contains seven chapters in total.

## **7.2 Review of Literature**

After a detailed review of research work done so far on microfinance through Self Help Groups, it has been found that the social exclusion and poverty are spread throughout the nation yet the outreach of the scheme is skewed towards Southern India. Numerous researches had been conducted on SHGs of South depicting the success of the scheme in terms of positive impact on socio-economic status of rural women. Review of the studies has also analysed problems associated with the management of SHGs vis-a-vis clients and service providers. It was explored that formal financial institutions have a low penetration due to poor infrastructure, low profitability and higher degree of risk but Microfinance has been proposed as a possible solution and a business model for the banks, for the maximum outreach and alleviation of poverty in the rural poor especially the disadvantaged sections of the society namely women, small and marginal farmers, and landless farmers. It has been revealed in the studies that various national and

international organisations have contributed a lot for the development of microfinance through different models but NABARD contribution has been prominent as far as SHG model is concerned.

In 1992, NABARD launched a scheme to organise poor people into a group of 10-20 persons and linking that group with the banks. The scheme was broadly an imitation of Bangladesh Grameen Bank. Under this scheme poor, preferably the women are organised in SHGs with the help of Banks, NGOs, panchayat members and banks financing these SHGs were made eligible for concessional refinance by NABARD. This concept of SHGs was piloted by NGOs namely MYRADA in India in Mid 80's which started on a low note until the booster was given by NABARD in 1992. A pilot programme has now become a full fledged movement for social change and upliftment particularly for rural poor women. The no. of SHGs linked to banks increased from about 500 in the early 1990s to more than 77.12 Lakh, outreached to 101 million families in 2015.. Number of credit linked SHGs has witnessed an increasing trend since 2011-12. Microfinance through SHGs has become an integral component of all the Government's programmes to mitigate poverty and has been included in every annual plan. The Tamil Nadu Women's Empowerment Project an IFAD supported project in collaboration with TNWDC was the first project in the country. An NGO MYRADA played a lead role to implement this project and after that it took the shape of a movement especially in south and now taking leaps in other parts of the country. Savings amount of SHGs has reached upto ₹ 11307 Crore as against an outstanding loan of ₹ 51,721 crores. From NABARD statistics it can be observed that average loan disbursed is ₹ 1,84,551 per SHG in 2014-15 as against average loan outstanding of ₹ 1,15,295 per SHG in 2013-14. It has also been analysed that NRLM has facilitated improvements in SHG Bank linkage with better monitoring, lower rates of interest and opportunities of livelihood activities. Evident from the various studies and NABARD reports of microfinance, that SHG model is the largest microfinance delivery model recognised globally now, with a beginning in 1992. The core idea behind this programme was to bring unbanked poor to the mainstream as they were not the part of formal financial system for want of collateral. With this RBI incentivised the commercial banks to give small/micro credit without collaterals. Further this concept initiated thrift and credit habit amongst disadvantaged sections of the society.

Banks have been actively engaged in savings and lending of SHGs since early 90s with a positive response initially but it started declining in the year 2010-11 and 2011-12 due to Andhra Pradesh crisis. Again it resumed the momentum after 2012-13 and continued till date. For that matter data revealed by Bharat Microfinance Report 2015 depicts that SHGs savings have risen upto ₹ 11,307 Crore as on 31<sup>st</sup> march, 2015 as compared to ₹ 9,897 Crore in 2013-14 which is 14.24% more than the previous year. Average savings per SHG has increased by 10.05% i.e. ₹ 14,660 in 2014-15 as compared to ₹ 13,221 in 2013-14. As far as performance of different banks with respect to savings of SHGs, commercial banks continue to take a lead by serving 54% of SHGs and 61% of total SHGs savings followed by RRBs serving 28% of SHGs and accounting for 21% of SHGs savings. An increase of 14.28% has been recorded in the number of SHGs taking loans from banks i.e. it reached upto ₹ 16 lakh from ₹ 14 Lakh in 2014-15. Total amount of loan disbursed increased by 26.29% in a span of one year.

Above data depicts an increasing trend in totality and as per various studies reviewed, SHGs are believed to be the vehicle for women empowerment and poverty alleviation. The review of studies pertaining to Microfinance and women empowerment depicts that SHGs based micro finance has contributed as a catalyst of social change and empowerment of poor. It has proved to be a boon for the rural women in some states of India. Moreover it has created opportunities for promotion of income generating activities and has enabled them to come above poverty line. There is a geographic/regional concentration of the SHGs concept as revealed by secondary data out of total SHGs in the country only 1.75% belongs to north and 64.01% to south which shows that south alone has 64.01% share as compared to 35.99% rest of the nation. 1.16% of total loan disbursements are done in north whereas 85.84% in south. If we distribute this 1.16% among all the states in north then share of Haryana is negligible.

To make this scheme a success, it needs to be spread across the nation as poverty has a uniform concern. Hence it may be concluded that poor people's access to formal banking system would act as a key to inclusive growth and sustainable development, as women are believed to have limited access to economic resources and formal financial institutions and linking them with the mainstream is one of the biggest challenge for policymakers in order to ameliorate poverty and making women socially and

economically empowered. Given the extent of social exclusion of women, Indian government is making efforts to include them in the system by implementing various interventions like microfinance, microcredit and SGSY to name a few as it has been observed in various studies that women have gained confidence by being the part of these community organisations and coming out of the façade of being helpless and dependent on their male counterpart, financially and emotionally. Now it is high time to bring them out of this identity crisis to reach the goal of women emancipation and sustainable development with social justice.

### **7.3 Performance of the SHGs in Mewat District**

“The growth of SHGs movement across the country as an instrument of financial intermediation provides tremendous opportunity to reach the people who do not have access to financial services” (Titus 2005). Growing interests of both the stakeholders and financing institutions call for standardizing the performance measurement of SHGs, especially in years of incumbency to gauge their financial activities. Field workers, SHG promoting agencies and banks need to monitor and appraise the performance of SHGs at regular intervals.

The study has analysed the various aspects of performance of SHGs with the help of a performance measurement tool consisting 12 indicators which have been categorised into Group Constitution, Organisational discipline, Organisational Systems, Financial Management and performance consisting different performance factors under each of these categories, on a 5 point scale. Before measuring the performance a socio-economic profile of the group has also been drawn for a better understanding and measurement of the group performance.

The socio economic profile of the sample SHGs has been drawn wherein it was found that the average age of the group i.e. the tenure of existence of a SHG in sample area was less than two years which indicates that most of the groups are newly formed and the old groups have become inoperational/defunct. On an average basic qualification of most of the group leaders was primary schooling. However, fully illiterate leader percentage was as low as 0.66%. 98 SHGs were found to have experienced leaders having 3-4 years of experience as a group leader of the same group or a group which has become dysfunctional. 207 groups out of the total 304 groups were observing a

standard size as less than 12 members which is an ideal size for smooth functioning of the group. The dominant occupation of members was either agricultural labour or housewife and each group is backed up by some motive for the formation such as promotion of savings and uplifting the social status.

In order to measure the performance of SHGs in Mewat District a performance measurement tool has been designed containing 12 indicators namely group purpose, homogeneity, regularity of meetings, attendance of meetings, participation of members in decision-making, periodic election of leaders, rules and regulations exist and implemented, book keeping and documentation such as cash book/ledger/minutes book/pass book, rotation of fund, loan repayment by members, track record with lenders.

The groups have been observed to be a follower of homogeneity norms in group constitution vis-a-vis economic and geographic proximity, means in a group all the members belong to same village and same economic background which is the main cause that no intra group clashes were found in the survey.

Group meetings were a regular practice on monthly basis in general and weekly basis in specific. 59.64% SHGs conducted group meetings once in a month however once in a week practice is also not discouraging. Its not only the regularity in conducting the meetings but having 270 groups with more than 90% of members attending these meetings is an achievement. It indicates that members of SHGs are keen to meet other members to have a discussion on group or individual matters and issues concerning society.

Regular savings is not only required to get linked with the bank but it is essential for the rotation of group fund and its survival. No group was found with 0 savings in the initial years but gradually the percentage started rising from 0% (in first two years) to 59.87% in the fifth year which can be a reason associated with dysfunctioning of old SHGs and formation of new groups.

On the parameters of organisational discipline SHGs fared well, 260 groups were observed to have a set of defined rules which had been implemented as well only 13.82% SHGs were found without rules in existence. Choosing a group leader though a tedious task but a group has not come across any hurdle in getting their leader elected

either through election or consensus. 248 groups elected their leaders through election and 56 groups had chosen their leader unanimously.

As far as training is concerned the results are very much discouraging as 300 (98.68%) SHGs denied that no training had ever been imparted to them to start an entrepreneurial activity. Only 1.32 % (4) SHGs admitted that they have been given some training but for opening and operating group account, book keeping and documentation. No training have ever been imparted as regards to skill building to become self employed or starting own venture. Sometimes they were just told about the formation procedure and how to keep the books of accounts to record group transactions. An excellent level of participation of members in decision making has been observed as 53.29% (162) SHGs had more than 75% members' participation in decision making which is an indicator of excellence on performance scale and it enthuses the members with confidence to be decision makers in every walk of their life. Being a decision maker is the highest pointer of women empowerment.

It is surprising to know that 276 groups reported to have updated books of accounts despite of illiteracy and it indicates that literacy level of the leader and members is however desirable trait but not found essential to be a good performer as a SHG. Calculated F-value (4.19) of SHGs (classified on the basis of educational qualification of group leaders) is greater than the tabulated value (2.89) at 5% level of significance, which results in rejection of null hypothesis. This implies that though there is a significant difference in the **performance score of the different SHGs** classified on the basis of educational qualification of group leaders but the difference may be attributed to the desirability and not essentiality of education of group leaders..

Performance quality of SHGs largely depends on the frequency of rotation and utilisation of group funds. It has been observed that highest percentage of SHGs disbursed loan to 2 or 3 members i.e. the average number of beneficiaries of the loan is 2-3 per SHGs out of 10-12 members. Repayment rate has been encouraging and very high as 70.39% members repaid 100% of their loan. 70.39% of the groups had taken first loan from the bank but had been irregular in repayment. However 21.05% have taken first loan and repaid on time. Main problem faced by SHGs was lack of administrative experience in the group i.e. demand side barriers are predominantly affecting the quality of performance of these SHGs.

On the basis of mean value, scoring and ranking have been done which has depicted that book keeping and documentation has scored Rank 1, attendance at group meetings (Rank 2), regularity in conducting group meetings (Rank 3) and existence of rules and regulations (Rank 4) are the major factors responsible for quality performance of the SHGs. The areas requiring more attention like group composition i.e. group purpose and homogeneity (Rank 7 and 9 respectively), rotation of fund (Rank 10) and disbursement of loans to members (Rank 11) and track record with the lenders (Rank 12) have also been depicted by the study.

To ascertain the relationship between educational qualification of leaders and performance of the groups, Two Way ANOVA was applied whose result showed that there is a significant difference in the performance score of SHGs emanating to educational qualification of leaders. Performance of the SHG largely depends on the leadership skills and capabilities of the leader. Two null hypotheses have been formulated and tested. As a matter of fact calculated F- value (20.92) of performance factors has been found significantly greater than tabulated value (2.09) at 5% level of significance causing rejection of Null Hypothesis and establishing that there is a significant difference in the **performance scores of the performance factors** considered for measuring performance of the SHGs (classified on the basis of educational qualification of group leaders).

Also calculated F-value (4.19) of SHGs (classified on the basis of educational qualification of group leaders) has also been found greater than the tabulated value (2.89) at 5% level of significance which implies that there is also a significant difference in the **performance score of the different SHGs** classified on the basis of educational qualification of group leaders. But the degree of this difference may also signifies that literacy of the leader is a desirable trait but not essential for the better performance of the SHGs as there are other factors which have a great bearing on the performance score. Experience however has been found more essential for the smooth functioning of the SHG and better liasoning with the bank officials.

Age of the group and size of the group do not impact the performance of the group. Blockwise comparison showed that difference in performance scores of different blocks is not much significant i.e. each block SHGs are fairing at par.



Normally the period of existence of a SHG and level of performance are assumed positively related as the group matures with the passage of time and members learn with experience as to how to coordinate with other group members, banking officials and nurture into an entrepreneurial venture from merely a saving lending platform. In order to determine the impact of age of the group over their performance scores two Null Hypotheses have been formulated and tested. It has been found that calculated F-value (10.64) of performance factors is greater than tabulated value (2.09) at 5% level of significance resulting into rejection of null hypothesis and showed that there is a significant difference in the performance scores of the Performance factors which are considered for measuring performance of the SHGs. But calculated F-value (0.14) of SHG Age groups is less than the tabulated value (2.89) at 5% level of significance, causing acceptance of null hypothesis and established that there is no significant difference in the performance score of the different SHGs classified on the basis of year of their formation.

Size of the group i.e. number of members in a group has also been considered to measure the impact over SHG performance. As per NABARD standard the ideal group size may vary from 10-15 and maximum number specified by it is 20. A Two Way ANOVA has revealed that calculated F- value (9.55) of performance factors is significantly greater than tabulated value (2.82) at 5% level of significance indicating that there is a significant difference in the performance scores of the performance factors which are considered for measuring performance of the SHGs (classified on the basis of size of the groups). While calculated F-value (0.002) of SHGs (classified on the basis of size of the groups) is significantly less than the tabulated value (242.89) at 5% level of significance indicating that there is no significant difference in the performance score of the different SHGs classified on the basis of group sizes. So size of group does not influence the performance of the group.

Three blocks namely Firozpur Jhirka, Nuh and Punhana , despite of many similarities are presumably different in overall performance scores of SHGs. Two Way ANOVA depicted that there is a significant difference in the performance scores of the performance factors which are considered for measuring performance of the SHGs (classified on the basis of Blocks) as calculated F- value (18.06) of performance factors is significantly greater than tabulated value (2.26) at 5% level of significance. And

there is no significant difference in the performance score of the different SHGs classified on the basis of Blocks as calculated F-value (1.56) of SHGs (classified on the basis of blocks) is less than the tabulated value (3.44) at 5% level of significance. Means there is a difference in performance indicators of all the three blocks but no significant difference in the performance score of all the three blocks i.e. they are performing at par.

A Two way Cross-Tabulation of three Blocks and Educational Qualification of the group members according to their average income to check the socio-economic impact together, showed that the average income of members from Nuh is more than other two blocks since calculated F-Value for Blocks 4.352 is greater than tabulated F-value (3.19) at 5% level of significance. Hence, there is a significant difference in the average income of the three blocks. Calculated F-value for Educational Qualification 1.629 is less than the tabulated F-value (2.80) at 5% level of significance revealing that there is no significant difference in the average income of the groups formed on the basis of their educational qualification. Calculated F-value for interaction effect between blocks and educational qualification 1.081 is also less than the tabulated F-value (2.29) at 5% level of significance depicting that Blocks and Educational Qualification are independent on the basis of average income of group members.

#### **7.4 Social Impact on Rural Women**

The main emphasis of this chapter has been to study and analyse the social impact on women of sample area. For this purpose four variables like self confidence and self worth, communication skills, awareness against social evils and reaction of members towards some unpleasant practices prevailing in the society. Each variable is then tested on the basis of before and after joining SHGs.

Non parametric tests like Mc Nemar and Wilcoxon Sign Rank test have been applied to analyse the level of significance of each variable before and after joining SHGs. Null hypothesis was tested as to there is no significant difference between all the four variables of social impact before and after joining SHG and for all the variables the impact was found to be significant and positive. Some of the supporting statistics to the facts have been discussed below.

It has been observed that 73% members are in the age group of 30-40 and 25.8% are in the age group of 20-30 which shows their enthusiastic attitude towards shouldering family responsibilities. Survey has depicted that 897 (99.7%) sample members are

females and only 3 (0.3%) are males. 44% of the sample members belong to other backward classes, 22.2% are from backward class, 28.2% from General category and surprisingly only 5.6% from scheduled castes.

41.6% of the members' spouses are daily wage labour pressurising women to undertake a livelihood activity to support family income. 28.8% are petty shop owners with small income, 24.9 % are farmers having seasonal and erratic income. It necessitates women to go either for income avenues or taking consumption loans to help in children education, their marriages and white wash and construction.

It has been observed that 40% of the respondents are literate but up to 5<sup>th</sup> standard, 39.4% up to middle standard and only 14.2% can sign only. The result reveals a low level of female literacy in the sample area and those who are literate they have studied upto middle standard which is an impediment in smooth financial functioning of the group.

The data shows that married women are more interested in contributing to family income as 98.2% members are married, 0.3% are married but widowed and only 1.1% members were unmarried or they have been motivated by spouses to become members for taking loans and then repaying these loans by taking money from spouse only.

It has also been depicted that 641 (71.22%) group members felt confident out of which 354 (39.33%) have developed this feeling of self worth after joining SHG. Since p-value is quite less than 0.05, resulting into rejection of null hypothesis and acceptance of alternate hypothesis and is indicative of positive social impact on members.

685 group members have been found confident to face financial crisis of the family out of which 390 becomes confident after joining SHG. So 76.11% sample members show a positive response towards standing up to face financial crisis of family. P-value smaller than 0.05 shows strong evidence in support of rejection of null hypothesis. i.e., there is a significant improvement in the confidence of the group members in facing financial crisis of their families after joining SHG.

741 (82.33%) group members are intended to help their neighbours, out of which 312 (34.67%) are those who were initially not able to help their neighbours but after joining SHG they come forward to help their neighbours which has been supported by p-value smaller than 0.05.

640 (71.11%) group members have been observed as the decision maker in family decisions, out of which 307(34.11%) have become decision maker in family decision after joining SHG, which shows that after joining SHG more group members acquire decision maker's status in family decisions than earlier.

After joining SHG more group members 773(85.89%) started getting a respectable position in their families than earlier. It is clear from the data that the calculated values of the  $\chi^2$ -test for self-confidence are more than the tabulated value (3.84) at 5% level of significance, causing rejection of null hypothesis and revealing that there is a significant difference in self-confidence among the group members before and after joining the SHGs.

Overall analysis shows an improvement in the level of communication skills which might accrue to the joining of SHGs.

No member could find herself capable of meeting a bank official earlier but after joining SHG 14.9% could be able to meet 2-3 officials and 41.9% could meet and articulate with more than three bank officials to sort out their queries, which indicates improvement in the confidence of the members that has enabled them to meet the officials of various financial organisations.

Members were found reluctant to respond the field workers but after joining SHGs 26.2% started answering a few questions and 34.7% became enthusiastic respondents to the field workers and provided valuable inputs to carry out research.

It is clear that out of 900 group members 421 shows improvement in level of communication, 508 group members approached to the officials to discuss their problems and 550 group members were responding to field workers on developmental surveys after joining SHG.

This shows that the group members have significantly improved over level of communication, approaching officials and also on responding to field workers on the developmental survey after joining SHG. Hence over all communication skills of the group members have improved after joining SHG.

Calculated values of Z for all the three categories are less than tabulated value (-1.96) at 5% level of significance resulting in the rejection of null hypothesis and proving a significant improvement in communication skills of the group members after joining SHGs.

As far as reaction towards social evils is concerned it has been observed that 418 (46.44%) group members protest against harassment by husband, 608 (67.56%) group members protest against alcoholism) after joining SHG, 115 (12.78%) group members protest against abortion out of which 65 (7.22%) were able to protest against abortion after joining SHG, 719 (79.89%) group members protest against dowry out of which 323 (35.89%) were able to protest against dowry after joining SHG, only 216 (24%) group members protest against child marriage out of which 115(12.78%) were able to protest against child marriage after joining SHG, only 156 (17.33%) group members protest against illicit relationships out of which 57(6.33%) were able to protest against illicit relationship after joining SHG

Since calculated values of  $\chi^2$ -test for all kinds of social aspects before and after joining the SHGs are higher than the tabulated value (3.84) at 5 % level of significance hence results conclude that there is a significant difference in reaction to the evils among the sample members before and after joining the SHGs.

Changes in the behaviour of members about reacting to some unpleasant practices by males to women after their joining of SHGs, like verbal abuse, physical torture, neglecting and insulting and psychological abuse have been identified and measured with the help of WilCoxon Sign Rank Test.

83.33% members have started resisting to verbal abuse by husbands by their own without complaining in the group, to the relatives or to the authorities. Physical torture is resisted by all the members without taking any action against it but after joining SHGs 54.44% gathered courage to lodge complaint in the group, 42.78% started talking to their parents which was earlier concealed while 2.78% of the members were found ready to lodge a FIR in extreme cases. 71.67% started resisting, 19.67% members feel to complain in the group about humiliation and non attention without complaining to the authorities though.

Since calculated values of Z for all the problematic situations are less than tabulated value (-1.96) at 5% level of significance, hence making a strong case for rejecting null hypothesis and depicting a significant difference in the behavioural changes post joining SHG.

Involvement in this community organisation has helped women to improve in a significant manner viz. their confidence and communication skills which are the two most important indicators of social upliftment of the rural women. It made them confident enough to interact with the outer world beyond the four walls of house and fields. They are aware of welfare schemes launched by the Government from time to time. The results show a positive impact w.r.t. the reaction to social evils. Awareness is the key to resistance and awareness level was found positive after joining SHGs. Now they are confident enough to discuss in genuine behaviour by the family members in the group or warn them by lodging complaints either with the relatives, group or authorities in extreme cases. “The impact of formation of self helps Groups and microfinance has enhanced their socio- economic position in the society. Small loans can make good business sense amongst women in particular as it gives them an independent means of generating wealth, becoming self reliant and sharing responsibility with their husbands and earning self respect for themselves at the same time” (Batra 2015)

### **7.5 Economic Empowerment of Rural Women through SHGs**

This survey has measured the change in economic status using parameters of Assets creation, income generation, pattern of expenditure, savings, loans and poverty before and after joining SHGs. However as per a study conducted in Rewari, Mahendergarh, Hissar and Ambala district (Batra 2015) variations have been found in the level of income earned from livelihood activities vis-à-vis the scheme under which they are running their SHG. This is mainly due to a difference in amount of loan sanction under various schemes. And for that matter the bigger the better rule applies.

Association with SHGs has shown a remarkable increase in the assets creation of women members. However, the change is more significant in creation of moveable assets rather than in immovable. The households having assets less than ₹ 5,000 have turned to Zero as compared to 37.67% before they were members of SHGs. Now the members having assets worth up to ₹ 50,000 have increased to 70.78% from 6.11%. Not even a single member was found who did not feel any change in her assets. Average value of household assets before joining SHG was ₹9,078 with standard deviation 8603 and has changed to ₹28,055 with standard deviation 11248 and average

value of moveable\non-moveable assets was ₹ 85,064 with standard deviation 49191 which has increased to ₹1,41,375. Hence, after joining SHGs, there is good increment in the minimum, maximum and average value of assets both household and moveable\non-moveable which indicate positive economic impact on the members and proves that financial assistance/ easy credit brings changes in assets holding pattern.

Majority of the members have been benefitted after joining SHG as 99.89% members record an increase in their assets holding either household or productive assets which is a good sign of economic development of the individuals and of the nation.

Earnings of members have jumped to ₹50000-100000 and ₹100000-200000 category i.e. from 64.33% to 71.11% and 11% to 20.11%. A positive change has been observed in spending pattern in ₹5000-10000 category i.e. from 36.56% (329) members to 49.67% (447) whereas there is no significant increase in ₹10000-15000 and more than ₹ 15000 category after joining SHG.

A change has been noticed in avenues of investment as before joining SHG 969 investments were made by the members in Post office and Banks only and average saving was ₹ 2,423. After joining SHGs average saving rises to ₹ 2,674 and the number of investments increased to 1910.

More no of members recorded a change in the level of earnings from ₹ 20000-50000 to ₹ 50000-200000. Average earnings before joining SHG were ₹ 47,872 p.a. mainly from agriculture which has increased to ₹ 76,344 p.a. However, there has not been much increase in the income from dairy business which indicates some shortcomings in the dairy business.

There has been a decrease in the number of members who have not taken any loan and now more women have started taking loans than earlier. Post joining SHGs and this number has increased in ₹20000-50000 categories and a downfall from 20.44% to 1.33% in less than ₹ 10,000 category. 77.67% members noticed a change in the pattern of loan as to productive vs. consumption loans. The mean amount of loan has increased to ₹ 23,540 from ₹ 17,975.

Repayment rate is also quite high i.e. 91.44% from 45.76% and the main source of repayment was husband's income prior to joining SHGs but it has decreased to 45.33% and now 23.35%. Members are paying loans out of their own income either from

employment or from business. Most of the loans have been utilised in children education.

Average savings have increased from ₹ 2,423 to ₹ 2,674 after joining SHGs. Earlier people used to invest in post office and banks but now 885 members are investing in SHGs also. Total no of investors were 969 before joining SHGs which is now 1910 after joining SHGs which depicts that saving habits have improved amongst rural poor.

Average expenditure on education, food, clothing and entertainment has been increased and number of members spending on medical facilities has decreased around 10%. While number of members spending on entertainment has been increased a lot around 35%.

It has also been observed that instead of 472 members out of 900 Members 514 have started taking loans and mean amount of loan has increased from ₹ 17,974.73 to ₹23,530.92. Results of paired Z-Test are positive which implies that there is increment in the value of economic variables after becoming members of SHGs.

As far as the policy part is concerned, the self – employment programmes have had a very limited impact on livelihoods and employment as the amount of expenditure on training and skills development, marketing support has been much less than required.

The economic impact of SHGs is considered as a positive step towards poverty eradication. It is now taken as a matter of pride to be SHG member. These groups have improved the village life and community welfare significantly. Members have a better access to improved housing, better education for children, improved standard of living, and food security and have been successful to procure health and hygiene. An upliftment in the status and role of women in home and in the village is another marker of a positive influence of SHGs.

In the words of Pt Jawaharlal Nehru---“you can tell the condition of a nation by looking at the status of its women.”

## **7.6 Barriers in the Development of SHGs in the Sample Area**

The findings of the study depict that the scheme has lots of bottlenecks in its way which are two sided i.e. Demand side and Supply side. There are problems on two fronts hampering the growth of SHGs not only in Haryana but in north region as a whole. Beneficiaries are willing to continue their group but lack of entrepreneurial activity has



made this self sustaining scheme as merely a savings lending option. Lack of administrative experience, co-operation among members, long gestation period to get first loan and inadequacy of loan amount are some factors which hampered the growth and spread of SHGs in the sample area

It has been observed that there are 117 groups (38%) who said lack of administrative experience is the biggest problem faced by them. Only 2% admitted that there is lack of co-operation among members. 2% found it difficult to approach the authorities for getting a loan. Inadequacy of loan is not a significant problem faced by SHGs. However, most of the SHGs have quoted more than one problem that they were facing while performing the group functions.

Hence, it may be concluded that the major problem faced by most of the SHGs (96%) was lack of administrative experience. Lack of cooperation among members was second dominating problem face by SHGs, 36% SHGs were facing problem due to this. Difficulty to approach the authorities for getting loan was identified as the third dominating problem faced by 18% of the SHGs. However, the intensity of lack of administrative experience was seen highest among all the problems faced by SHGs. Hence, it may be concluded that the problems are intense on demand side and pose barriers in the development of SHGs. There is lack of co operation and absence of group spirit among the group members. Some of the members reported to have single problem of administration in the group whereas some have reported many problems associated with the running of SHGs. Getting a subsidised loan from the bank and then trading up that loan with other members is the main activity of the groups.

Entrepreneurial content was found to be the least among groups. However, joining with SHGs has developed a financial discipline either to repay the loan or making their savings as a tool for earning as the group fund is allocated on average 2-3 members and rest of the members get share of interest paid by the loanee member. From either side no capacity building training has been ever imparted or received. Though women have turned more vocal with the bank officials even to discuss other forms of individual loans like gold loan but that too is not for undertaking any entrepreneurial activity but for consumption purposes.

Out of total SHGs in the country only 1.75% belongs to north and 64.01% to south which shows that south alone has 64.01% share as compared to 35.99% rest of the nation. 1.16% of total loan disbursements are done in north whereas 85.84% in south. If

we distribute this 1.16% among all the states in north then share of Haryana is negligible.

Linking the financially excluded with the formal financial system alone is not sufficient to make them independent as is found in the study. There are other factors as well to make them self dependent. Finance comes after right selection of livelihood activity which was found poor among rural women as members themselves are not capable enough of selecting a profitable livelihood activity. They just follow what is traditionally available or what others are doing in the same proximity such as agriculture, dairy, poultry, bangle shop etc whereas there are so many other profitable activities such as dari/carpet making, pickles and jams, bee hiving, vermin compost, floriculture, fisheries, mushroom farming, herbs plantation, nursery, bakery etc. The focus on training was on formation of the group, group meetings and maintenance of books of accounts and lacks training content on capacity building which is essential for women to plan better for resource utilisation.

During the survey women were found ignorant towards investment decisions. It is rare to see a rural woman to invest in lucrative activities out of her own credit and savings alone. They either take advice of their husbands for investment decisions or handover their money to their husbands means money is at the disposal of husband. There is lack of counselling and training for coming forward to explore and decide their own to invest the fund with the help of NGOs and successful Women Self Help Groups of other areas.

It was surprising to know that this microfinance intervention has done a little to empower women economically as men pull out their hands from specific types of expenditure as soon as them come to know about the small earnings of women. So it can be said that women's small earning makes men more empowered.

When it comes to competition women are better competing with women but they are discouraged to compete with male counterparts as society is by the male side. Banks could have formulated some policy to eliminate this competition between genders by keeping some avenues open for women only. Lack of group spirit and prevalence of individualism has also been a hurdle in development of SHGs in Haryana. Inter group competition and loaning also pose challenges in the development of SHGs and

undertaking economic activity. However, this group loan has helped women to raise their standard of living marginally but not by the income generation rather household utilisation of loan in construction, education, marriage etc has been observed in the sample area.

There have been some hurdles on the supply side for keeping the pace of development of this scheme low. As far as financial institutions are concerned they are less motivated to promote this scheme as micro credits result in macro burdens and they lack in developing a close monitoring system. Even if they grant a loan they are just concerned about the regular receipt of EMI and never bothered about the utilisation of loan.

It was observed during survey that NGOs are just helping rural poor women on sympathetic grounds only whereas they need self sustainable interventions through which they can earn a livelihood for their own and family. Lack of marketable potential makes the situation worse even if they try to undertake some productive work like biscuit making, handfans, dari making etc. as without training to manufacture these products and no marketing support make the product non marketable which is very discouraging. Therefore, just giving money and expecting to start a business from poor and nearly illiterate woman is not a good idea to let this scheme grow like Southern India.

Absence of market place is yet another problem in development of SHGs in the sample area. Handmade /Homemade products are definitely a like by urban high class but these are rarely sold out at urban outlets as rural women can never be successful to procure a shelf space without any guidance and support. Crafts fair and Haat Bazaars are organised by the Government but at different and far away locations from their homes and once in a year phenomenon. Lack of livestock insurance poses a hurdle in undertaking dairy and poultry business which does not require any special training. Public private partnership model has not been adopted in north region to introduce corporate contributions in imparting training to manufacture or selling innovative products like solar products. Most of the leaders and members were found literate upto primary level which is not sufficient to understand the complexity of finance/credit.

Government spending on marketing is highly discouraging to engage people in entrepreneurial activities. Rural women are not so resourceful to explore markets for themselves and spend on promotion of their products. Secondary data sources depict

that a big chunk ₹ 2172.38 (69.30%) of total fund of ₹ 3134.73Lakh allocated for the state has been absorbed by subsidies and nothing has been spent on marketing which is the biggest shortcoming in the development of SHGs in Haryana. Unjust disbursements were observed from the published tables that in Mewat District the maximum disbursements i.e. 51% are in primary sector and that too is in livestock. Lack of disbursements in secondary (merely 1.12%) and tertiary sectors (only 4.26%) pose a barrier in the development of SHGs in the sample district. Government seems less attentive in judicious sectoral disbursements of funds. One more observation for the sample area was lack of private banks participation as they do not apprehend it as a profit earning model. Co-operation of private banks with public sector and Grameen Banks can help in SHG progress in the area. It was found that there are only four private sector banks all over Haryana who have come forward to contribute in this scheme. Out of the four private players HDFC is contributing a major share i.e.97.17% WSHGs have been linked with HDFC alone out of total WSHGs linked with all private banks.

Lack of capacity building training initiatives is yet another factor responsible for low development of SHGs in Haryana. It was felt during survey that members were given training to formulate the group, management of the group and maintenance of accounts by NGOs or bank facilitators but no professional agency has ever been hired to impart them any product making skill.

### **7.7 Suggestions and Policy Recommendations**

On the basis of findings of the study following recommendations are made to achieve efficiency in Self Help Groups. Average size of the group is 10-12 members in the sample area and mostly found not interested in any business activity. They open an account and after 6 months of successful operations they are eligible to be linked with the bank, till then and even afterwards no details about the members are sought by the banks as to how many members possess special skills to start an entrepreneurial activity. At the time of group constitution like other factors caste, area, age, religion, income etc possession of special skills should also be considered so that the loans can be productively utilised. Banks can put a mandatory cap on minimum number of members possessing a skill to start business. Though most of the leaders were found literate but upto primary school which can not undermine the role of education to run a

group much successfully and effectively. A more educated leader can think more in terms of entrepreneurial activity and can involve members in that venture. Professionals may come forward to provide financial knowledge especially proper bookkeeping and to channelise small savings to increase the savings corpus. Hence, education must be given importance by the Government in the study area to alleviate poverty.

Apart from financial assistance members should be provided with technical and professional assistance to start and run business activity. Some good training institutions can be asked to impart training to SHGs about manufacturing of innovative products like solar torches, lanterns, stuffed toys, cushions, bags, sanitary napkins, some processed food items requiring small machines, fragranced candles, incensed sticks etc. Government should spend more on capacity building than on subsidised loans. These trainings will instill a skill in women and a zeal to start up economic activity.

Though Government is making efforts to alleviate poverty through various schemes but Government alone can not bring all the poor people out of shackles of poverty. All the stakeholders have to come forward and participate in this poverty alleviation movement especially the private entrepreneurs contribution is the need of the hour. Government is providing financial assistance private partner should provide training and providing backward and forward linkages to these women SHGs like southern India. So a PPP model can work wonders for this scheme as well.

After Government it is the NGOs which extend their contribution to Self Help Group scheme. It was observed an NGO MESAS (Mewat Education and Social Awakening Society) is taking initiative in the sample district for the formation of SHGs. As soon as a group is formed and their remuneration is received NGOs go out of the scene. NGOs should extend their role beyond formation of groups. Generally NGOs disappear after a span of 2-3 years, so do the SHGs. Infact an NGO is expected to support a SHG till it reaches maturity.

Bankers should develop a loan tracking system as to where the fund given to SHG has been utilised and the number of beneficiaries in the whole group should be identified. As far as track record with the lenders is concerned it was found satisfactory as 70.39%

SHGs took first loan from the bank but remain irregular in repayment though not defaulters. On papers the fund is known as group fund but in reality it becomes privilege of the few as others surrender it for the sake of interest income however small it is.

PRI (Panchaayti Raj Institutions) should play more proactive role for identification of families to be assisted and recovery of loan. Gram Panchayats should help SHPIs to identify more productive and remunerative activities in consultation with the poor families as they are more familiar with the local needs and resources.

Though banks are granting loans to SHG as a part of SGSY but they are not motivated to take active interest in this project. They should not only grant loans but need to discuss and advice to start a group activity but interview with the bankers show that they lack time to monitor thousands of micro loans and they admit that they are concerned about repayment which is quite high in the district without making any extra efforts.

Members should be discouraged to use the loan directly to buy household assets and inter loaning. The scheme should result in significant improvement in the quality of life of members after joining SHGs but direct utilisation of fund in buying household assets will overburden them with the repayment of loans and it discourages other women to join SHGs at the same time. So production loans should be encouraged as compared to consumption. Members have converted these loans into individual loans which otherwise are not available to them for the want of ID proofs and collaetrals.

The performance of SHGs should be closely monitored at the Block/ DRDA level through field visits, progress of SHG towards income generation and understanding the hurdles in income generation process and taking corrective measures within one year of the formation of the group as a delay will cause closure of the group before reaching maturity.

A group works best when it is cohesive. If a group lacks cohesion then interpersonal differences should be removed through counselling and special training session. As the study reveals that some of the group leaders complain that there is lack of co operation among members. If the professionals extend their services to wards financial literacy of rural poor at the same time they can help in imbibing leadership qualities to resolve intra- group conflicts and improving cohesion.

Though it was found in the study that the groups hold elections for choosing their leaders as well as some chose them unanimously. But evidences show that most of the leaders are heading the group for quite a longer period which stagnates the growth and exhibits the dominant behaviour of the leader. So in order to have better growth and transparency in operations rotation of leader should be made mandatory. This will act as a motivator for other members too as they will get a chance to be a decision maker for the group.

Constant counselling by NGO members to bring attitudinal and perceptual changes for making others understand women not as a child bearing and rearing member but as productive member of the family, society and economy.

NGOs should help SHGs in backward and forward linkages and help them to explore markets for their products as some big brands nowadays looking for ecofriendly and organic products such as FabIndia, Organic India etc. Homemade spices, pickles, jams, papads, honey, candles can be sold by linking these groups with online portals like localbaniya, grofers, vegfru.com etc. Computer illiteracy will restrict their linkage with online portals but here NGOs are expected to help them.

A rapport building programme of all the stakeholders of this scheme should be conducted at least once a year, in which bank officials, NGO workers, SHGs office bearers, and grass root level stakeholders come together on a common platform to discuss problems, progress and planning.

Professional agencies can be hired to explore the potential economic activities best suitable to available raw material, climatic conditions, cultural beliefs, aptitude and skills of the people to be engaged.

### **7.8 Limitations of the Study**

No study is without limitations so do this study is. As the study made use of both sources for collection of data so collecting published data for a specific geographical area for a particular time span posed a big hurdle. Secondly bank officials denied to provide anything in writing or in questionnaire form as a matter of their code of conduct and confidentiality. Moreover gathering information from nearly illiterate respondents was a tedious task. Respondents were reluctant to answer some of the questions related to income and assets and in relationship questions women hesitated to respond.

## **7.9 Further scope of Research**

The research can be further extended to a comparative analysis of status of this microfinance intervention with different states vis-a-vis Haryana. The study in question worked on all women SHGs whereas men SHGs are also in existence so a comparative analysis of women and men SHGs can be fruitful to know the success rate of women SHGs. Most of the studies have been conducted on rural SHGs whereas urban SHGs are also running successfully, so a research can be conducted for urban SHGs as well and comparison can be made between the two. There are various other microfinance interventions wherein a comparative study can be made between SHGs model of microfinance with other models of microfinance. Role and performance of MFI's in Northern India can also be explored.

## **Conclusion**

Men and women are considered as wheels of the same vehicle and if development is a vehicle then men and women both are necessary for its effective and efficient functioning. Though NABARD has suggested either men or women Self Help Groups and no Mixed groups but here we may contend that even mixed SHGs can prove a potential tool for alleviation of poverty in rural areas as men can contribute in planning and starting a micro enterprise and liasoning with outside agencies whereas women can take control of internal factors well. Hence SHG concept for men and SHG consisting both men and women as members is suggested to be adopted in the study area. It will benefit the unemployed youth irrespective of gender to get involved in a livelihood activity and would prevent unnecessary migration in search of jobs and work to other areas. Gender specific financial policies sometimes may do more harm than good as women tend to take loan for their husbands and that too in their own name and in case of non payment she is blamed as defaulter. So efforts should be made for overall development through education, capacity building, financial literacy and awareness to bring out the women from the shackles of not only poverty but all types of backwardnesses. A level playing field for the women is the need of the hour to build a nation prosperous, self sufficient and an epitome of social justice. Instead of competition they need co-operation. Instead of care they need counselling. Instead of criticism they need capacity building training.



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**ANNEXURE -I**

**SOCIO-ECONOMIC IMPACT OF SELF HELP GROUPS ON RURAL WOMEN**

(Structured Interview Schedule for Group Leader)

<b><u>1</u></b>	General		
	Name of the Group		
	Name of the Bank/branch		
	If Bank linked, pls mention the loan amount (current)		
	Loan outstanding as on date		
	Name of the leader		
	Religion	Hindu/Muslim/Other	
	Caste (Please tick)	SC/ST/OBC/BC/Gen	
	Class (Income Group)	Annual Income	
	Age of the SHG	<2yrs/2-4 yrs/4-6yrs/>6yrs	
	Educational Qualification of the leader	Illiterate	
		Primary	
		Middle	
		H.Sc and above	
	Tenure of leadership(specify in months)		
	Size of the Group	<12 members	
		12-15 members	
<b><u>2</u></b>	Purpose for which Group has been formed(tick the appropriate purpose, if there are more than one purpose then rank them in order of priority)		
	No Reason		
	Taking loan for increasing income		
	Accessing Bank/external loans		
	To Promote Savings		
	To start entrepreneurial activity		
	To uplift the social status of the members		
	To take up community development activities		

<u>3</u>	Details of Members	Category	No.
		Farmers	
		Agricultural Labour	
		Petty shop owner	
		Housewife	
		Others (specify)	
<u>4</u>	Frequency of SHG's Meetings( tick the appropriate one)	Once in a week/once in a month/Twice in a month	
	Regularity of meetings in last 6 months	100% meetings held	
		75%-99% meetings held	
		51%-74% meetings held	
		<50% meetings held	
	Attendance at meetings	>90%	
		75%-89%	
		50%-74%	
		<50%	
	Participation of members in decision making	>75% members participate	
		55%-75% members participate	
		33%-54% members participate	
		<33% members participate	
<u>5</u>	Whether any training program has been conducted for SHG	Yes /No	
<u>6</u>	Regularity in Savings	100%	
		80-99%	
		50-79%	
		<50%	

<b><u>7</u></b>	Amount of Savings		
	Year	Amount	
	First Year		
	Second Year		
	Third Year		
	Fourth Year		
	Fifth Year		
<b><u>8</u></b>	Do the group has a set of Rules and Regulations	Yes/No	
	Rules are in existence only	Yes/No	
	Rules have been implemented as well	Yes/No	
<b><u>9</u></b>	Do you conduct periodic elections for the office bearers? (pls tick the appropriate one)	Election conducted every year	
		Once in two years	
		Beyond two years	
		Never held	
<b><u>10</u></b>	Are the Books of accounts and documents maintained by the Group? (pls tick the appropriate)	Cash Book/ledger/Member Pass Book	
<b><u>10.1</u></b>	Mention the status of recording in theses/this book	Up to date and correct recording	
		Up to date but incorrect recording	
<b><u>11</u></b>	Management of group Corpus		
<b><u>11.1</u></b>	Rotation of Group fund (circulation of money from SHG to its members)	3 times or more	
		2 times or more	
		1 time or more	
<b><u>11.2</u></b>	Disbursement of loans to members		
<b><u>11.3</u></b>	Purpose of loan	Amount (current period)	
	Agriculture		
	Investment		
	To start the business		

	Children Education		
	Daughter's Marriage		
	Festival		
	Construction		
<b>11.4</b>	How many members took the advantage of group fund/loan? (specify the no.)		
<b>11.5</b>	Performance of repayment of loan (tick the relevant one)		
<b>11.6</b>	100% on time repayment		
	80-99%		
	60-79%		
	Less than 60%		
	Reputation and record of SHG with the lender	No loan linkage	
		1st loan from bank and irregular repayment	
		1st loan from bank and on time repayment	
		2 <sup>nd</sup> loan from bank and 100%repayment	

## ANNEXURE-II

### SOCIO-ECONOMIC IMPACT OF SELF HELP GROUPS ON RURAL WOMEN

(Structured Interview Schedule for Member/Beneficiary)

<b><u>1</u></b>		Personal Profile			
	(i)	Name of the SHG			
	(ii)	Name of the Village and Block			
	(iii)	Name of the sponsoring agency/NGO			
	(iv)	Date of joining the SHG			
	(v)	Age			20-30 Yrs
					30-40 Yrs
					40-45 Yrs
					Above 45 Yrs
	(vi)	Gender			
	(vii)	Religion			Hindu/Muslim/others
	(viii)	Marital Status			Unmarried/Married/Widow/Live-in partner
	(ix)	Caste			SC/ST/OBC/BC/Gen
	(x)	Literacy Level			Upto 5 <sup>th</sup>
					Middle std
					Matric and above
					Can Sign only
	(xi)	Occupation of Husband			Farmer
					Wage Earner
					Shop owner
					Artisan
					Govt. Job
					Others
<b><u>2</u></b>		Have you been given some capacity building training?			Yes/No

		If Yes, did you find the training			Useful/not useful/very useful/not upto the mark
		Training was mainly related to			Formation and working of group
					Conducting meeting
					Savings and credit mechanism
					Book keeping and financial management
					Marketing
					Skills training
<b>3</b>		Frequency of attending the group meetings			>90%
					75% to 89%
					50% to 74%
					<50%
<b>4</b>		Household Background			
	Sr no	Item	Value before joining SHG (Rs)		Value after joining SHG(Rs)
	1.	Utencils			
	2.	Jewellery			
	3.	T.V.			
	4.	Audio System			
	5.	Refrigerator			
	6.	Watch			
	7.	Vehicle			
	8.	Kitchen Appliances			
	9.	Cell phone			
	10.	Computer			
	11.	Internet connection			
	12.	Dish /cable T.V.			
<b>5</b>		Moveable/non movable assets			
	Sr no.	Item	Value before joining SHG (Rs)		Value after joining SHG (Rs)

	1	Agri assets (title)			
	2	Cattle			
	3	Pigs			
	4	Goats/sheep			
	5	Bullock carts			
	6	House (title)			
<b><u>6</u></b>		Annual Income			
	Sr. No.	Item	Before value (Rs)		After Value (Rs)
	1	Agriculture			
	2	Poultry			
	3	Dairy			
	4	Shop			
	5	Job(pvt/Govt)			
<b><u>7</u></b>		Expenditure pattern			
	Sr. No	Item	Before value (Rs)		After value(Rs)
	1	Education			
	2	Food			
	3	Clothing			
	4	Medical			
	5	Entertainment			
	6	Others (specify)			
<b><u>8</u></b>		Details of Savings			
	Sr No	Methods/avenue	Before Value (Rs)		After Value(Rs)
	1	Post Office			
	2	Banks			
	3	SHGs			
	4	NBFC(pvt fin cos)			
	5	Co-operatives			
	6	Private lending			

<b>9</b>		Loan or Credit Detail			
<b>9.1</b>		Have you taken a loan	Yes		No
<b>9.2</b>		If Yes, mention the no of times loan have been taken			
<b>9.3</b>		Amount of loan	Before joining SHG(Rs)		After joining SHG(Rs)
<b>9.4</b>		Do you find any change in loan pattern after becoming SHG member	Yes		No
	(A)	If Yes, frequency of loan	Before joining SHG		After joining SHG
	(B)	Do you repay loan regularly	Yes		No
		If Yes ,what is the source of repayment? (tick)			
	(i)	Income from employment			
	(ii)	Income from economic activity started with loan amount			
	(iii)	Loan from moneylender			
	(iv)	Husband			
<b>9.5</b>		For what purpose you have taken the loan(Tick the relevant item)			
	(i)	Agriculture			
	(ii)	Investment			
	(iii)	To start the business			
	(iv)	Children Education			



	(v)	Daughter's Marriage			
	(vi)	Festival			
	(vii)	Construction			
<b>10</b>		Social Aspect( self confidence)	Before		After
	(i)	Do you feel that you are an identity distinguished from men(a feeling of self worth and general confidence)	Yes	no	yes No
	(ii)	Are you confident to face financial crisis of the family	Yes	no	Yes No
	(iii)	Are you intending towards helping your neighbours	Yes	no	yes No
	(iv)	Are you a decision maker in the family decisions	Yes	no	yes No
	(v)	Are you respected in your family( pls respond keeping in mind usual/more)	Yes	no	yes No
<b>10.1</b>		Social aspect (reaction to social evils)			
		Do you protest against			
	Sr no	Item	before	After	
	A	Harassment by Husband			
	B	Alcoholism			
	C	Abortion			
	d	Dowry			
	E	Child marriage			

**ANNEXURE –III**

**SHG PERFORMANCE MEASUREMENT TOOL W.R.T. 12 INDICATORS**

S. NO	INDICATORS	RATING BASIS	SHG>6Years (Self Reliant) Rating Score	SHG 4-6 Years (Growth) Rating Score	SHG 2-4 Years (Stable) Rating Score	SHG<2 Years (Formation) Rating Score
			GROUP (SCORE 20) CONSTITUTION			
1.	Purpose a)Economic	Taking Loan for Increasing Income	5	5	5	5
		Accessing Bank And External Loans	3	3	3	3
		Savings And Credit	2	2	2	2
		Access Benefits/Revol ving Funds	0	0	0	0
	b)Social	>80% Members Articulate	5	5	5	5
		Over 50% of Members Articulate	3	3	3	3
		Group Leaders And 2-3 Members Articulate	2	2	2	2
		Only Group Leaders Articulate	0	0	0	0
2.	Group Composition a)Economic	> 90% are From Similar Category	5	5	5	5
		75-90% are from similar category	3	3	3	3

		50-74% are from similar category	2	2	2	2
		<50% are from similar category	0	0	0	0
	b)Geographical Proximity	>90% are from Same Neighbourhood	5	5	5	5
		75-90%are from same neighbourhood	3	3	3	3
		50-74% are from same neighbourhood	2	2	2	2
		<50% are from same neighbourhood	0	0	0	0
<b>ORGANISATIONAL DISCIPLINE (SCORE – 15)</b>						
3.	Regularity of Meetings	100% Meetings Held	5	5	5	5
		75-99% Meetings Held	3	3	3	3
		51-74% Meetings Held	2	2	2	2
		=< 50% Meetings Held	0	0	0	0
4	Attendance at Meetings	>90%	5	5	5	5
		75-99%	3	3	3	3
		50-74%	2	2	2	2
		<50%	0	0	0	0
5	Participation of Members in Decision Making	>75% members Participate	5	5	5	5

		55-75% members Participate	3	3	3	3
		33-54% members participate	2	2	2	2
		<33% members participate	0	0	0	0
<b>ORGANIZATIONAL SYSTEMS(SCORE-15)</b>						
6	Rules & Regulations a) Existence	Yes	0	5	5	5
		No	0	0	0	0
	b)Implementation	Yes	5	5	5	5
		No	0	0	0	0
	a) + b)	Yes	(5)			
7	Periodic Election of Leaders	Election conducted every year	5	5	5	5
		Election conducted once in 2 years	3	3	3	3
		Beyond 2 Years	2	2	2	2
		Never Held	0	0	0	0
8	Book Keeping and Documentation Cash book/Ledger/ Minutes Book/Pass Book	Upto date and correct recording	5	5	5	5
		Upto date but incorrect recording	3	3	3	3

		Not up to date but correct recording	2	2	2	2
		Not upto date & incorrect recording	0	0	0	0
		FINANCIAL MANAGEMENT & PERFORMANCE (SCORE-20)				
9	Rotation of fund	2 Times or More	5	5	5	5
		1 Time	3	3	3	3
		<1 Time	0	0	0	0
10	Loan Disbursement to Members	>8 Members	5	5	5	5
		4-6 Members	3	3	3	3
		1-4 Members	2	2	2	2
		No Member	0	0	0	0
11	Loan Repayment by Members	100% on time payment	5	5	5	5
		90-99% on time payment	3	3	3	3
		80-89% on time payment	2	2	2	2
		<70-79% on time payment	0	0	0	0
12	Track Record with Lenders	2 <sup>nd</sup> Loan From Bank & 100% Repayment	5	5	5	5
		1 <sup>st</sup> Loan from Bank & ontime Repayment	3	3	3	3

		1 <sup>st</sup> Loan from bank & irregular Repayment	2	2	2	2
		No Loan Linkage	0	0	0	0
	Total Score=70					
	Grading	>70 Grade A				
		40-70 Grade B				
		20-40 Grade C				
		<20 Grade D				




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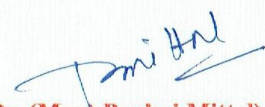
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This is to certify that Zhobhna Goyal has participated as Speaker/Delegate in the International Conference on *Microfinance and Microentrepreneurship: Issues and Challenges* organised by Department of Economics, Bhagat Phool Singh Mahila Vishwavidyalaya Khanpur Kalan, India on August 08-09, 2013. He/She presented a paper titled Do SHGs a tool of promoting Entrepreneurial activities among women.

  
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(Conference Co-Chair)

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**Dr. Somnath Chakrabarti**  
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## SOCIAL INCLUSION OF WOMEN THROUGH SELF HELP GROUPS

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### Abstract

Gender constitutes a particular form of categorical exclusion given with the conditions of underdevelopment, developing economies and poverty. Poverty has been recognized recently as a multidimensional phenomenon encompassing income, assets, education, health, dignity and voice. The poor were believed to have no voice in determining resource allocation in the society where they live because “they were poor” but never have been seen to be poor because they have no voice in determining resource allocation. There are various groups who have been kept out as socially excluded like poor, dalits, women, HIV/AIDS patients, mentally and physically challenged persons and transgender etc.

The basis for social exclusion may be caste, colour, ethnicity, gender and health and there can be cultural, health and economic discrimination amongst these socially excluded groups. In India women constitute one group of socially excluded facing cultural, health and economic discrimination. Women are believed to have limited access to economic resources and formal financial institutions and linking them with the mainstream is one of the biggest challenge for policymakers in order to mitigate poverty and making women socially and economically empowered. Given the extent of social exclusion of women, Indian government is making efforts to include them in the system by implementing various interventions like microfinance, microcredit and SGSY to name a few.

This paper is an attempt to explore the interplay of social inclusion through financial inclusion of women in general and rural poor women in particular. The study is based on District Mewat in Haryana and a special microfinance intervention of NABARD in the name of Self Help Groups (SHG) which has proved a catalyst in bringing about a desirable change in their socio-economic status. This can be used as a remedy to include the socially excluded by organizing them in women collectives for initiating micro entrepreneurial activity with the

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help of their own savings and subsidized micro loans from the banks. The study will explore the extent and dimension of social upliftment of rural poor women before and after joining these community organizations.

*Keywords: SHG, Community Organizations, Multidimensionality of Poverty, Social Exclusion.*

### **Introduction**

**“women should be seen not as patients whose interest have to be looked after, but as agents who can do effective things- both individually and jointly”.** *Amartya Sen*

Economic deprivation is one aspect of social exclusion. The chronic poor are not “just like” the rest of the poor, poorer or poor for longer but they are disadvantaged just because “who they are” i.e. it is their identity that have kept them deprived of so many things and hence excluded from the mainstream. So there are two paradigms which define disadvantaged, distinctively viz. what you have (Resource based) and who you are (identity based). “Characterization of poverty has progressed from earlier income based approaches to its multidimensionality” (Nalia Kabeer). Exclusion and poverty are certainly not equivalents. It is possible to be poor without facing social deprivation and it is possible to face social deprivation without not being poor. However there is existence of coincidence between poor and excluded (Dr. Pradeep S. Chauhan). And in the second category HIV/AIDS people, women, transgenders, SC/BC/Dalits can be included.

This paper concentrates on women in this category. Women are socially excluded in India, with gender discrimination being one of the main developmental challenges of India. Women and Girls in general and rural women in particular find themselves excluded from many aspects of day to day life including health services, economic decision making and educational establishments. Dr. M M Goel emphasized that there is a need to accept the challenges in inclusiveness of Indian society by inclusion of the excluded segments of the society which include the care of careless and use of used less.

The care less and use less manpower are the challenges which calls for identifying these categories of people and changing their mindset through motivation. Dr. Neelam Dhanda and Karamjeet Kaur in their study has examined the post and pre women development in education sector on the basis of literacy rate, primary, secondary, graduate and post graduate level. Shakti Sharma in her study emphasized on gender parity and said that a society in which men and women are not differentiated in terms of status, power and prestige, no women will experience any inhumanity by the society, where equity is worshiped and any kind of distinction or differentiation is vanished, that society is fit to be called society in equilibrium. Contrary to the saying “Yatra Naryastu Pujayente, Ramente Tatra Devata”, in 2014 Global Gender Gap Survey, India scored an abysmal 114 out of 142 countries, this is despite of various efforts in the form of women centric developmental programs initiated by different Governments in the last decade.

This indicates towards the fact that women still remain in the socially excluded category and face different types of discrimination even after 67 years of independence and enactment of various laws meant to curb gender based exploitation and discrimination. Various forms of discrimination against women in India has been discussed as follows.

### **Cultural Discrimination**

India is predominantly a patriarchal society where men are seen to be the heads of households and women are expected to stay in the house and excluded from the economic and political spheres of life. However some of the states have given reservation of 50% seats to women candidates to fight elections and Haryana has 44% women Sarpanches in this year



panchayat Elections which is a welcome move for the socio-economic upliftment of rural women and a way forward to social inclusion.

### **Health Discrimination**

India ranks 2nd from bottom for women's health and survival in the 2014 Global Gender Gap Survey. Preference for boys has resulted in skewed sex ratio. Other health indicators such as BMI and under 5- maternity rate show that men and boys are better off than women and girls. A major percentage of adolescent girls are found anemic.

### **Economic Discrimination**

India ranks 134 out of 142 countries for women's economic participation and opportunity in the 2014 Global Gender Gap Survey. Due to the cultural expectations of women as homemakers, only 30% of Indian women aged 15-64 are part of labor force. For men this figure is 84%. There is also a big gender pay gap. On average a women's income is 4 times less than a men's.

### **Educational Discrimination**

India ranks 126 out of 142 countries for women's education. Traditionally it is not seen as important to educate girls. This is reflected in the gap in literacy between men and women. 64.6% of women can read and write compared with 80.9% of men. Girls do not progress beyond the primary level, leading ultimately to lower employment choices and long term income poverty. From the above discussion it can be analysed that women in India is prone to almost all type of discrimination which has resulted in social exclusion in some acute cases. But we have tried to confine our research to economic discrimination up to the extent of financial exclusion and attempted to explore as how financial exclusion could help women to secure social inclusion.

As a matter of Global Financial Inclusion Database only 26% of female adults in India have an account with a formal financial institution compared to 44% of male adults (World bank 2014). A RBI report indicates that women's credit outstanding from commercial accounts for only 5% of all credit outstanding. This data shows the extent of financial exclusion of women. So linking them to mainstream will automatically make them socially inclusive too which has been shown with the present research.

### **Research Methodology**

Present paper is based on Microfinance intervention initiated by NABARD in the year 1992 in the name of Self Help Groups scheme for women. The very purpose of the scheme was to bring women to mainstream and improving their socio-economic status. The study is based on 900 women beneficiaries of District Mewat in Haryana. Social impact of this financial inclusion scheme has been analysed with the help of a variable self confidence. As self confidence is an indicator of social upliftment because it makes them vocal, aware and participative in matters concerning them as well as the society which they belong to. This impact has been analysed by using Mc Nemar Chi Square test to know the position of women members before and after joining SHGs.

SHG (Self Help Group) SHG has been defined by NABARD as a group of about 20 people from homogeneous class who come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use their pooled resources to make small interest bearing loans to their members. The process helps them imbibe the prioritisation of needs, setting terms and conditions and accounts keeping and thus resulting in building financial discipline in all of them. The paper tries to establish the ideology to include the socially excluded with the financial inclusion route via linking poor rural women with community organizations.

**Socio-Economic Profile of Members**

**Table 1**  
**Demographic Characteristics of SHG Members**

Variables		Frequency	%
<b>Age</b>	20-30	232	25.8
	30-40	657	73.0
	40-45	4	0.4
	Above 45	7	0.8
<b>Gender</b>	Male	3	.3
	Female	897	99.7
<b>Caste</b>	SC	50	5.6
	OBC	396	44.0
	BC	200	22.2
	Gen	254	28.2
<b>Occupation of Breadwinner</b>	Farmer	224	24.9
	Wage earner	374	41.6
	Shop owner	259	28.8
	Artisan	23	2.6
	Govt. Job	6	.7
	Others	14	1.6
<b>Literacy Level</b>	Upto 5th	360	40.0
	Middle std	355	39.4
	Metric and above	56	6.2
	Can sign only	129	14.3
<b>Marital Status</b>	Unmarried	10	1.1
	Married	884	98.2
	Widow	3	.3
	Live-in partner	3	.3

Source: Field Survey 2014

- Clear from Table 1 that majority of the members i.e. 73% are in the age group of 30-40 and 25.8% are in the age group of 20-30 which shows their enthusiastic attitude towards contributing to family income. Women above 45 or more prefer to stay at home and taking care of children and elderly are not interested in undertaking any income generating activity. Means if women are given opportunity to participate in income generation, then they are ready for it by heart.
- 897 (99.7%) sample members are Females and only 3 (0.3%) are males. So in the sample area maximum SHG members are women. It also indicates that women are the most deprived and suppressed and community platform help them to come out of the shackles of this helplessness.
- It can be seen from Table 1 that 44% of the sample members belong to other backward classes, 22.2% are from backward class, 28.2% from General category and surprisingly only 5.6% from scheduled castes.
- Husband of most of the members are wage earner which pressurizes women to undertake an income generating activity to support family income. 28.8% are petty shop owners having small income, 24.9 % are farmers having seasonal and erratic income. All these facts put women under a dire need to go either for income generation activities or taking consumption loans to help in children education, their marriages and white wash and construction.

- It can be interpreted that 40% of the respondents are literate but up to 5th std 39.4 % up to middle standard and only 14.2% can sign only. Metric and above is very less i.e.6.3%. The result reveals a low level of female literacy in the sample area.
- 98.2% members are married, 0.3% are married but widowed and only 1.1% members were unmarried. It shows that married women are more interested in contributing to family income or it is their Husbands who have promoted them to become members and get loans and then women repay their loans by taking money from them only as the loan money is still at the disposal of Husbands.

### Self Confidence

It was interesting to note that despite of a low level of literacy among members they were found to be very confident which is a sign of social empowerment of women. Every member of SHG gets an opportunity either listening to others' problems or to share their own problems with other members who may be more experienced or may be having better problem solving aptitude. As a result even an introvert gets voice. Moreover self confidence not only help them to stand up for individual or group problems but it invokes a feeling of achieving economic betterment by undertaking income generating activities. She becomes decisive from indecisive, extrovert from introvert and come up to share family responsibility in totality. (And all these are indicators of their social inclusion). The study has used five indicators to measure level of confidence among group members which are Self Worth, Facing Family's Financial Crisis, Coming Forward to Help Neighbours, Being a Decision Maker and Acquiring Respectable Position in the family. Following Hypothesis has been formulated to test the change in level of self confidence before and after joining SHG.

**H<sub>0</sub>** : There is no significant difference in level of self-confidence pre and post joining SHG.

**H<sub>1</sub>** : There is a significant difference in level of self-confidence pre and post joining SHG.

In order to test this Hypothesis Mc Nemar Test has been employed in the present study.

$$X^2 = (|A-D| - 1)^2 / A+D \text{ with d.f.}=1$$

### Self Worth of the Respondents

Association with SHGs provides an identity and a social status of recognition which is an esteem booster and a benchmark of women empowerment and emancipation and thus social inclusion. It helps a person to get enough confidence to explore the problems and then coming out with solutions in the times of financial crisis in the family, helping neighbours in crisis and in participating family decisions. In order to check whether the members develop a feeling of self worth or not the following Hypothesis has been framed and tested with the help of Mc Nemar Test.

**H<sub>0</sub>** : There is no significant difference in level of self worth and general confidence pre and post joining SHG.

**H<sub>1</sub>** : There is a significant difference in level of self worth and general confidence pre and post joining SHG.

**Table 2**  
**Cross-Tabulation**  
**Feeling of Self-Worth and General Confidence**

		Post SHG		Total
		Yes	No	
Pre SHG	Yes	287 (31.89)	14 (1.56)	301 (33.44)

	No	354 (39.33)	245 (27.22)	599(66.57)
<b>Total</b>		<b>641 (71.22)</b>	<b>259 (28.78)</b>	<b>900</b>

Source: Field Survey 2014.

(Figures in brackets show percentage.)

From Table 2, it is clear that 641 (71.22%) group members have feeling of self-worth and general confidence out of which 354 (39.33%) have developed this feeling after joining SHG. This indicates towards positive social impact on members .

**Table 3**  
**Chi-Square Test**

	Value	Exact Sig. (2-sided)
Mc-Nemar Test		.000a
N of Valid Cases	900	

a. Binomial distribution used.

Since p-value is quite less than 0.05, this implies strong evidence of rejection of null hypothesis and acceptance of alternate hypothesis. Hence group members feel self- worth and general confidence after joining SHG.

#### **Confidence of the Respondents to face Family Financial Crisis**

When a woman is not having an income of her own she is dependent on her husband for all her smallest needs even. Every time she needs to ask from her husband for her financial requirements be it personal or family expenditure. But the situation gets worse when she is denied even after asking. But SHG enables a woman to save, invest and borrow from the group pool and to come out of this type of helplessness and feeling a financial freedom. To analyse whether there has been a change in confidence level to face financial crisis of family after joining SHG a Hypothesis had been formulated and tested.

**H<sub>0</sub>** : There is no significant difference in level of confidence to face family financial crisis pre and post joining SHG.

**H<sub>1</sub>** : There is a significant difference in level of confidence to face family financial crisis pre and post joining SHG.

**Table 4**  
**Cross-Tabulation**  
**Confidence to Face Financial Crisis of the Family**

		Post SHG		Total
		Yes	No	
Pre SHG	Yes	295 (32.78)	6 (0.67)	301 (33.44)
	No	390 (43.33)	209 (23.22)	599 (66.56)
Total		685 (76.11)	215 (23.89)	900

Source: Field Survey 2014

From Table 4, it is clear that 685 group members were confident to face financial crisis of the family out of which 390 becomes confident after joining SHG. It can be analysed that 76.11% sample members show a positive response towards coming up to face financial crisis of family however the % has increased from 32.78% to 43.33%.

**Table 5**  
**Chi-Square Test**

	Value	Exact Sig. (2-sided)
McNemar Test		.000a
N of Valid Cases	900	

a. Binomial distribution used.

Here also p-value is quite smaller than 0.05, which shows strong evidence against acceptance of null hypothesis. Hence  $H_0$  is rejected and  $H_1$  is accepted i.e., there is significant improvement in the confidence of the group members in facing financial crisis of their families after joining SHG.

#### **Tendency to Help Neighbors**

SHG s are run on the principles of democracy i.e. for the group, of the group and by the group and by the virtue of this principle group members develop strong concern to help each other inside the group as well as outside the group. The human tendency to socialize is highlighted by the SHG and the members feel inclined towards helping people in need in their neighborhood. This had been verified by formulating a hypothesis and testing .

$H_0$  : There is no significant difference in willingness to help neighbors pre and post joining SHG.

$H_1$  : There is a significant difference in willingness to help neighbors pre and post joining SHG

**Table 6**  
**Cross Tabulation**  
**Intention to help neighbors**

		Post SHG		Total
		Yes	No	
Pre SHG	Yes	429 (47.67)	1 (0.11)	430 (47.78)
	No	312 (34.67)	158 (17.56)	470 (52.22)
Total		741 (82.33)	159 (17.67)	900

Source: Field Survey 2014

From Table 6 it is clear that 741 (82.33%) group members are intended to help their neighbors, out of which 312 (34.67%) are those who were initially not able to help their neighbors but after joining SHG they were also intended to help their neighbors.

**Table 7**  
**Chi-Square Test**

	Value	Exact Sig. (2-sided)
McNemar Test		.000a
N of Valid Cases	900	

a. Binomial distribution used.

Here also p-value is quite smaller than 0.05, which indicates towards rejection of null hypothesis. Hence  $H_1$  is accepted which implies that after joining SHG more group members intended to help their neighbors than earlier.

### Decision Making in the Family Issues by the Group Members

If someone gains confidence, decision making becomes consequential as a matter of fact. Moreover joining a SHG makes a member a partner of all activities whether income generating or others. Even the group meetings also contribute to uplift the confidence in a group member to take decision on group related issues be is choosing Leader/ Treasurer or deciding upon to whom the loan should be granted on priority basis. To check the impact of SHGs on the decision making of members in family issues following Hypothesis was framed and tested with the help of McNemar Test.

**H<sub>0</sub>** : There is no significant difference in the decision making capabilities pre and post joining SHG.

**H<sub>1</sub>** : There is a significant difference in the decision making capabilities pre and post joining SHG.

**Table 8**  
**Cross-Tabulation**  
**Decision Maker in the Family Decisions**

		Post SHG		Total
		Yes	No	
Pre SHG	Yes	333 (37.00)	0 (0.00)	333 (37.00)
	No	307 (34.11)	260 (28.89)	567 (63.00)
Total		640 (71.11)	260 (28.89)	900

Source: Field Survey 2014

From Table 8 it is clear that 640 (71.11%) group members are the decision maker in their family decisions, out of which 307(34.11%) are those who become decision maker of their family after joining SHG.

**Table 9**  
**Chi-Square Test**

	Value	Exact Sig. (2-sided)
McNemar Test		.000a
N of Valid Cases	900	

a. Binomial distribution used

Here p-value is quite smaller than 0.05, which shows strong evidence against acceptance of null hypothesis. Hence Ho is rejected. So it can be concluded that after joining SHG more group members becomes decision maker in their family decisions than earlier.

### Treatment of the Respondents in the Family

Society is conservative towards women and not very gentle on par with their male counterparts. Though it has not made any significant difference in the respect that a women member of the family gets but at least now she can ask male members to be polite with them and not to take them for granted. And they too deserve a respectable treatment as a vital part of the family. To check whether there has been a change in the level of respect in the family a hypothesis was formulated and tested.

**H<sub>0</sub>** : There is no significant difference in the level of Respect of members in the family pre and post joining SHG.

**H<sub>1</sub>** : There is a significant difference in the level of Respect of members in the family pre and post joining SHG.

**Table 10**  
**Cross-Tabulation**  
**Degree of Respect in Family**

		Post SHG		Total
		Yes	No	
Pre SHG	Yes	422 (46.89)	0 (0.00)	422 (46.89)
	No	351 (39.00)	127 (14.11)	478 (53.11)
Total		773 (85.89)	127 (14.11)	900

Source: Field Survey 2014

From Table 10 it is clear that 773 (85.89%) group members are respected in their family, out of which 351(39%) are those who began to be respected in their family after joining SHG.

**Table 11**  
**Chi-Square Tests**

	Value	Exact Sig. (2-sided)
Mc-Nemar Test		.000a
N of Valid Cases	900	

a. Binomial distribution used.

Here p-value is quite smaller than 0.05, which shows strong evidence against acceptance of null hypothesis. Hence  $H_0$  is rejected and implies that after joining SHG more group members started getting a respectable position in their families than earlier.

#### **Aggregate Result of Self Confidence Level among SHG Members**

As the study used five indicators to measure the change in general confidence level of sample respondents before and after joining SHGs for which the following Hypothesis was formulated and checked by using Mc Nemar test.

$H_0$  : There is no significant difference in level of self-confidence pre and post joining SHG.

$H_1$  : There is a significant difference in level of self-confidence pre and post joining SHG.

**Table 12**  
**Result of McNemar Test for Self Confidence**

S.No	Measures of Self Confidence	Calculated Value of $\chi^2$	Level of Significance	Result
1	Feeling of self-worth and general confidence	312.285	0.000	HS
2	Confident to face financial crisis of the family	370.427	0.000	HS
3	Intension to help Neighbors	307.029	0.000	HS
4	Decision maker in the family decisions	305.003	0.000	HS
5	Gaining Respect in family	349.003	0.000	HS

Source: Author's calculations

HS means Highly Significant at 5% level.

It is clear from Table 12 that the calculated values of the  $\chi^2$ -test for self-confidence are more than the tabulated value (3.84) at 5% level of significance, hence null hypothesis is rejected. Therefore there is significant difference in self-confidence among the group members before and after joining the SHGs.

### Conclusion

Family is the first place to exhibit exclusion of women in the name of girl child, discriminated as a sister, daughter in law, wife whatsoever the name of relation may be but the ultimate sufferer is woman in all cases. If family starts recognizing the worth of women and starts including them in all major decision making then this problem of social exclusion of women can be mitigated upto a great extent. At the society level involvement in community organisation has helped women to improve in a significant manner viz. their confidence and communication skills which are the two most important indicators of social upliftment and inclusion of the rural women. It made them confident enough to interact with the outer world beyond the four walls of house and fields. It was found during survey that now women have become more vocal with the bank officials in not just asking for group loans but they also enquire their eligibility for other types of loans such as gold loan. They are aware of welfare schemes launched by the Government from time to time. The results showed a positive impact with respect to reaction to social evils. Awareness is the key to resistance and awareness level was found positive after joining SHGs. Now they are confident enough to discuss ingenuine behaviour by the family members in the group. "The impact of formation of self helps Groups and microfinance has enhanced their socio- economic position in the society. So providing livelihood and credit have shown as benchmark practices for including the socially excluded. Small loans can make good business sense amongst women in particular as it gives them an independent means of generating wealth, becoming self reliant and sharing financial responsibility with their husbands and earning self respect for themselves at the same time in the family and society as a whole."

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# Socio- Economic Empowerment of Women through Self Help Groups: An Empirical Analysis

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## Abstract

Women emancipation and Inclusive growth have grabbed the attention of developmental economists the world over and has been on a priority in order to alleviate poverty and reaching to the most disadvantaged section of the society through formal financial institutions. For this dual objective microfinance interventions have been suggested as a measure. As through microfinance the landless labourers, marginal farmers and women can be roped in the formal financial system which has been a neglected area by the commercial banks as they are reluctant to tap this area due to high transaction costs and unassessibility. This paper attempts to explore one such microfinance intervention in the name of Self Help groups in Mewat district of Haryana and the role of SHGs in the socio-economic upliftment of women in this area which is known for the intense backwardness and the lowest female literacy rate. SHGs have been successful mainly in giving them a voice in their family, Govt. Offices and in the society against evils and violence and in making them financially independent up to some extent still there is a lot needed to achieve women emancipation. The paper will come up with some recommendations for the effective and efficient implementation of this microfinance intervention.

**Keywords:** Microfinance, SHG, Women Emancipation

## Introduction

Women empowerment and rural development has been the focus of almost all developmental policies of the Government. With the rural development nation's development is consequential as per National Bank for Agriculture and Rural Development(NABARD), which is very true for a country like India whose 70% population resides in 6,38,345 villages. India has over a quarter of its population below poverty line. The World Bank reports that India is still home to some 260 to 290 million poor, numbers that rise to 390 million if poverty is measured by the international standard of those living on less than US\$1 a day. It is estimated that approximately 2.5 billion people around the world live in poverty and India is a home to 1/3 of world's poor. Families living in poverty struggle to afford adequate meals, clean water or basic education. Almost half of India's poor approximately 133 million are concentrated in 3 states namely Uttar Pradesh, Bihar and Madhya Pradesh. Rural areas in India are home to 3/4 of India's poor which is strengthened by the increasing urban/rural

disparities. Though many central and state Government poverty alleviation programs are currently active in India with a strategy focus on Infrastructure, Social Development (especially education and health) and rural livelihoods. But the poor access to credit markets and formal banking system has been identified as a root cause of poverty amongst the rural poor and the most disadvantaged section of the society. The credit needs of the rural masses in general and rural poor in particular are met via rural financial markets consisting commission agents, Moneylenders and landlords etc. However formal financial institutions have a low penetration due to poor infrastructure, low profitability and higher degree of risk. At this juncture Microfinance has been proposed as a possible solution for the maximum outreach and alleviation of poverty in the rural poor especially the disadvantageous sections of the society namely women, small and marginal farmers, and landless farmers. Micro financing is regarded as a tool for Socio-Economic benefit in a developing country like India. Micro finance as a means of poverty alleviation can give loans to poor individuals without sacrificing financial viability. **Sivakumar Venkataramany, Balbir B. Bhasin** (2009) focused on the success of the linkage between commercial banks and SHGs. The SHGs comprising predominantly women groups help in the social cause of alleviation of poverty, increased sustainability, reduction of vulnerability, improvement of capacity building and helping the weaker sections in building assets. India is the world's 10<sup>th</sup> largest economy with Gross Domestic Product in 2012 of \$1.824 trillion as reported by World Bank. The country's growth is also strong, with real Gross Domestic Product growing in by 3.986% in 2012. Microfinance is one of the developmental approach that can contribute to achieve the National and International goal of improving the livelihoods of poor people. Nobel Laureate Mohammad Yunus is credited with laying the foundation of the modern Micro Finance Institutions with establishment of "Grameen Bank", Bangladesh in 1976. Today it has evolved into a big industry exhibiting a variety of business models. Achieving balanced and inclusive growth is a key challenge faced by policymakers the world over. It was observed by **Prasanthi, P Padma, A.** (2010) that today microfinance through SHGs has become an integral part of all development programmes. The benefits of economic growth are accessible to relatively advantaged sections of the society who find it easier to participate in the growth process and the disadvantaged section has to wait much longer to reap the benefits of economic growth. Engaging these sections of the society in the economic mainstream is essential to achieve balanced growth for which access to formal financial services is a must.

### Current Status of Micro Finance in India

Micro Finance originated in India in 1969 with the nationalization of banks to see that 1% of the profits of these

banks goes to the poor towards their micro enterprises. The then Prime Minister Smt. Indira Gandhi envisioned it to facilitate her 20 point programme to fight poverty among the poor and she called it "Garibi Hatao". The Micro Finance initiative in private sector in India can be traced to the initiative undertaken by Shri Mahila SEWA (self employed women's association) Sahakari Bank set up in 1974 by registering as an urban co-operative Bank at Ahmedabad city of Gujarat State. The main aim of the SEWA Bank was to provide banking services to the poor women employed in the unorganised sector. The initiatives of NABARD in 1992 in partnership with NGOs for promoting and extending financial services through SHGs has now blossomed into a "monolith" micro finance initiative. It has been recognised as a decentralized, cost effective and fastest growing micro finance intervention in the world enabling over 103 poor households access to a variety of sustainable financial services from the formal banking system by becoming members of nearly 8 million Self Help Groups. Steady progress of the project led to the mainstream of the SHG-Bank Linkage Programme (SBLP) in 1996 as a normal banking activity of the banks with widespread acceptance. As per a **United Nations (2006)** survey of bank managers in Madhya Pradesh revealed a perception that women borrowers were more trustworthy and less of a default risk. This can work as a benchmark for launching new schemes for women empowerment.

Microfinance activities are exercised through various models in India that can be categorised as:

- 1) SHG Model
- 2) Grameen Model
- 3) Co-operative Model
- 4) For-profit Model

SHG Model is the most popular Model in India amongst the four Models mentioned.

### Performance of Microfinance through SHG

Out of the three models, SHG- Bank Linkage Programme (Model 1) emerged as most popular and successful over the years. About 73.41% of the credit linked SHGs (financed 81.12% of total loans) fell under Model-II followed by Model I (20%) as on 31 st March 2007. Only 5.67% of total SHGs fall under the Model III in which NGOs/ MFIs act as financial intermediaries. (RBI 2007- Report on Trend and Progress of Banking in India) SHGs work on democracy principles as **Dr. Sushil Kumar Mehta et al (2011)** had studied that SHGs movement comes from the people's desire to meet their needs and determine their destinies through the principle 'By the People, For the People and Of the People'

To spread the outreach of Micro Credit, NABARD has taken up intensification of SHG- Bank Linkage Programme in 13 identified priority states which account for 70% of the rural poor population viz. U.P. Maharashtra, Orissa, West



Bengal, MP, Gujarat, Rajasthan, Chattisgarh, Jharkhand, Bihar, UK, Assam and Himachal Pradesh. The programme has now assumed the form of a Micro-Finance Movement in many parts of the country and has started making inroads in the resource poor regions of the country as well. As pointed out by **Rutherford** (1996) that provision of financial services to poor people need not only be for increasing income, empowering women, or starting business it may simply aim to help them “manage better what little money they already have”.

### Research Design

The formal financial institutions in India have not been successful in outreaching to the disadvantaged sections of the society so far. Topography, structural rigidities, high overhead costs in disbursing small loans may be the reasons behind this. The lessons learnt from implementation of different poverty eradication and rural development plans has boosted the government to involve local people at the grass root level for the success of these plans or in other words in a country like India where physical infrastructure is weak and poor and social infrastructure means community based organizations can be used as a harbinger for successful implementation of the developmental plans and thereby attaining the Milleinim Goals. Few corporates like HUL, Colgate, CEMEX has already tried community based organizations as members of their distribution channel in order to have deep penetration in the emerging Rural Markets the same model can be replicated for the promotion of social and economic welfare schemes launched by the government from time to time. Organisation of Self Help Groups is a move in this direction which motivates small farmers, artisans and entrepreneurs (Especially Women) to come together and pool their small savings to make it a large corpus for individual and group help. **P. K. Singh** (2001) observed a positive impact on assets value and annual income. In the Southern India SHG scheme has a

widespread and has been successful in uplifting the social and economic status of women by creating awareness among the members. It has enabled women to live a healthy, hygienic and respectful life and they have learnt to participate in family decision making matter concerning to education of children, marriage, family planning, and management of economic assets of the family.

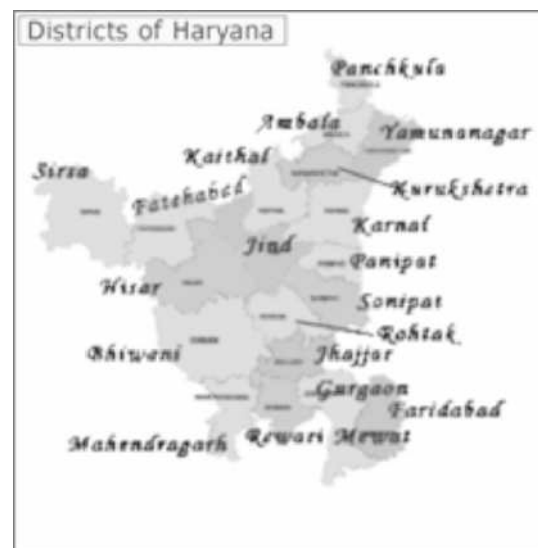
The present study is undertaken to study the performance of SHGs in Mewat district of Haryana in India. The performance has been linked with the group profile variables like age of the group, literacy level of the leader, etc.

### Objectives of the Study

- To explore the extent of Self Help Groups in the sample area
- To evaluate the performance of SHGs
- To analyse the impact of SHGs on women emancipation.

### Area of the Study

At the time of its formation on 1<sup>st</sup> November, 1966, Haryana State had 7 districts. Thereafter 13 new districts were notified from time to time by changing the boundaries of the existing districts. The Mewat district was carved out from Gurgaon and Faridabad districts, which came into existence on 4<sup>th</sup> April 2005 as the 20<sup>th</sup> district of the State. The district headquarter is located at Nuh. The district comprises of five blocks namely Nuh, Taaru, Nagina, Firozpur Jhirka and Punhana. Sample respondents have been selected from three blocks of district Mewat namely Nuh, Firozpur Jhirka and Punhana. Mewat is known to be a backward district in Haryana with a low female literacy rate but a high sex ratio. A sample of 304 group leaders from these three blocks were selected by simple random sampling.



## Demography of sample district

S.N.	Item	Sex	Total	Rural	Urban
1	Total area (Sq. Kilometers)		1507	1441.71	65.29
2	Total Households		160280	139975	20305
3	Population		1089263	965157	124106
		Male	571162	506086	65076
		Female	518101	459071	59030
4	Population (Age 0-6)		248128	225069	23059
		Male	130168	117967	12201
		Female	117960	107102	10858
5	SC Population		75251	57238	18013
		Male	39743	30312	9431
		Female	35508	26926	8582
6	Literate		454897	384749	70148
		Male	308435	266086	42349
		Female	146462	118663	27799
7	Total Workers		289964	258721	31243
		Male	224642	197097	27545
		Female	65322	61624	3698
8	Total Main Workers		204178	179382	24796
		Male	175670	153188	22482
		Female	28508	26194	2314
	Cultivators		81608	79292	2316
		Male	69305	67213	2092
		Female	12303	12079	224
	Agriculture Labourers		25426	24204	1222
		Male	20337	19215	1122
		Female	5089	4989	100
	Households Industry Workers		4034	3251	783
		Male	2938	2277	661
		Female	1096	974	122
	Other Workers		93110	72635	20475
		Male	83090	64483	18607
		Female	10020	8152	1868
9	Marginal Workers		85786	79339	6447
		Male	48972	43909	5063
		Female	36814	35430	1384
	Cultivators		22629	22144	485
		Male	7714	7472	242
		Female	14915	14672	243
	Agriculture Labourers		29852	28617	1235
		Male	15923	15005	918
		Female	13929	13612	317

	Household Industry Workers		1989	1763	226
		Male	903	764	139
		Female	1086	999	87
	Other Workers		31316	26815	4501
		Male	24432	20668	3764
		Female	6884	6147	737
10	Non Workers		799299	706436	92863
		Male	346520	308989	37531
		Female	452779	397447	55332
11	Sex Ratio (Female per 1000 males)		906	907	903
12	Literacy	56.10: (Male-73.00%, Female-37.60%)			
13	Blocks	Nuh, F.P. Jhirka, Taoru, Nagina and Punhana			
14	Tehsil	Nuh, F.P. Jhirka, Punhana and Taoru			
15	Sub Tehsil	Nagina			
16	Sub Division	Nuh and F.P. Jhirka			

source: haryanaguv.in

### Methodology

The present study is an empirical one to analyse the performance and impact of SHGs on women emancipation. A structured questionnaire was developed for the primary data collection. Simple percentage and cumulative percentage method has been used to analyse the primary data collected out of 304 group leaders of Self Help Groups. However secondary data sources have also been used to have a deep understanding of the topic. Official websites of Haryana Government, Mewat development Agency and NABARD have been referred to for secondary data.

### Limitations

The report has been prepared on the basis of information available from the sample members and the secondary data. One of the biggest limitation of secondary data was that it

was not updated, many of the Self Help Groups now have become non functional which are still shown on records. So locating the functional Self Help Groups was a problem during survey. Data of some particular months of some years were found missing which posed a problem in compiling secondary data tables. V. **Batra (2012)** covered 90 SHGs over the 3 sample districts in Haryana and identified the problems concerning management and governance of SHGs like irregularity in meetings, low level of skills and knowledge, absence of larger goals and lack of training. There are problems on part of banks for being unable to understand and accommodate the needs of SHGs in Haryana. To empower women and to reduce vulnerability literacy is very important.

### Consolidated S.H.G. Financial information as on 31-03-2014

PARTICULAR	SMVS	SMVS	EMVS	NKMVS	NRMVS	JMVS	MDA
	F.P.Jhirka	Punhana	NUH	TAURU	NAGINA	HATHIN	
Total No. of Village	82	85	108	81	67	82	505
Village Covered	82	85	64	81	67	82	461
Total No of SHGs	372	354	340	383	417	347	2213
Total Members	4419	3930	4171	4603	5421	4121	26665
Total Saving	22840354	20029510	25629950	30590483	28137203	19865480	147092980
Amount of Loan issued	50114900	112831100	135408800	168801577	152720649	68526500	688403526

No. of Loans	3794	9159	8390	8385	11770	7841	49339
No. of SHGs issued Loans	267	325	247	338	418	289	1884
Amount Repaid	31044730	83918915	17905966	121128599	127703349	57425634	439127193
Interest collected	4362152	9341469	10220811	13627359	10353098	1443521	49348410
Credit from Bank	11954000	26270500	41890500	58561500	43195400	10245435	192117335
No. of Benefited SHGs	355	420	319	274	406	148	1922
MDA Matching Grant	2267265	2872850	1594384	1689581	1713088	2310829	12447997
No. of Benefited SHGs	204	422	204	215	224	305	1574
GDF	2168484	2727200	1279800	1630100	1759400	2100000	11664984
No. of Benefited SHGs	336	422	252	302	368	388	2068
NMDFC Loan Amounts	10485000	105300000	15255000	10935000	13903500	4360500	160239000
No of Benefited SHGs	55	66	91	63	69	23	367
No. of Loans to members	432	394	618	394	508	201	2547

Source: MDA, march 2014

It is evident from the above table that there is good spread of SHGs in the sample area. Total saving corpus is Rs. 147092980. Amount of loan issued is Rs.688403526 out of which Rs. 439127193 has been repaid i. e. repayment rate is 64%

#### CONSOLIDATED SHG INFORMATION AS ON 31-03-2014

Sr.No.	Particular	Unit	Achi.	Achievement	Achievement
			Withdrawal SHG	Running SHG	Cumulative MDA
1	Total No. of Village	No.		505	505
2	Covered Village	No.		461	461
3	Total No of SHGs	No.	1813	2213	4026
4	Total Members	Person	25195	26665	51860
5	Total Saving	Rs. In Crore	6.56	14.7	21.26
6	Amount of Loan issued	Rs. In Crore	24.44	68.84	93.28
7	No. of Loans to Members	No.	24027	49339	73366
8	No. of SHGs issue Loans	No.	1484	1884	3368
9	Amount Repaid	Rs. In Crore	21.53	43.91	65.44
10	Interest Collected	Rs. In Crore	3.67	4.93	8.6
11	Credit from Bank	Rs. In Crore	4.35	19.21	23.56
12	No. of Benefited SHGs	No.	1164	1922	3086
13	MDA Matching Grant	Rs. In Crore		1.24	1.24
14	No. of Benefited SHGs	No.		1574	1574
15	GDF	Rs.. In Crore		1.16	1.16
16	No. of Benefited SHGs	No.		2068	2068
17	NMDFC Loan Amount	Rs.In Crore		16.02	16.02
18	No. of Benefited SHGs	No.		367	367
19	No. of Loans to Members	No.		2547	2547

Source: MDA, March 2014

It is clear from the table that nearly 45% of the SHGs had withdrawn so the amount withdrawn is 30%. 62% of the total SHGs 62% received the benefits.



CONSOLIDATED INFORMATION ABOUT SHGs LOANS AS ON 31-03-2014

Particular	SMVS, Punhna		SMVS, F. P. Jhir		JMVS, Hathin		NRMVS, Nagina		KRMVS, Tauru		EMVS, Nuh		MDA, Cumulative	
	Loan	Amount	Loan	Amount	Loan	Amount	Loan	Amount	Loan	Amount	Loan	Amount	Loan	Amount
Buffalo	1978	25795850	921	14185500	3867	41805625	397	66688401	2267	52272455	1785	4721715	14792	247964983
Sheep/Goat	207	1206300	112	1904750	92	280421	528	3127058	98	726550	370	2425980	1407	9671059
House Repair	545	6635550	117	1330300	445	4025484	399	5351650	568	14154845	722	1176996	2796	43267789
Purchasing Land	113	2707800	81	2313500	25	202531	133	2493000	47	1026300	131	997320	530	9740451
paying loans	365	3620200	115	766500	131	1365500	204	2217800	192	2414600	324	3833160	1331	14217760
Petty Shop/Busi	2292	36600350	964	16181700	512	5061764	2074	3110800	1306	37269200	1598	3536458	8746	161580194
Education	30	491500	91	1256250	238	1167926	59	638100	96	1833250	178	1390420	692	6777446
Medicine	185	1042600	122	796650	314	2195351	156	829900	212	4335600	324	3013720	1313	12213821
Fooder	83	445000	105	92590	461	1860900	285	2103800	270	2679447	525	3363520	1729	11378017
Marriage	663	10482550	204	2700000	261	2730450	464	6860500	567	14390800	572	8089880	2731	45254180
Consumptior.	1473	7050450	307	1471450	913	4118436	2486	13390570	2323	29529540	641	3852600	8143	59413046
Agriculture	436	4204550	398	2661950	481	3307570	642	9519960	205	3326350	421	8112480	2583	31132860
Mudha Making	42	414000	3	22500	0	0	3	25000	1	2500	84	250240	133	714240
Flour mill	26	246500	35	791000	0	0	12	229000	12	323440	109	471360	194	204300
Shoe Making	107	1034000	10	18500	4	7600	29	148200	34	276500	17	68000	201	1552800
Cycle/shaw	38	354000	17	45250	8	43200	55	633400	57	1431000	93	284240	268	2791090
Sewing Machine	85	606300	42	293250	0	0	17	264700	20	243900	87	316132	251	1724282
Camel Cart	81	824100	11	222000	18	22742	38	615300	9	140000	16	262000	173	2086142
Milk Purchasing	146	3016000	55	1295500	59	90250	49	725500	13	468000	105	1135600	427	6730850
Festival	1	2000	5	45500	0	0	0	0	34	256800	146	1043256	186	1347556
Diesel Engine	81	1908500	40	312750	4	137500	121	4872000	30	1165500	50	917240	326	9313490
FooderCutt.Mech	1	30000	4	22500	0	0	3	77000	5	37000	16	152320	29	318820
Pigery	4	47000	0	0	0	0	15	23710	0	0	14	214880	33	285590
Poultry Farm	35	735500	18	423000	8	103250	18	72500	6	208000	21	350200	106	2542450
Diesel Eng.Rep.	98	1612000	16	108750	0	0	6	61000	11	163000	3	99800	134	2044550
Fisheries	16	349500	1	20500	0	0	0	0	2	127000	38	412760	57	909760
Gov. Job	0	0											0	0
Sanilalion	6	77000											6	77000
Bakery	6	300000											6	300000
Comp. Job	1	10000											1	10000
Vechile Purchas	2	500000											2	500000
Tent	1	100000											1	100000
Hard Fan	11	282000											11	282000
Marval Machine	1	100000											1	100000
Total	9159	11283110	3794	50114900	7841	68526500	11770	15272064	8385	16880157	8390	1354088	49339	688403526

Source: MDA



**Demographic profile of sample respondents:****Table -1: Religion wise distribution of sample members**

		Frequency	Percent	Cumulative Percent
Valid	Hindu	231	76.0	76.0
	Muslim	71	23.4	99.4
	Meo	2	0.6	100.0
	Total	304	100.0	

Source : Primary Data

It shows that majority of the sample members are hindus i.e. 76% and 23.4% are muslim and a mere .7% are meos. The results are quite surprising in a sense that despite of a Meos

dominant region they are not indulged in saving-lending activities.

**Table 2: Caste wise distribution of sample members**

		Frequency	Percent	Cumulative Percent
Valid	SC	39	12.8	12.8
	ST	27	8.9	21.7
	OBC	94	30.9	52.6
	BC	55	18.1	70.7
	GEN	61	20.1	90.8
	Meo	28	9.2	100
	Total	304	100.0	

Source: Primary Data

In the region almost all categories exist and woman belonging to any community can become a member.

However majority of them belong to OBC category i.e.30.9%.

**Table 3: Distribution of SHGs on the basis of tenure of SHGs**

		Tenure		
		Frequency	Percent	Cumulative Percent
Valid	<12 months	29	9.5	9.5
	12-24 months	53	17.4	27.0
	24-36 months	89	29.3	56.3
	> 36 months	133	43.8	100.0
	Total	304	100.0	

Source: Primary Data

It was observed during survey that 43.8% groups are more than 3 years old and 29.3% are 2 to 3 years old. However new formation of groups is disappointing which indicates

that to keep the scheme alive Government should encourage women to open SHGs.

**Table-4: Distribution of SHGs on the basis of educational qualification of Leader**  
Educational Qualification of the leader

	Frequency	Percent	Cumulative Percent
Valid Illiterate	2	.7	.7
Primary	123	40.5	41.1
Middle	83	27.3	68.4
H.Sc and above	96	31.6	100.0
Total	304	100.0	

Source: Primary Data

Most of the group leaders were observed to be literate but poorly i.e. 40.5% of them are literate upto primary level 31.6% are Higher secondary passed. Qualification of the

group leader plays an important role in formation as well as in functioning of the group.

**Table 5: Distribution of SHGs on the basis of size of the group**

Size of the group		Frequency	Percent	Cumulative Percent
Valid < 12 members		190	62.5	62.5
12-15 members		110	36.2	98.7
> 15 member		4	1.3	100.0
Total		304	100.0	

Source: Primary Data

Majority of the SHG s were having 10 to 11 members that means a moderate size is supposed to be the best practice in the sample area. Only 1.3% of the total sample were found to be having more than 15 members. The result are different as compared to the prescribed limit of membership is 10-20 member by NABARD.

It was also found that 16.8% of total groups have a sole purpose of SHG formation as to increase their income which is supposed to be the most justifiable purpose of this scheme.

Secondly 16.4% groups have been formed to start entrepreneurial activity in the form of shops and dairy mainly. Both purposes are complementing each other i.e. increasing income by setting up some enterprise. Formation of groups to promote savings took third place i.e. 11.3% and to uplift the social status of the members is also a purpose to form SHGs. The results are satisfactory in a sense that these have been designated as the primary objectives to initiate this scheme.

**Table6: Distribution of SHGs on the basis of group meetings held**

Frequency of SHG Meetings		Frequency	Percent	Cumulative Percent
Valid Once in a week		122	40.1	40.1
once in a month		181	59.5	99.7
twice in a month		1	.3	100.0
Total		304	100.0	

Source: Primary Data

As per the guidelines group leader has to organise group meetings to discuss various issues and collection of mandatory monthly savings and disbursement of credit at least once a month. 59.5% groups are following the norms of holding the meeting once a month and 40% groups are even holding meetings once in a week which is quite

interesting to know as more and more meetings give women a confidence to speak and share her problems with other members which they were unable to before becoming members of SHG i.e. SHG (women collectives) give them a voice. Increased self confidence and communication are strong indicators of social upliftment.

**Table 7: Distribution of SHGs on the basis of regularity of meetings**

Regularity of meetings in last 6 months		Frequency	Percent	Cumulative Percent
Valid	100% meeting held	202	66.4	66.4
	75-99% meetings held	102	33.6	100.0
	Total	304	100.0	

Source: Primary Data

SHGs were found to be regular in holding meeting at least once in a month. 66.4% groups held 100% meetings and 33.6% of the groups were also found to hold more than 75%

of the mandatory meetings. Regularity in meetings is a most desirable feature of a Self Help Group to have a congenial group working and cohesion.

**Table 8: Distribution of SHGs on the basis of attendance at meetings**

Attendance at meeting		Frequency	Percent	Cumulative Percent
Valid	>90 %	270	88.8	88.8
	75-89%	34	11.2	100.0
	Total	304	100.0	

Source: Primary Data

The results are encouraging. Majority of the groups record more than 90% attendance which shows that women want to get together to discuss problems of their own and of others and possibly came out with solutions. 88.8% of the sample

groups have recorded more than 90% attendance and minimum attendance recorded is also not disappointing it is still not less than 75%.

**Table 9: Distribution of SHGs on the basis of member participation in decision making**

Participation of members in decision making		Frequency	Percent	Cumulative Percent
Valid	>75% members participate	162	53.3	53.3
	55-75% member participate	142	46.7	100.0
	Total	304	100.0	

Source: Primary Data

It is evident from the above table that SHGs have a positive social impact on women as most of them started participating in decision making which was earlier supposed to be male domain. SHGs have helped in women

emancipation. In 53.3% cases more than 75% of the group members participate in decision making when it comes to credit disbursements, getting together for a social cause, or solving some individual problem with the group efforts.

**Table 10: Distribution of SHGs on the basis of training program conducted**

		Whether any training program conducted for SHG		
		Frequency	Percent	Cumulative Percent
Valid	Yes	5	1.6	1.3
	No	299	98.4	100.0
Total		304	100	

Source: Primary Data

The response is disheartening as Government has not spent much on training programmes in this area although it was found during survey that women are keenly interested in taking up some work but the two main issues what to make and where to market? 98.4% of the respondents said the no

training was ever given to them whereas a mere 1.6% said they attended 1-2 days training about formation of SHGs and account opening and keeping minutes of meetings which again was not to undertake any entrepreneurial activity.

**Table 11: Distribution of SHGs on the basis of regularity of savings**

**Regularity in Savings**

	Frequency	Percent	Cumulative Percent
0	1	.3	.3
100%	303	99.7	100.0
Total	304	100	

Source: Primary Data

Members were found to be very regular about their savings with the group. 99.7% of the respondents were found regular in depositing their monthly savings on the meeting day. This has resulted in a big group corpus with the banks and some

groups even need not to take any loan from the bank. Most of the groups were found to be in no loan category in the sample area.

**Table 12: Distribution of SHGs on the basis of set of rules and regulations**

**Do the group has a set of Rules and Regulations**

	Frequency	Percent	Cumulative Percent
0	42	13.8	13.8
Yes	262	86.2	100.0
Total	304	100.0	

Source: Primary Data

86.2% of the respondents replied that they had group norms in the form of rules and regulations which comprise of attending group meetings at least once in a month,

repayment of the credit allocated to avoid heavy rate of interest and priority based lending out of group corpus.

**Table 13: Distribution of SHGs on the basis of existence of rules**

Rules are in existence only			
	Frequency	Percent	Cumulative Percent
Yes	2	.7	.7
No	302	99.3	100.0
Total	304	100.0	

Source: Primary Data

Majority of the respondents said that rules are not just existent but are followed as well. Each and every member follows the group rules and regulations not by force but by

their choice. They know it is an effort of the members, for the members and by the members.

**Table 14: Distribution of SHGs on the basis of implementation of rules**

Rules have been implemented as well				
	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	304	100.0	100.0	100.0

Source: Primary Data

It is evident from the above table that rules are not just framed they are implemented as well for the smooth

functioning of the group. The results are 100%.

**Table 15: Distribution of SHGs on the basis of election of office beares**

Do you conduct periodic elections for the office			
	Frequency	Percent	Cumulative Percent
Election conducted once a year	151	49.7	49.7
Once in two years	9	3.0	52.6
Beyond two year	88	28.9	81.6
Never held	56	18.4	100.0
Total	304	100.0	

Source: Primary Data

49.7% of the groups hold election once in a year to elect office beares namely the group leader and treasurer. 28.9% groups do not change their leaders every year and 18.4% of

the groups never held elections rather their office bearers are unanimously chosen.

**Table 16: Distribution of SHGs on the basis of books of accounts maintained**

Are the books of accounts and documents maintained			
	Frequency	Percent	Cumulative Percent
Cash book	1	.3	.3
Cash book and Ledger	128	42.1	42.4
cash Book and Member Passbook	175	57.6	100.0
Total	304	100.0	

Source: Primary Data



57.6% of the groups maintain journal and bank pass book for recording savings, disbursements and interest. 42.1% maintains journal and cash book. Overall each and every

group maintains at least two books of records which is a healthy practice.

**Table 17: Distribution of SHGs on the basis of status of recording in these books**

Mention the status of recording in these book			
	Frequency	Percent	Cumulative Percent
Up to date and correct recording	277	91.1	91.1
Up to date but incorrect recording	27	8.9	100.0
Total	304	100.0	

Source: Primary Data

It was found that 91.1% groups have up to date and correct recording in the books maintained by the group. This correlates the fact that at least some of the group members are literate enough to enter the transactions correctly and preparing the minutes of the meetings. It was also explored that even if no member is capable of recording then any educated child of any member of the group can be asked for doing this work which shows the group is specific about recording and updating the transactions.

### Conclusion and Recommendations

The research on Microfinance and women empowerment depicts that SHG based micro finance has contributed as a catalyst of the social change and empowerment of poor is proved to be a boon for the rural women in some states of India. Moreover it has created opportunities for promotion of income generating activities and have enabled them to come above poverty line. There is a geographic/Regional concentration of the SHG concept which needs to be scattered across the nation as poverty has a global concern. Poor people's access to formal banking system would act as a key to economic growth and sustainable development. It is evident that SHGs have touched the lives of rural women in all respects whether it is social, economic or personal thereby contributing effectively in women emancipation. SHGs are seen to confer many social and economic benefits which can be community platforms for women to become active in village affairs, stand for local election or take action to address social and community issues like – abuse of women, alcohol, the dowry system, the schools and water supply (Umakanata; Padhi, Pragnya Laxmi (2011) of late the women have started recognising their immense potential and have learnt that self dependence is the best form dependence. Joining a Self Help Group has given them enough confidence to speak, to come forward to be a part in family decision making which is supposedly a male domain, assessing the banks for loans and discussing with the managers without taking their husbands along (in the sample

district women were seen discussing gold loan provisions with the Bank manager and that too without their husbands accompanying them) which is indeed an indicator of upgradation of self confidence which can be attributed to Self Help Groups. Aloysius P. Fernandez (2007) (MYRADA) observed that SHGs are not only an instrument for the empowerment of poor and marginalized sectors but they have proved to be an effective instrument for changing oppressive relationships in the home and in the society. As far as the performance of SHGs is concerned the results are very much encouraging in almost all respects except the training part which needs government's attention as out of total expenditure from the allocated fund nothing has been spent on marketing and very less on imparting training. In Haryana out of 8308 swarozgaris 6150 i.e. 74.02% are engaged in primary sector and only 25.98% are engaged in secondary sector like village industry, handicrafts, Handloom etc. There is a need to make SHG movement more entrepreneurial. SHG members can be roped in as a member of distribution channel by the corporate in order to have deep penetration in the rural market in a cost effective manner without inventory piling up. This would be a two way strategy of empowering rural women and having a better outreach. Some of the insurance companies are also now targeting Self Help Groups to sell their insurance products in rural markets. So in near future association with the Self Help Groups will help rural women to have avenues for larger incomes apart from the saving lending mechanism which will benefit their families and society as a whole in terms of better and respectable living.

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