
UGC Sponsored National Seminar on
**ROLE OF MICROFINANCE IN IMPROVING THE SOCIO-ECONOMIC STATUS OF WOMEN
MEMBERS OF SELF HELP GROUPS**
(16TH & 17TH March 2012)

organized by
Dept. of Political Science
Magadh Mahila College
Patna University, Patna

Presentation on
Self Help Groups-A Tool for Women Empowerment



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Presentation by
Dr. K. Raja Reddy & Murali Jajuna



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Objectives of the Study

- **Who are SHG members? Why did they join?**
 - **To know the quality of self help groups**
 - **To know SHGs' access to formal financial institutions**
 - **To assess the participation of SHGs in various welfare and development programmes**
 - **To assess the dynamics at SHG, village, household and individual levels**
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Sampling Methodology

- **Universe of the Study- APMAS Operational area**
- **Sampling units**
 - 4- districts (Aurangabad, Patna, Rohtas, Vaishali);
7- Blocks; 25- GPs ; 65- SHGs
 - Purposive and random sampling
- **Data collection techniques**
 - FGD with SHGs
 - Interview Schedule
- **Nature & sources of data**
 - Qualitative and quantitative
 - Primary & secondary
- **Period of data collection between Aug-Oct 2011**



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An Overview of SHG Movement

- **2.64 lakh SHGs in Bihar**
 - **2292 SHG federations (PLF-2283 and SLF-9)**
 - **Major Self Help Promoting Institutions (SHPIs)**
 - **RDD, BRLPS, WDC, NGOs, MS, RMK and NABARD**
 - **33 MFIs having operations in Bihar**
 - **Rs. 10857.13 lakh savings in 2.48 lakh SHG SB A/c***
 - **Rs. 32204.76 lakh loan disbursed to 32024 SHGs****
 - **Rs. 79603.41 lakh loan O/S with 1.94 lakh SHGs***
 - **4.07% - Non Performing Assets (NPA)***
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** As on March 2011; ** During the year 2010-11*

RDD-Rural Development Department, BRLPS-Bihar Rural Livelihoods Promotion Society, WDC-Women Development Corporation; MS-Mahila Samakhya, RMK-Rashtriya Mahila Kish; Nabard-National Bank for Agriculture Bank for Rural Development; MFI-Microfinance Institutions; O/S –Outstanding; PLF-Primary Level Federation; SLF-Secondary Level Federation



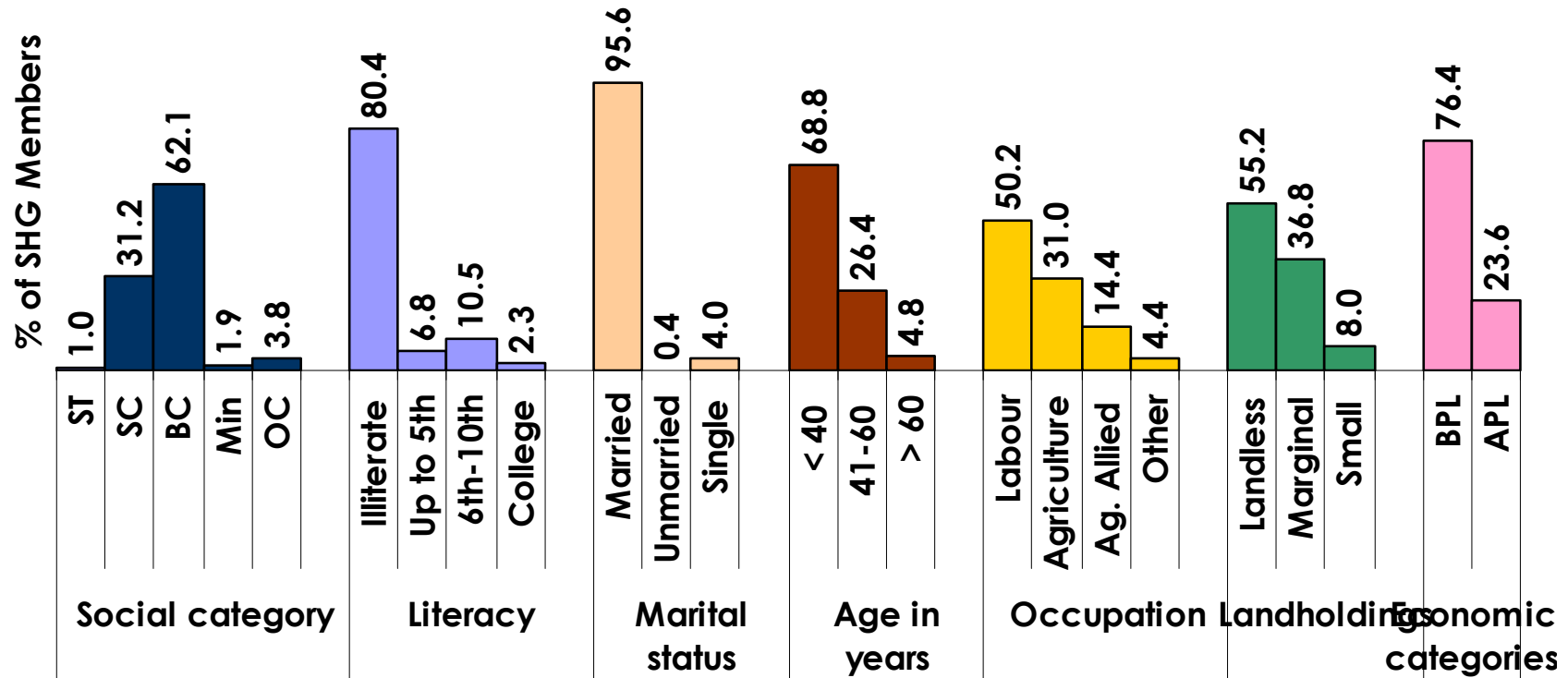
District-wise Spread of SHGs in Bihar

Map:- District-wise Distribution of SHGs in Bihar





Profile of SHG Members



BC-Backward Classes; SC-Scheduled Caste; BPL-Below Poverty Line; APL-Above Poverty Line



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Why Did They Form into SHGs?

- To get credit on low interest rate
 - Credit for income generation activities
 - To get loans for emergency needs
 - Access & avail Govt. pro-poor programs
 - Promote savings for future needs
 - Selection of members- inclusion & exclusion
 - i) Geographic, ii) Economic iii) Social conditions,*
 - iv) Personal aspects, v) Group norms*
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Quality of SHGs

- Average group size is 13 members
 - 35% of SHGs reported drop-outs (53 members)
 - Majority SHGs are mostly caste homogenous
 - Majority SHGs have fortnightly (37%) and weekly (14%) meetings followed by monthly (46%)
 - Maintaining all kinds of books but not up-to-date
 - 15% of SHGs changed group leaders 1-3 times
 - 78% of SHGs have membership in federation
 - 15% of SHGs borrowed bank loan of Rs.7.99 lakh
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Promotion of Savings

- **Rs. 7.94 lakh total savings; Rs. 13233 per SHG; and Rs. 961 per member;**
- **Rs. 36 –Avg. amt. of savings per month & member**
- **Monthly savings (72%) followed by fortnightly (15%), weekly (6%) and irregular (5%)**
- **42% of SHGs increased monthly savings of Rs. 10-50 to increase i) SHG corpus and ii) member savings**
- **17% of SHGs have savings of Rs. 17720 with an average of Rs. 1610 in federations**
- **58% of SHGs have share capital of Rs. 49340 with an average of Rs. 1298 in federations**

Avg-Average; Amt- Amount



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Fund Mobilization

Source	No. of SHGs	%	No. of loans	Amount in Rs.	%
A. Grants					
1. DRDA	3	4.6	3	19500	35.8
2. Federations	2	3.1	2	20000	36.7
3. NGOs	1	1.5	1	15000	27.5
Total				54500	100.0
B. Loans					
1. DRDA	--	--	--	--	--
2. Federations	24	36.9	25	356000	20.0
3. NGOs	1	1.5	1	20000	1.1
4. Banks	14	21.5	15	1408000	78.9
Total				1784000	100.0

DRDA-District Rural Development Agency; NGO-Non Government Organizations



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Dynamics at Household Level

<u>Particulars (in %)</u>	<u>SI</u>	<u>Inc</u>	<u>Dec</u>	<u>NC</u>
• Availability of credit	32	59	--	9
• Access to Formal Institutions	20	37	3	40
• Access to pro-poor prog.	19	40	--	42
• Habit of savings	9	83	2	6
• Health status	6	57	12	25
• Educational levels	8	63	1	28
• Dependency on ML	1	5	69	25
• Employment to HH members	--	15	--	85

SI-Significantly Increased; Inc-Increased; Dec-Decreased; NC-No Change; prog-programme; ML- Money lenders



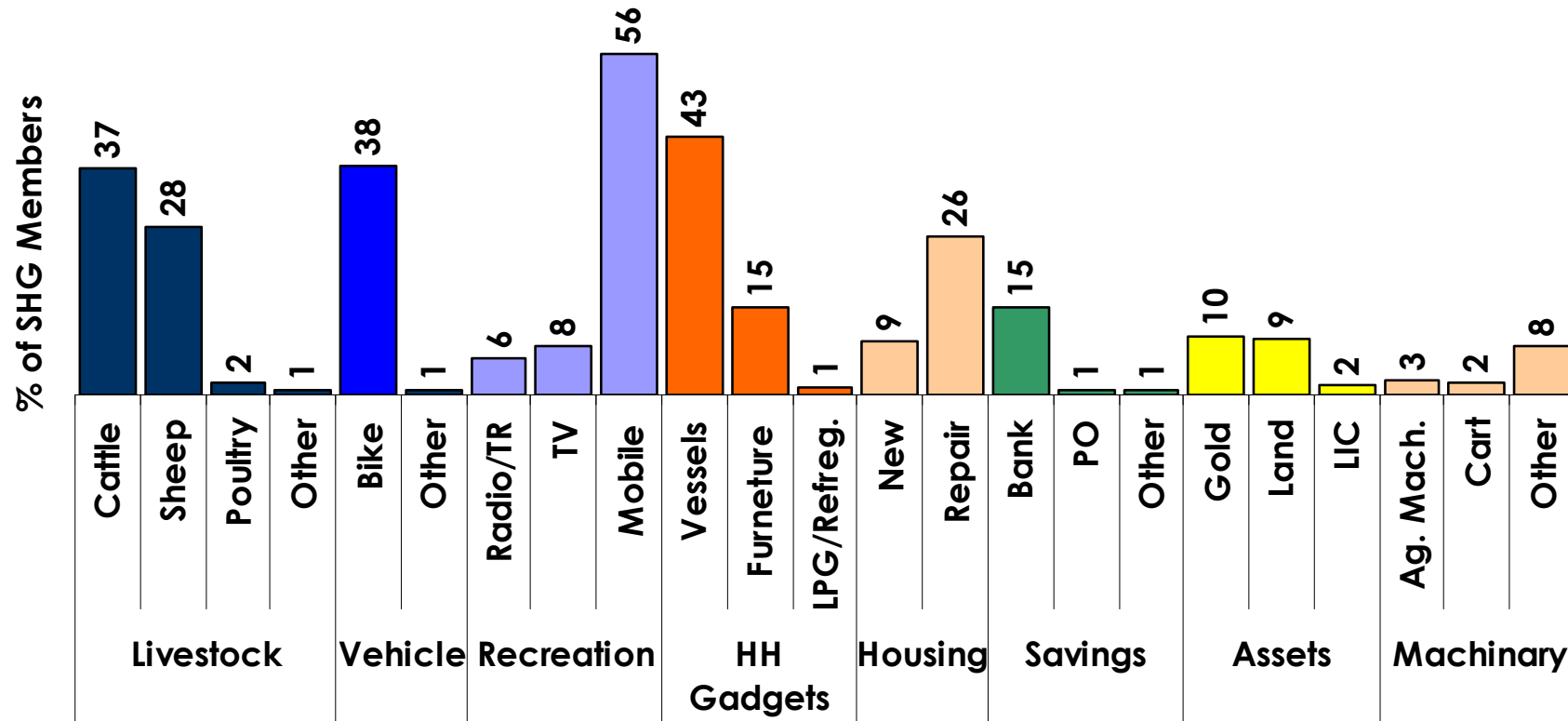
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Family Support to SHG Members

- **To attend SHG meetings**
 - Cooperative (91%) followed by indifferent (8%) and putting hurdles (1%)
 - **To repay loan installment**
 - Cooperative (65%) followed by indifferent (31%) and put hurdles (4%)
 - **Use of SHG loan**
 - Majority are equal (25%), major (26%) and total (19%) role followed by minor (31%)role
 - **To attend SHG work outside village**
 - Go alone (50%) followed by with family members (25%) and other SHG members (25%)
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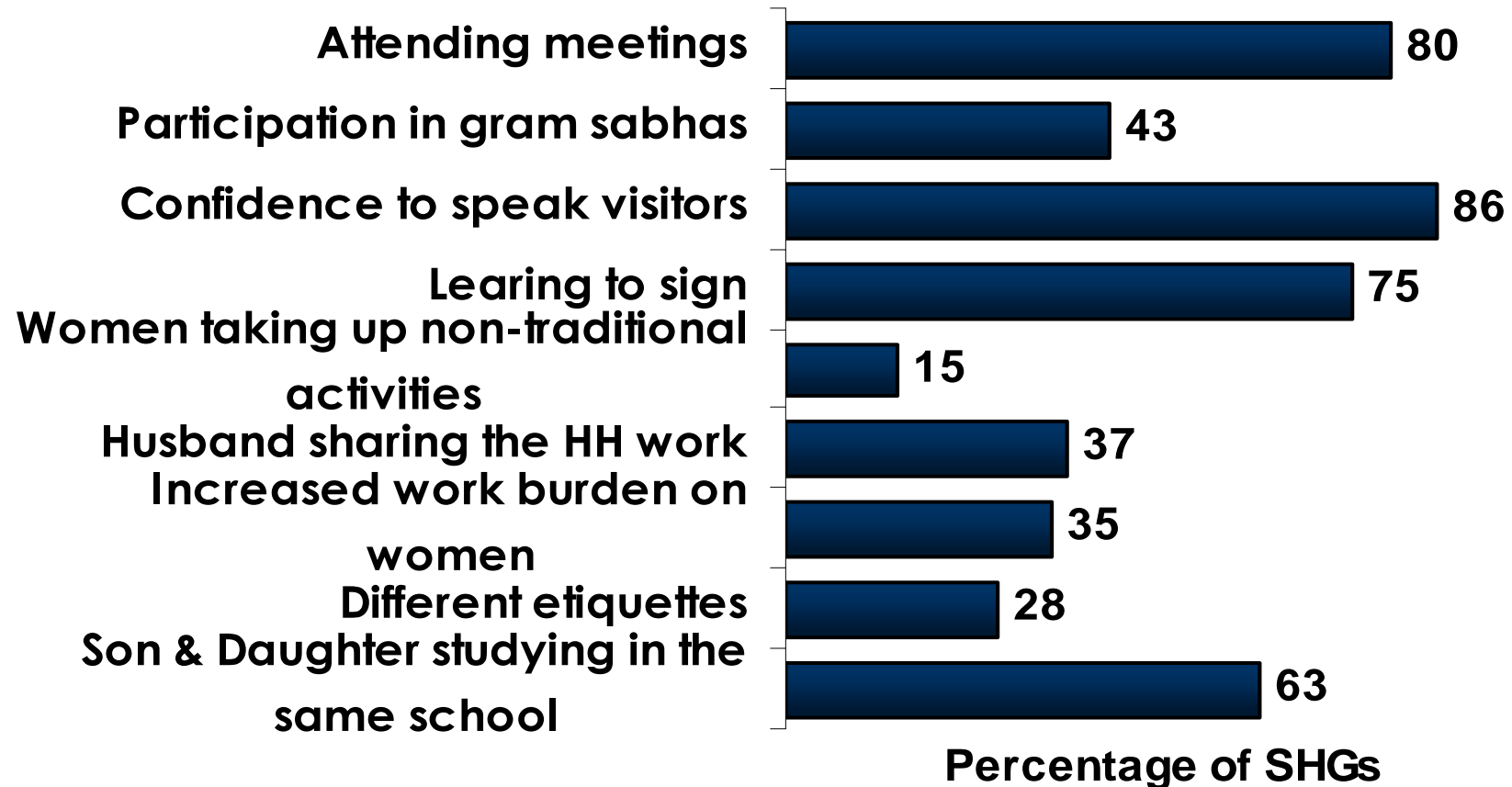
Asset Creation





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Self Confidence Level and Gender Discrimination





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Role in Decision Making

<u>Particulars (in %)</u>	<u>DS</u>	<u>Maj</u>	<u>Equ</u>	<u>Min</u>
• Purchase/sale of assets	19	23	37	21
• Family savings	11	23	52	14
• Children education/marriage	8	37	40	15
• Costing of own vote	21	34	28	17
• Sale of household produce	20	26	34	20
• Repayment of hand loans	14	29	48	9

DS- Do solely; Maj-Major; Equ-Equal; Min-Minor



Political Participation

- **Contested to any political office**
 - Contested with their own will (6%) followed by family/group interest (3%) and other's pressure (2%)
- **Selected as member of CBO**
 - 19% with the interest of family and 2% with own will
- **Campaigned for a candidate**
 - 15%- family interest followed by with own interest (9%) and others' pressure (5%)
- **Campaign against injustice**
 - 19% family interest followed by own interest (2%)



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Dynamics at Group Level

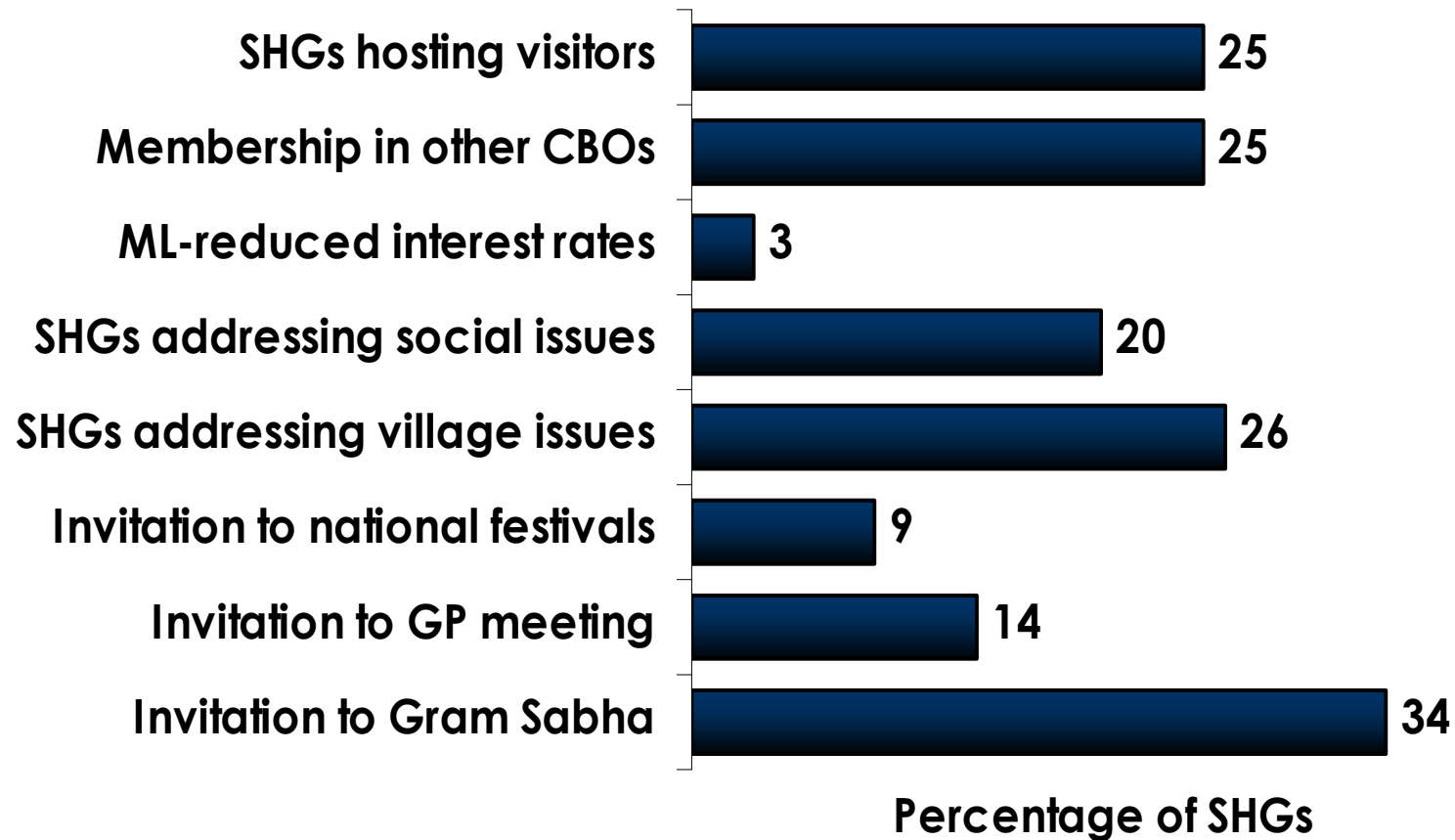
<u>Particulars (in %)</u>	<u>SI</u>	<u>Inc</u>	<u>Dec</u>	<u>NC</u>
• Credit to members	37	52	3	8
• Group corpus	23	59	6	12
• Cooperation among mem.	17	65	1	17
• Group's respect in bank	19	31	20	30
• Practice of group norms	14	43	11	32
• Quarrels within group	1	5	89	5
• External credit sources	5	8	12	75
• Involvement in fed. activities	11	65	2	23

SI-Significantly Increased; Inc-Increased; Dec-Decreased; NC-No Change; mem.-Members; Fed.-Federation



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Changes at Village Level





Participation in Welfare / Development Programmes

- **29%- Girl Child education**
 - **38%- pulse polio**
 - **17%- Family planning**
 - **2%- Anti liquor movement**
 - **8%- Midday meal programme**
 - **15%- ICDS activities**
 - **2%- NREGS programme**
 - **11 SHGs formed 18 new SHGs; and 4 SHGs revived 5 defunct SHGs**
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Learning...

- **Regional disparities in SHG promotion**
 - **The vulnerable sections brought into SHGs**
 - **Mostly formed to access credit and pro-poor programmes**
 - **Large amount of savings promoted**
 - **Moderate no. of SHGs accessed external credit**
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Learning

- **Notable change in members' self confidence levels, decision making and women roles**
 - **Moderate change at SHG and HH levels**
 - **Minimal changes at village level**
 - **Minimal participation in welfare and development programmes**
 - **In conclusion, it is evident that the SHGs have been paved way for the development and empowerment of women**
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APMAS- Does it Added Value?

- **SHGs & Fed office bearers trained on SHG & Fed. concepts**
 - **Increase in monthly savings**
 - **Regularity in SHG meetings & high member attendance**
 - **Book keeping**
 - Maintenance of SHG books
 - Bookers
 - Honorarium
 - **Rotation of leadership**
 - **Auditing of SHGs**
 - **Federation taken up the role of SHPIs**
 - Formation of new groups
 - Revival of defunct groups
 - **Improvement in MIS**
 - **Credit linkages with fed. and banks**
 - Promotion of savings
 - Financial services to members
 - **Institution building**
 - Registration of village and block level federations
 - Development and publication of Training material in 'Hindi'
 - Social capital building
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Open for discussion... & Thank you

For further details contact:

Dr. K. Raja Reddy, krajareddy@apmas.org
Director, Research & Advocacy, APMAS, Hyderabad

Mr. Murali Jajuna, muralijajuna@gmail.com
Director, APMAS-Bihar, Patna

APMAS

Plot No. 20, Rao & Raju Colony
Road No-2, Banjara Hills, Hyderabad
Ph: +91-40-23547952/27; Fax: +91-40-23547926
Web: www.apmas.org; www.shggateway.in
email: info@apmas.org