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## SUMMARY AND SUGGESTIONS

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### **Abstract:**

Credit and forest products are the strong inputs used by the productive units irrespective of the sectors such as primary, secondary and services. India is though rich in genetic species and eco-system diversity but which is one of the lowest in the world in possession of per capita forest and which is being 0.1 hector and this is worsen with the increase in population on the one hand and increase in using more forest land for forming as well as domicile purposes on the other hand. The percentage of poor families including small and marginal farmers, rural articles, retail traders and small services receiving a very small percentage of credit in different parts of the developing world.

**Key words:** eco-system , self-help groups (SHGs) , Summary And Suggestions

### **INTRODUCTION:**

In some of the African countries nearly 1 percent of total number of borrowers uses institutional credit, in Latin America and Asia (excluding Taiwan) 15 percent of poor families only could succeed in getting institutional finance. Nearly 80 percent of the people belong to the women in particular and weaker sections in general have not possessed institutional credit in these countries.

The self-help groups (SHGs) are the voluntary organizations which have formed by the women members of upto 20 in order to produce single commodity and earn income to solve their common problems such poverty, unemployment in a particular place. The total women population in Karnataka state in 2011 census was 25877615 and the population of 1896547 women becomes the members of the total SHGs as on March 2011, which accounted for 7.32 percent. The total number of SHGs in Karnataka state was 1.3 lakhs as on the above date. Among the 1.3 lakh SHGs, 0.4

lakhs depends upon dairy activities, 0.2 lakhs depends upon agarbatti, sandal, activities, 0.3 lakhs depends upon wooden handicrafts such as dolls, carpentry, statues, furniture's, interior decorators etc, the sum of 0.2 lakh depends upon various handmade embroidery, plantation of anthurium, flower trading, fruit trading etc, the remaining 0.2 lakh SHGs have been involving in processing small industries, poultry, piggery, coconut product, yarehulu manure making, khadi products, household cooking products have produced in Karnataka state. The women members have zero savings before their membership, whereas after becoming SHGs members their average savings per annum reached to Rs. 6800 as on December 2011.

All the four SHGs selected for this study are functioning in remouted rural area i.e. gram panchayat area. Most of these groups have completed 10 years period from their establishment date. The maximum number of respondents falls under the age group of 26 to 40 years and at this age group members are more dynamic, enthusiastic and hardworking in nature. The age group of above 50 years have played an important role in controlling and solving the problems arising in the groups due to their experience and matured mind. The analysis on size of groups showed that the general tendency is to have members between 10 to 20. No members have been taken dropout from the group so far. The major motivating factor behind the forming SHGs is to achieve economic independence by the members in their respective areas. For all the groups weekly meetings were held for taking routine decision and if any major decision is to be taken 3 to 4 such special meetings were held during the year. Only 21 percent of the members have studied upto SSLC and thus it is important because all the members need for giving more training to enhance their skill and capabilities.

Ninety percent of the family belongs to nuclear family. These types of family are on the rising trend even in rural areas. This might be helping for social transformation of the family because the size of the family is an average 5 members. The landed property of the members was an average 1.8 acre, which is below one hector and all these families are marginal farmers. Further 97 percent of the members have been residing in their owned houses. 56 percent of the members have been living in sanitary facilitated houses, but if compare it with north Karnataka where 77 percent of them have no sanitary facilitated houses. Which means south Karnataka people belongs to the weaker section have succeeded in acquiring this facility to the extent of 84 percent (31 members out of 37) of the members. Only 3 members out of 68 have been possessing gram panchayat membership, which accounted for 4.5 percent. 100 percent of the children of the members in south Karnataka providing education to their children, whereas in north Karnataka it was 68 percent (21 out of 31 members). SHGs have been providing an important forum to the women members to undertake various income generating activities. Self-employment is an important step of the members to earn a sustainable income. Capital is the major constraint for the women members to start self-employment project. Through SHG this constraint can also solved by raising institutional credit. 15 percent of members (out of 68) have engaged in tiny industrial activities (10 members), 12 percent of the members have engaged in handicrafts (08 members), 25 percent of the members have engaged in small business/services (17 members) and 48 percent of the members have involved in dairy activities (33 members). The average annual income of the member from the respective activity was Rs. 51750 and monthly income was Rs. 4313. This improvement in financial position which would enable to become financially independent and contribute to their household income. The income earning women are respected by the family members and the society. Further, the average expenditure of the member was Rs.19750 per annum and monthly it was Rs.1646 incurred for repayment of loan and 1GA activities. On behalf of women members the SHGs approaching to the bank and gets loan, then refinance it to the members for productive and consumption purposes at a reasonable rate of interest. All the members of the study area are availed this facility from the SHGs.

The financial sources of the SHGs classified into 3, i.e. (1) government sources (2) Own sources and 3) Micro finance sources. Among the 3 sources the selected SHGs have raised 6 percent finance from the government incentives, 62 percent of financial provision made from their own sources i.e. savings and remaining 32 percent of finance received from interest income from micro finance lent to the members and non-members.

The four selected SHGs have been given 10 percent of uniform interest on their bank loan but they have charged different rate of interest in different places by varying from 24 percent to 60 percent per annum. This high rate of interest cannot serve its one of the objective of SHG i.e. service motive. Hence the SHGs would fix sum margin between bank interest rate and SHGs interest rate either 6 percent for beginning 5 years, 4 percent for next 3 years and 2 percent margin after 8 years working period of the SHG over and above the bank rate of interest.

Each member of the four SHGs, an average savings reached to Rs. 32000 per annum and Rs. 2627 per month. This savings figure is accumulated from the date of establishment of SHGs and up to March 2012.

To measure the extend of empowerment achieved by group members 10 variables were identified and analyzed accordingly. Analysis revealed that empowerment indices among the variables varied from 13.23 to 152.94 with a composite index of 71.76. Since the composite index was above the 70, it can be inferred that the empowerment achieved through the SHGs was high level one.

### **SUGGESTIONS:**

1. It was observed and found from the survey data that the representations of SC/ST membership in all the four SHGs are meager. Since the SHGs are formulating for the upliftment of the poor women belongs to the weaker section, these groups are either sponsor their own SC/ST represented separate SHG and develops such group on par with the already existed one. Sharing of all experience and experiment with the new group, it is assuming that both the groups might be developed within a short span of time.
2. Existing 4 SHGs have been involving in various social functions such as anti-dowry campaign, prohibition of intoxicating drinks in their villages cleaning their own villages, distributing note books, pencils, uniforms to the poor primary school students, donated some money as well as free labour for construction of toilets in schools etc. In addition to these services the leading 3-4 SHGs have to be organized annual get together function by assembling all the district SHGs office bearers ad members meet and discuss their strength and weakness of the district SHGs and frame suitable policies and forward the same to the ministry of women and children development department for its consent and enforcement on priority basis.  
Further, for every 3 years once organize a state level SHGs conference and by pooling the decisions of the district level meet and by consolidating them in state level conference and finalize the suitable policies, which are helpful to the SHGs in their future progress.
3. In the 4 SHGs studied, the group leaders have an important role in stabilizing and create better atmosphere in the groups. Some of the members are only assuming the leadership responsibility and majority of the members are not shown interest in taking leadership role. If more members came forward for assuming leadership than the leaderships can be rotated among the second line leadership in the group. It encourages for building leadership quality among the members.
4. The promoting agency should withdraw after the groups have reached their maturity. So that members can stand on their own feet.
5. The members of the group have suggested for reducing bank interest rate to 5 percent from the existing 10 percent. The promoting agency like government has been giving subsidy of 25 percent on each and every project under taken by the SHGs members. In such an existing circumstances another stage interest subsidy of 5 percent is not advisable. More over some of

the SHGs have been charging a very high rate of interest on their loan given to the internal and external members. The SHGs should seriously think about the charging of interest rate on their loan irrationally and un-scientifically. The main motivation of forming the SHG is to render better service to the poor women but the present high rate of interest principle of the SHG is against this principle. Therefore, the SHGs charging rate of interest is reasonable and more scientific one. That means the interest margin between the bank and the SHGs would be 4 to 5 percent per annum. Otherwise SHGs should decide upon appropriate market related interest rates.

6. Recently in Yadgir Karnataka state (11.9.2012 speech) women's development corporation chairman declared in her speech that in 3 districts all women banks i.e. in Raichur, Shimoga and Mangalore will be established on pilot basis and by observing these banks experience the same women banks will be established in all the districts within a span of 2-3 years. This proposal is well coming one but each district may be consisting of more than one thousand SHGs, controlling and meeting the financial needs of these one thousand SHGs by one women banks may create so much quantitative and qualitative credit gap. Instead of one women bank in each district better to establish one women bank for every 100 SHGs covering area. It may be balancing the credit needs of the limited 100 SHGs effectively. Such branch network of the district carefully tap the potential women labour and other local resources for productive purposes.
7. Members should be given training on managerial and leadership skill to carry out their responsibility efficiently. The leaders should be rotated once in a year. Such experiment can help in leadership development in all members.
8. Group members are to build up their skills in the area like decision making, account maintaining book keeping, etc. There is always a provision for training and capacity building, but what needed is to design the training the training curriculum in accordance with the need of the members and make the training programme more useful to the participants.
9. Create more awareness among the members of the SHGs on political and legal issues and encourage them to participate in both of these fields.