

CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSIONS AND POLICY SUGGESTIONS

Preface

Though India has emerged as the third largest economy of the world with China and America left forward, even now India has one third of the worlds' poorest. The poverty in India is rural based, women centered and cast-oriented. The persistence of poverty, unemployment and rural backwardness of our country warrants microfinance interventions. Poverty in India, like that in most Asian countries, is predominantly a rural phenomenon. Rural poverty is estimated to contribute approximately 85 per cent to national poverty. More than one-half of the population living in the rural regions continues to be extremely poor. Poverty is highest among self-employed households, farmers and petty traders. The Self Help Groups evolved as a panacea for this through binging formal banking practices at the door-steps of the poor and marginalized, who have nothing to offer as collateral. SHG-Bank Linkage Programme of NABARD in India is the largest micro credit programme of the world.

The concept of SHGs/NHGs cannot be stated as credit delivery mechanism alone but it strives into the individuals' Personal, Familial, Social, Legal, Political and financial spheres. It helps in spreading financial literacy, financial discipline and in promoting Financial Inclusion among the unbanked rural masses. Over the last decades, impact of microfinance through SHGs on women empowerment and poverty alleviation has been a key area of debate all over the world, especially among academicians, policy makers and support agencies. Several studies have been conducted within and outside the state and all over the world to assess the impact of microfinance and SHG movement. The present study is in the nature of a fact finding enquiry to unearth the tangible and intangible impact on the lives of SHG members. Some of the available studies have stated a positive impact in terms of access to formal savings and credit facilities, leading to improvements in their socio-economic conditions. Majority of the studies in Kerala are either region-centered or sector specific. Existing studies on the topic are very scanty and the present study bridges this gap.

The following are the specific objectives of the study:

1. To understand the influence of SHGs on the borrowing pattern and fund utilisation of members.
2. To measure the prominent factors leading to empowerment of SHG members.
3. To establish the empowerment of members through SHG intervention.
4. To study the prominent issues confronted by the SHG, movement in the state.
5. To analyze the sustainability of SHG movement in Kerala.

Hypotheses

To have a disciplined guidance to the enquiry, the following hypotheses were formulated and tested.

- H01. Membership in SHGs has not influenced the credit accessibility of members.
- H02. There is no difference in the influence of motivational factors for joining SHGs across the State.
- H03. Participation of poor in SHGs has not influenced their financial empowerment.
- H04. Participation in SHGs has not resulted in the personal empowerment of members.
- H05. SHG intervention has not resulted in familial empowerment of members.
- H06. Participation in SHGs has not affected the social empowerment of members.
- H07. Participation in SHGs has not influenced members' legal and political empowerment.
- H08. There is no association between participation in SHGs and their technological empowerment.
- H09. There is no difference in the nature and extent of problems faced by SHGs across the regions and terrains.
- H10. There is no relationship between the level of sustainability and various dimension of sustainability.

The study is women-centered and mostly restricted to members of Kudumbashree (NHG) which covers nearly 90 per cent of the SHGs in the state, which is also empirical and analytical in nature. The data were collected both from primary and secondary sources. Multistage (Stratified) Random Sampling method has been adopted for selecting the sample members. The State of Kerala has been divided into three regions on the basis of geographical location i.e., South, Central and North. From each region one district is identified and selected for detailed study and analysis on the basis of highest concentration of SHGs and existence of three land forms (Hills, Plains and Coastal). The sample size for each region is fixed in proportion of regional figures to State total.

The districts selected were Thiruvananthapuram from South, Ernakulam from Centre and Kozhikode from North. In consultation with Kudumbashree authorities of each district, the proportionate numbers of SHGs/NHGs were finalized from Hills, Plains and Coastal areas.

Then out of 120 sample SHGs, 600 members are randomly identified and approached personally with a structured interview schedule to analyze the perceptions of members on the Empowerment. They were asked to respond to various statements using five point scaling method, ranging from “Strongly Disagree” (1), “Disagree” (2), “Neutral” (3), “Agree” (4), and “Strongly Agree” (5). To collect the opinion from leaders of 120 SHGs, the study has made use of a properly administered Questionnaire, with which their perceptions were measured using the five point scaling method.

The data collected were tabulated and analysed keeping in view of the objectives of the study. For the purpose of analysis, statistical tools like Log linear model, Pearson’s Chi- square test of independence, Friedman’s test, Independent t-test, Paired t-test, Kruskal-Wallis test, Mann –Whitney U- test, One-way ANOVA, MANOVA, Repeated MANOVA, Correlation analysis, Step-wise Regression, Factor Analysis etc. The whole data were analysed on the basis of Region, Terrain and Social Status.

6.1 FINDINGS- MEMBERS' PERCEPTIONS

The major findings of the study on the bases of analysis of data are summarised below:

6.1.1 Profile of Groups

- 1. TYPE OF SHGs.** Majority (93 %) of the respondents belong to Kudumbashree (NHG) and the rest (7 %) are NGO based SHGs. Significant difference is evident in type of SHGs across Regions and Terrains.
- 2. LINKAGE.** 68 per cent of the sample respondents are from Linked groups and 32 per cent from unlinked groups. However, this is not uniform across Regions (Linked groups are higher in South) but uniform across Terrains.
- 3. LIVE LINKAGE.** Out of 407 linked groups, 85 per cent are maintaining Live-linkage and 15 per cent do not. There found significant difference in the distribution of Linked groups (higher in South) with and without Live- linkage across Regions but not across Terrains.

6.1.2 Personal Profile of Respondents

- 4. AGE.** Majority (75 %) of the respondents belong to the age group 26-55 years, which is the most productive span in the life of human (26-40yrs. 40 per cent; 41-55yrs. 46 per cent), significant difference is found among sample respondents under different age groups across Regions. Few members found in the age group 25 years or less across different age groups and this shows less participation of youngsters in SHGs. Across Terrains, no significant difference is observed.
- 5. RELIGION.** Out of the 600 sample respondents, 57 per cent (343) were Hindus, 29 per cent (171) were Christians and the remaining 14 per cent (86) were Muslims. District- wise, 43 per cent from South, 53 per cent from Central and 75 per cent from North are Hindus. Christians found to dominate in South (46 %) and Muslims in Central (17 %). Across regions the difference is significant but not across Terrains, which is justified by the statistical values of Chi-square.
- 6. COMMUNITY.** Majority (64 %) of the respondents are OBC/OECs in all Regions. The share of SC and ST together is 13 per cent only and that of general

community is 23 per cent. Significant difference is found in the community-wise distribution of respondents across Regions but not across Terrains.

7. **EDUCATION.** Thirty nine per cent are secondary, 29 per cent are primary (higher in North), 17 per cent are +2/ Diploma holders (higher in South) and Six per cent are Degree and above (higher in Central region). However, **9 per cent of the total respondents are illiterate** (higher in North). Of the respondents with +2 and above, higher numbers are from Hills, whereas **illiterates found to concentrate in Coastal area**. Significant difference is evident in the level of education across Regions and Terrains ($P < 0.050$).
8. **MARITAL STATUS.** Majority (88 %) of the members are married and the rest are either widows (8 per cent) or separated/ divorced (4%). Significant difference is observed in the marital status of respondents across Regions but not across Terrains.
9. **OCCUPATION.** Home makers dominate in SHGs of the State (65 %) and their share is 93 per cent in North. Twenty six per cent of the members are self employed and they dominate in South and Central regions. The representation of other classifications is nominal. Occupation wise, participation of the members is uneven across Regions but uniform across Terrains.

6.1.3 Family Details and Housing Facilities

10. **DWELLINGS.** Majority (92 %) of the members live in own dwellings and the remaining in rented structures or living with relatives. No significant difference is found in the occupancy of members across Regions and Terrains.
11. **TYPE OF DWELLINGS.** 58 per cent of the members occupy in RCC buildings, 28 per cent in tiled structures and the thatched house occupants are just 1 per cent only. Significant difference is evident in the occupancy of members across Terrains (most of the thatched occupants were from Hills) but not across Regions.
12. **SOCIAL STATUS.** The proportion of APL and BPL is 55 per cent and 45 per cent respectively. The share of APL members is higher in South (67 %) and lower in Central region (48 %). The participation of BPL is higher in Hills (54 %) and lower in Plains (37 %) this indicates higher poverty in Hills. Significant

difference is evident in the social statuses of members across different Regions/ Terrains ($P < 0.050$).

13. **SIZE OF FAMILIES.** The average household size is 4-6 in the case of three-fourth of members whereas it is 1-3 in case of 21 per cent. The distribution is holds true and uniform across Regions/ Terrains.

6.1.4 Participation in Groups

14. **SIZE OF GROUP.** Majority (85 %) of the members belong to Medium sized (11-20 members) groups. Groups with less than 10 members (Small groups) are higher in South and those with more than 20 members (Large groups) are higher in North. The concentration of groups with higher number of members in North may be due to the glorious history of SHG movement there. Majority (91 %) of the groups in Hills are Medium and the average number of members in the groups is 12. Large groups are higher in Coastal area and this can be due to near connected dwellings and higher poverty there. Group size-wise, there is significant difference in the distribution of members across Regions and Terrains, respective values of Chi-square assert this.
15. **POSITIONS HELD.** The members found to act in different capacities; 48 per cent are Ordinary members, 44 per cent Office bearers and 8 per cent acting in Other capacities. The Ordinary members are higher in Coastal area (57 %) whereas Office bearers are higher in Hills (52 %). Position-wise, there is significant difference across Regions and Terrains at 5 per cent level of significance.
16. **SOURCE OF FUNDS-BEFORE SHGs.** The respondents' pre- SHG dependence on various sources of credit shows 39 per cent dependence on Money lenders; 35 per cent on friends, relatives and neighbours; 13 per cent on Banks and 12 per cent on others. The dependence on money lenders was higher in plains and on friends, relatives and neighbours in Coastal. The dependence on banks was higher in South (29 per cent), wherefrom it may be inferred that the banking habits were higher in South compared to other Regions. Terrain wise, dependence on Banks and other sources were higher in Hills; this shows the access of banks to hilly people. There is significant difference in the sources of funds depended, across regions and terrains.

17. **SOURCE OF FUNDS (PRESENT).** Majority (88 %) of the members depend on SHGs for their temporary financial needs and their dependence on friends, relatives, neighbours, banks etc. has reduced to a very great extent. This shows the financial strength mobilised by the rural folk through SHG programme. The distribution is uneven across regions, with higher dependence on banks in South but not across Terrains.
18. **RATE OF INTEREST- BEFORE SHGs.** It is found that, before joining SHGs, 20 per cent of the member respondents were enjoying loans at 12 per cent or less, 45 per cent were paying between 12 and 24 per cent and the remaining avail loans above 24 per cent. Majority (84 %) of the respondents from plains pay more than 12 per cent interest. The stated difference is significant across Regions and Terrains at 5 per cent level of significance.
19. **RATE OF INTEREST- AT PRESENT.** Majority (79 %) of the members pay 12 per cent or less on their present borrowings and the rest pay more than 12 per cent. The difference is significant across Regions and Terrains at 5 per cent level of significance.

6.1.5 Purpose for which Loans are availed

20. Loans for **BASIC LIFE NEEDS** have shown tremendous increase (726 %) through SHG intervention. The share of loans for basic life needs increased from 8 per cent to 19 per cent of total loans between the 'pre' and 'present' periods. Significant difference is noted in the funds for 'Basic life needs' through SHGs [t (599) = -6.427; P= 0.000 < 0.050] (Paired difference in Mean -6850.41667; S.D 26108. 9365, S.E Mean 1065.89287), the difference is significant at 5 per cent level of significance.
21. The Loans for **REPAYMENT OF ANOTHER LOAN** found to increase from 2 per cent to 3 per cent of total loans [t (599) = -3.593; P= 0.001 < 0.050] (Paired difference in Mean -995.000; S.D 6976.527, S.E Mean 284.8155). The difference in the means is significant at 5 per cent level of significance.
22. The major chunk of loan raised both in the 'pre' and in the 'present' SHG situations is for **HOUSE CONSTRUCTION** and the difference in mean loans is

- significant at 5 per cent level of significance [t (598) = **-3.600**; **P=0.000 < 0.050**] (Paired difference in Mean **-12567.2738**; **S.D 85427.3663**, **S.E Mean 3490.467**).
- The proportion of loan has declined from 53 per cent (pre) to 48 per cent (present) of total loans whereas the same witnessed 271 per cent change in absolute terms.
23. Loans for **INVESTMENT IN IGA** found to decline from 22 per cent to 16 per cent of the total loans availed and the difference in mean loans between 'pre' and 'present' periods is statistically insignificant [t (599) = **-1.677**; **P= 0.094 > 0.050**] (Paired difference in Mean **-3402.5833**; **S.D 47910.1718**, **S.E Mean 2029.4092**). The most proximate reason for lack of interest in IGAs which is tedious, ill-rewarding and day long is the gradual switchover of members to MGNREGP which is more lucrative and offers many consequential benefits.
24. Loans for **OTHER ACTIVITIES** found to change from 15 per cent to 14 per cent of total loans in between the 'pre' and 'present' SHG situations. The difference in mean loans is statistically insignificant at 5 per cent level of significance [t (599) = **-1.674**; **P= 0.095 > 0.050**] (Paired difference in Mean **-3442.500**; **S.D 50361.494**, **S.E Mean 2955.999**).
25. **TOTAL LOANS** have registered a tremendous (388 %) increase between the 'pre' and 'present' SHG situations [t (597) = **-7.487**; **P= 0.000 < 0.050**] (Paired difference in Mean **-31648.495**; **S.D 1.034**, **S.E Mean 4227.076**), which is significant at 5 per cent level of significance.

6.1.6 Motivational Factors for Joining SHGs

26. **GRAMA PANCHAYAT MEMBER** is the prominent source of inspiration for members to join SHGs; it has secured the lowest mean rank (**2.08**) as per **Friedman's test**. The principle followed in this case is higher the preference lower the rank. The second crucial inspiring factor is **Success stories of their predecessors (2.83)**, it may be based on the saying 'success always thrills masses'. The **Pearson Chi-square** test statistics gives a value of **2754.423**, which is significant at 5 per cent level of significance (P= 0.000 < 0.05).

27. **KRUSKAL-WALLIS** has justified significant difference in the **Region-wise** preferences of members in motivating them to join SHGs (**P= 0.000 < 0.050**), except for the '**Success stories of others**' (**P= 0.070 > 0.050**).
28. **TERRAIN-WISE**, no significant difference (**P > 0.050**) is evident in Strength of unity, Access to emergency loans, A way to earn livelihood and Role of media. This shows the uniform priority on the influence of these variables whereas it is significant for the rest (**P < 0.050**), which is validated by observing the Chi-square values of Kruskal-Wallis test.
29. Man-Whitney U- has shown the Social status (APL/BPL) wise analysis and there exists significant difference in the preferences of members towards **Access to emergency loans** (preferred by BPL), **the role of Bank officials and in the Role of Media** (preferred by APL) amongst the elements of motivation (**P < 0.050**). The respondents from both the social groups have uniform preference for all other factors of motivation (**P > 0.050**).

6.1.7 The MFI Penetration among SHGs in KERALA

30. Only **28 per cent of the SHG members have even heard of MFIs** and their awareness on MFIs is meagre. Region-wise, the difference is statistically insignificant but not across Terrains i.e. members from Hills have more awareness on MFIs.
31. Among the members who are aware of MFIs, only **14 per cent** avail credit. There is significant difference in the participation of SHG members in MFI services across Regions and Terrains. Region-wise, the borrowers are mostly from Central Region and across Terrains, from Hills.
32. Among the **MFI operators** in Kerala, who penetrate through the SHGs **ESAF** microfinance dominates but its' presence is mostly restricted to South and Centre regions. The presence of **Muthoot Fincorp** is predominant in Northern parts of the State whereas the remaining MFI operators have negligible presence only. Hence, ESAF microfinance is the lead MFI operator in Kerala.
33. Among the clients of MFIs, majority (71 %) are new customers with less than 2 years of experience and the rest have two or more years. There is no significant

- difference in the period of association with MFIs across Regions/ Terrains at 5 per cent level of significance.
34. The average rate of interest charged by MFIs is 19 – 28 per cent in majority of (71 %) cases whereas it is exorbitant at more than 28 per cent in case of the rest. Analysed Region-wise and Terrain wise, comparatively higher rate is charged in North and Hills. Reliance on MFI loans at unreasonable rate of interest defeats the very purpose of micro-finance which ultimately puts the beneficiaries in doldrums.
 35. **None of the service beneficiaries of MFIs** submitted any documents in **Original** (Ration card or Voter's ID card). Majority (80 per cent) have submitted photocopies of either Ration card or Voter's ID or both. **20 per cent** of the beneficiaries have **not submitted any ID proof** and most of them are from **Coastal area**.
 36. Majority of the clients (83 %) have **high level of satisfaction** regarding the services of MFIs, which is uniform across Regions/Terrain. This shows the quality of services rendered by MFIs.
 37. Among the clients of MFIs, only **42 per cent** have opted for repeated service. This shows the difficulties experienced in the prompt repayment or the tough stand adopted by MFIs in collection of over dues. There is no significant difference in the option for repeated service across Regions or Terrains.
 38. **Seventy nine per cent** of the member clients of MFIs who have not opted for their repeated service, cited their **inability in making timely repayment of instalments**. This shows the mismatch between the cost of credit and the return on its investment or diversion of funds for unproductive activities.

MFIs follow the same tactics adopted by money lenders though they are corporate microfinance providers. The higher rates of interest have the effect of adding fuel to the fire to the already unattractive IGAs which are non-viable and un-profitable. In addition, the diversion of funds for unproductive activities aggravates the situation which defeats the purpose of microfinance.

6.2 EMPOWERMENT- FINANCIAL EMPOWERMENT

6.2.1 Participation in Financial Services

39. Participation of poor in formal **financial services** shows their financial prudence, how far they are able to save regularly will depict their savings attitude. The association with SHGs has been instrumental to significant positive changes in the participation in financial services. The difference is statistically significant across **Regions** ($P < 0.050$) but not between **Social groups** ($P > 0.050$) or across **Terrains** ($P > 0.050$) except for banking services. The positive changes are uniformly experienced by Kudumbashree and NGOs ($P > 0.050$) and across **positions** in SHGs ($P > 0.050$). But in members from **groups of different sizes**, the participation in **Postal financial services** alone showed difference ($P < 0.050$), which is higher in **Small groups**.
40. **Banking** still remains an uphill task for poor, even though government have decided to offer all financial services/assistance to the poor through banks alone. Statistically significant ($P = 0.000 < 0.050$) difference is evident in the banking habits of members in between the 'pre' and 'present' SHG situations. The **pre-SHG** banking habits were higher in **south**, but **central region** has the most significant changes. The positive changes in banking habits of members are statistically significant across **Regions** ($P = 0.000 < 0.050$) and **Terrains** ($P = 0.032 < 0.050$), with members from Plains found to exhibit higher banking habits. But between **social statuses** ($P > 0.050$), **Agencies** ($P=0.283 > 0.050$) and **groups of different sizes** ($P= 0.128 > 0.050$) the changes are uniform. But across **Positions held in SHGs** ($P= 0.001 < 0.050$), the percentage change is higher in **other appointments** (122 %) and **Secretaries** (117 %).
41. **Insurance** protects the poor from unexpected perils at minimum cost. The pre-SHG awareness and participation in Insurance is low and though there is an **average increase of near 200 per cent**, it is far from sufficiency. The difference in the awareness and participation in insurance is statistically significant between the 'pre' and 'present' SHG situations ($P= 0.000 < 0.050$). Across **Regions** ($P= 0.000 < 0.050$) the penetration is the highest in North, but across **Terrains** ($P= 0.135 > 0.050$) and **Social Status** ($P= 0.836 > 0.05$), the difference is

insignificant. The researcher has observed higher participation of members in RSBY- CHIS, the social security cum health insurance programme of the State. The impact of SHG intervention in **Insurance** is positive and uniform across **Agencies** ($P= 0.149 > 0.050$), **groups of different sizes** ($P=0.812 > 0.050$) and **Positions in SHGs** ($P= 0.163 > 0.050$).

42. The level of awareness and participation of members in **Postal financial services** is low in both the periods but the difference is statistically significant. Across **regions** ($P =0.000 < 0.050$), the members from South found more involved (33 %) but across **terrains** ($P= 0.796 > 0.050$) or between **Social status** ($P= 0.384 > 0.050$), the impact is uniform. The change in **Postal Financial services** is true and uniform across **Agencies** ($P= 0.551 > 0.050$) and **Positions held** by members ($P= 0.278 > 0.050$). But across **groups of different sizes** ($P= 0.004 < 0.050$), the members from small groups found more (50 %) involved. This shows the lack of awareness and acceptability of Postal financial services to rural people as an avenue of investment.

*Since sample respondents have experienced pertinent changes in awareness and participation in all the **financial services**, it may be inferred that SHGs have been a vital tool to broaden and deepen financial services among the rural poor.*

43. The level of Financial Empowerment is linked with the participation of members in financial services, financial discipline of members, involvement in Income generation activities, Thrift/ Savings habits of members, Credit/ Loan practices followed by members and Asset acquisition habits. Diverse components of financial empowerment exhibited 106 per cent change in Financial services, 56 per cent in Financial Discipline, 14.3 per cent in Income Generation Activities, 74.5 per cent in Credit/Loan availability and 66 per cent in Asset Acquisition.
44. **Financial discipline** will certainly influence savings habit and Financial Empowerment. Members have registered significant improvements in Financial discipline which is statistically **significant** across **Regions** ($P= 0.003 < 0.050$) and **Terrains** ($P= 0.024 < 0.050$) at 5 per cent level of significance. **Across regions**, members from North (68 %) and **across Terrains, Plains** (63 %) found **to experience the highest rate of change**. But the difference is not statistically

significant between social statuses ($P = 0.865 > 0.050$) i.e., both APL and BPL exhibited uniform changes. Insignificant changes are seen across SHGs of different sizes ($P = 0.134 > 0.050$) and Agencies ($P = 0.659 > 0.050$). The rate of change in 'ordinary members' is 60 per cent, whereas it is 46 per cent in the case of 'Others'. The difference is positive and even across different positions in SHGs ($P = 0.659 > 0.050$).

45. Out of the 600 members, only **19 per cent** participate in **income generation activities**. There is significant difference between the 'pre' and 'present' SHG situations, but the rate of change is comparatively low. Members' participation in IGAs are **higher in Centre** and **lower in South** and the difference is statistically significant ($P = 0.023 < 0.050$) at 5 per cent level of significance but not across Terrains ($P = 0.651 > 0.050$) or between social statuses ($P = 0.145 > 0.050$). Though BPL group found to engage more in IGAs before SHGs no significant changes are evident through SHGs. The participation in IGAs does not show any significant difference across positions in SHGs ($P = 0.460 > 0.050$), groups of different sizes ($P = 0.661 > 0.050$) or Agencies ($P = 0.513 > 0.050$).
46. Access to **Credit** at soft terms is inevitable for the poor in rural areas. The mean scores evidences 75 per cent increase in credit availability, the **pre SHG credit availability** was **higher in North** but the rate of change is higher in **Central Region** ($P = 0.000 < 0.050$). Across Terrains, the **pre SHG credit exposure** was **higher in Coastal area** whereas SHG intervention has increased the credit availability of respondents from **Hills**. But the rate of change is statistically insignificant ($P = 0.954 > 0.050$). **Social status wise**, though APL members enjoyed higher credit availability 'before SHGs' **the BPL seemed more benefitted from SHGs** but the difference is not statistically significant ($P = 0.445 > 0.050$) at 5 per cent level of significance. The increase in Credit availability seems uniform across **groups of all sizes** ($P = 0.655 > 0.050$), members holding **different positions** ($P = 0.315 > 0.050$) and Agencies ($P = 0.995 > 0.050$).

Credit availability of members has shown significant improvements (75 %) through SHGs and its impact is higher in North. However, it is quite insufficient because near 23 per cent of the respondents still have to depend on money

lenders either occasionally or regularly, of which majority are from Central region.

47. **Asset acquisition** habits have shown an increase of 65 per cent, which is statistically significant at 5 per cent ($P = 0.000 < 0.050$) level of significance. The **pre- SHG asset** acquisition habits were **higher in South**, but the rate of change is higher in **Central region**. Across Regions, the difference is statistically significant at 5 per cent ($P = 0.000 < 0.050$) level of significance, but not across Terrains ($P = 0.389 > 0.050$) or between **Social statuses** ($P = 0.466 > 0.050$). The positive impact of SHGs on the Asset acquisition habits of members is uniform between **Kudumbashree and NGOs** ($P = 0.417 > 0.050$), but uneven across **Groups of different sizes** ($P = 0.047 < 0.050$). Members of **Medium sized Groups** maintain higher Asset acquisition habits whereas it is lower in **Small groups** and across **different Positions** ($P = 0.002 < 0.050$), the **Secretaries** found to lead.
48. Through SHGs, members' **Thrift / savings** habits have increased considerably and the difference is statistically significant **across Regions**. Region-wise, higher thrift habits are evident in **South**, but not across **Terrains** or between **social statuses** ($P > 0.050$). The results of one way ANOVA support this at 5 per cent level of significance.

All the indicators of financial empowerment - Participation in financial services, Financial discipline, Income generation habits, Thrift/savings habits, Credit/loan availability and Asset acquisition practices - have shown statistically significant positive changes in the response of members. Hence, it may be stated that SHG intervention has been instrumental to the financial empowerment of rural poor. The results of Multivariate tests support the argument of financial empowerment between the 'pre and present' SHG situations.

6.2.2 PERSONAL EMPOWERMENT

The Personal Empowerment of members is measured through changes in Self Confidence, Freedom of individual, Capacity building, Positive attitudes etc. All the variables of personal empowerment have registered tremendous increase except for freedom of movement.

49. Without **Self confidence** nobody can scale heights. Members have registered 170 per cent increase in their self confidence and the difference is statistically significant across **Regions (P= 0.000 < 0.050)**, **Terrains (P= 0.000 < 0.050)** and between **Social statuses (P= 0.000 < 0.050)** at 5 per cent level of significance. The level of self confidence before joining SHGs was higher in Hills whereas it is the lowest in Coastal areas. The highest rate of change in Self Confidence is identified among the BPL members from Hills of North and South. The increase in self confidence is 175 per cent in North (across regions), 174 per cent in Plains (across Terrains), and 174 per cent in BPL (between Social statuses).
50. The level of self confidence before joining SHGs was higher in present office bearers and lower in ordinary members and the change in self confidence is higher in '**small groups**'. The Self confidence of members found to increase significantly through SHG intervention. This found true but uneven between **Agencies (P= 0.000 < 0.050)** and the higher level of self confidence is exhibited by members of Kudumbashree. Members holding '**Other**' appointments and '**Secretaries**' have exhibited higher Self Confidence across **different Positions in SHGs (P= 0.000 < 0.050)** but uniform across **groups of different sizes (P= 0.190 > 0.050)**. In crux, SHGs can be used as a platform for improving the self confidence of the rural poor. **Hence, it is stated that members' participation in SHGs has been instrumental to significant changes in their Self Confidence.**
51. Indians believe in the philosophy that "Women should never be left independent she should be under the control of her father in childhood, husband after marriage and son in old age". Traditionally, Kerala society is known for restricted freedom to women; the analysis doesn't show a different result. The freedom of individual has not changed in par with other variables of personal empowerment even though there is increase in decision making capabilities. The pre-SHG freedom of respondents was higher in Hills and among APL respondents. Region wise, before- SHGs, members from South enjoyed higher level of freedom compared to their Central or Northern counterparts. The difference in the freedom of individuals through SHGs is statistically significant at 5 per cent level of significance. This holds true and uniform across **Regions (P= 0.065 > 0.050)**, **Terrains (P= 0.318 > 0.050)** or between **Social statuses (P= 0.334 > 0.050)**.

52. Participation in SHGs has resulted in an overall change (46 %) in the freedom of respondents which is uniform between **Agency** ($P= 0.99 > 0.050$), **across Position in SHGs** ($P= 0.20 > 0.050$) or **Size of the Group** ($P= 0.98 > 0.050$). Hence, it may be concluded that SHG intervention has lead to significant positive changes in the individual freedom of members and this has an all- round acceptability across the State.
53. **Capacity building** indicate various qualities acquired; the mean values of capacity building evidences near 125 per cent increase which is statistically significant at 5 per cent level of significance. This holds true but uneven across **Terrains** ($P < 0.050$) and between **Social Statuses** ($P < 0.050$) whereas the change is found true and uniform across **Regions** ($P > 0.050$). The Pre-SHG capacity levels were higher in South but the rate of change is higher in North. Social status wise, APL group dominate BPL 'before SHGs' and also 'at present', but the BPL (124 %) are able to thin down the marginal difference.
54. Association with SHGs has been instrumental to substantial improvements in the **Personal traits** of members and this found uniform across **groups of different sizes** ($P= 0.20 > 0.050$) and also between **Agencies** ($P= 0.290 > 0.050$). But the SHG impact is uneven across **different positions in SHGs** ($P= 0.000 < 0.050$), **Ordinary members** found to acquire more capabilities. Hence, it can be stated that SHGs are highly successful in enriching the individual capabilities of members.
55. The change in **positive attitudes** reveals the amount of optimism gained; the mean values of response evidences an all-round increase (127 %) which is statistically significant ($P= 0.000 < 0.050$) at 5 per cent level of significance. This found true but uneven across **Regions** ($P= 0.000 < 0.050$) and **Social statuses** ($P= 0.000 < 0.050$) but not across **Terrains** ($P= 0.259 > 0.050$). The mean values suggest that Terrain-wise, members from Coastal area of South and Region- wise, members from Central region found to gain more positive attitudes through SHGs. The positive attitudes of members have increased considerably across the state against all Social divisions, which is higher in Central region (143 %), in BPL (137 %) and in Plains (142 %).

56. The change in **positive attitudes** of members is uniform across groups of different sizes ($P= 0.110 > 0.050$) but uneven between agencies ($P= 0.010 < 0.050$) with NGO sponsored group at the advantage. Across different positions in SHGs ($P= 0.000 < 0.050$) Office bearers seen more benefitted.

Significant positive changes are present in the personalities of members in between the 'pre' and 'present' SHG situations. This evidenced by 175 per cent change in Self confidence, 125 per cent change in Capacity building, 127 per cent change in Positive attitudes and 46 per cent change in individual freedom.

6.2.3 FAMILIAL EMPOWERMENT

Family is the base unit of society and the meeting ground of its' members. The extent of empowerment achieved by an individual will be reflected in his/her family and through the family, the society. The experience gained through SHGs has moderately impacted the family relationships, the family decisions and social relations influence on nurturing the children and also on attitude towards their future.

57. The mean scores of **impact on family** shows significant difference ($P= 0.000 < 0.05$) between the 'pre' and 'present' SHG situations at 5 per cent level of significance. This indicates that association with SHGs has been instrumental to more capabilities in family decisions and family management; lowering poverty levels, domestic violence and in controlling the family expenditure. This found true but uneven across Regions ($P= 0.006 < 0.050$) with higher rate of change evident in members from North and across Terrains, members from Plains found to acquire more family management capabilities ($P = 0.000 < 0.50$). But across Social statuses ($P= 0.711 > 0.050$), Groups of different sizes ($P= 0.804 > 0.050$), positions held in SHGs ($P= 0.075 > 0.050$) and Agencies ($P= 0.869 > 0.050$) members do not differ on this aspect.
58. SHG intervention has comparatively lower **impact on nurturing of children and on decisions relating to their future**, which is statistically significant ($P= 0.000 < 0.050$) at 5 per cent level of significance. Region-wise, members from South exhibited comparatively higher changes and the difference is uneven ($P= 0.000 < 0.050$). However, across Terrains ($P= 0.765 > 0.050$), Social statuses ($P= 0.268 >$

0.050), Positions held in SHGs ($P= 0.381 > 0.050$), Groups of different sizes ($P= 0.652 > 0.050$) and Agencies ($P= 0.907 > 0.050$) the difference is not significant.

The positive impact of SHGs is true and uniform across different Terrains, positions held in SHGs, Groups of different sizes, Social statuses and Agencies but uneven across Regions. Hence, SHGs are instrumental in bringing familial empowerment among the rural masses.

6.2.4 SOCIAL EMPOWERMENT

Society is the base of human civilisation and therefore, the involvement of members in social development is of utmost importance. Social Empowerment is explained through Participation in community activities, Social contacts, Social awareness and participation, Participation in MGNREGS etc. From the mean values of indicators, it can be stated that SHG intervention has positively impacted their involvement in social development and the difference is statistically significant at 5 per cent level of significance.

59. SHGs have been effective in bringing positive changes (112 %) in the **community participation** of members, which is significant at 5 per cent level of significance. This holds true but uneven across **Regions** ($P = 0.000 < 0.050$) and **Terrains** ($P = 0.016 < 0.050$), but uniform between **APL and BPL** ($P = 0.799 > 0.050$) at 5 per cent level of significance. Through SHGs, members have registered significant improvements in Community development activities. Across Regions, the intensity is higher in Central Region (135 %) and across Terrains, in Plains (121%).
60. The significant difference in **Community participation** holds true and uniform between Agencies ($P = 0.538 > 0.050$). But the commendable changes were not uniform ($P = 0.021 < 0.050$) across Groups of different sizes (members from Small groups have shown higher involvement) and in Ordinary members (151 %) across different positions in SHGs ($P = 0.000 < 0.050$), which is significant at 5 per cent level of significance. Members' participation in SHGs has led to tremendous increase in their involvement in community development activities.

The impact of SHGs on the Community participation of members found to vary across Regions (higher in South) and Terrains (higher in plains), Groups of different sizes (higher in Small Groups) and members holding different positions in SHGs (higher in Ordinary members). But the difference is not significant between Agencies and Social statuses.

61. The increase (120 %) in **Social Contacts** of members is significant ($P = 0.000 < 0.050$) at 5 per cent level of significance. These positive changes are true and uniform across Terrains ($P = 0.335 > 0.050$), Agency ($P = 0.171 > 0.050$), groups of different sizes ($P = 0.569 > 0.050$), Positions held in SHGs ($P = 0.565 > 0.050$) and Social statuses ($P = 0.418 > 0.050$), but significant across Regions ($P = 0.000 < 0.050$) at 5 per cent level of significance. The increase in Social Contacts have an all-round acceptability across the state, Regions-wise, members from Central Region has the highest rate of change (172 %).
62. The Pre SHG awareness on social issues, health and hygiene, waste management etc. was the highest in Central region and lowest in North. The members' **Social awareness and participation** have witnessed magnificent changes ($P = 0.000 < 0.050$), which is statistically significant at 5 per cent level of significance. This found true but uneven across Regions ($P = 0.000 < 0.050$) and Terrains ($P = 0.016 < 0.050$) at 5 per cent level of significance. Members from North have exhibited 92 per cent change whereas it is 96 per cent in plains. But between Social statuses the difference is insignificant ($P = 0.128 > 0.050$) at 5 per cent level of significance. The difference in awareness and participation in Social activities is uniform between Agencies ($P = 0.119 > 0.050$) and across Groups of different sizes ($P = 0.944 > 0.050$). Across different positions in SHGs ($P = 0.007 < 0.050$), Ordinary members are the lead beneficiaries (90 %).
63. The all-round change in Social activities through SHGs is true but uneven across **Regions, Terrains and different positions in SHGs** only. Across **Groups of different sizes, Agencies and Social statuses**, the difference is insignificant.
64. Though MGNREGP has nothing to do with social empowerment directly, it has the advantage of functioning in groups, working for a social cause, social discussions etc. The results of univariate ANOVA has indicated significant

difference in MGNREGP across different **Regions** ($P < 0.050$), but not across **Terrains** ($P > 0.050$) or between **Social statuses** ($P > 0.050$). Across Regions, Central Region has higher participation in MGNREGP.

SHGs were instrumental to Social empowerment of members through increase in Community participation, Social contacts, Social awareness (including health and hygiene, waste management etc.) and through lead roles in social activities. The membership in SHGs is helpful in joining MGNREGP.

6.2.4 LEGAL AND POLITICAL EMPOWERMENT

65. Mean values of legal and political empowerment has shown around 200 per cent increase in legal and 130 per cent in political awareness. The considerable increase in **Legal awareness** of respondents is significant ($P= 0.000 < 0.050$) at 5 per cent level of significance between the 'pre' and 'present' SHG situations. This found true but uneven across **Regions** ($P= 0.000 < 0.050$), **Terrains** ($P= 0.004 < 0.050$) and **Social statuses** ($P= 0.006 < 0.050$). **Across Regions**, members from Central and Northern region lead (**224 %**) and **across Terrains** members from Plains (**217 %**). Between Social statuses, higher rate of change is evident in BPL (**209 %**). That is, participation in SHGs has led to significant changes in the legal awareness of members; across Regions it is higher in Central and North, across Terrain in Plains and in BPL between Social Statuses.
66. The remarkable changes in **legal awareness** of members is true and uniform across groups of different sizes ($P= 0.690 > 0.050$), between Agencies ($P= 0.837 > 0.050$), but uneven across different positions in SHGs ($P= 0.000 < 0.050$) with the highest rate of change (209 %) exhibited by Ordinary members. From the very high difference in legal awareness, it may be inferred that SHGs can be used as a platform for imparting legal awareness of rural people.
67. The mean values of **political awareness and participation** were found low in the 'Pre-SHG' spell but there is an increase of 128 per cent 'at present'. The difference is statistically significant ($P= 0.000 < 0.050$) at 5 per cent level of significance. In addition, the members' representation in local bodies also has undergone magnificent changes i.e., more than 10 times. This highlights the importance SHGs on the political empowerment of members, which is true and

uniform across members from all Regions ($P= 0.206 > 0.050$), Terrains ($P= 0.195 > 0.050$) and Social statuses ($P= 0.267 > 0.050$).

68. The political awareness and participation has improved significantly through SHGs ($P= 0.000 < 0.050$). This holds true and uniform across different positions ($P= 0.846 > 0.050$), Groups of different sizes ($P= 0.536 > 0.050$) and Agencies ($P= 0.059 > 0.050$). The political empowerment through SHGs is uniform across the State. Hence, SHGs can be projected as an effective medium for imparting political empowerment of rural masses.

TECHNOLOGICAL EMPOWERMENT

69. Rapid developments in Technology may be identified as the hall mark of the day. Technology is the lifeline of development. When the world runs tech-savvy, many of the members were not capable of coping with the bottom line developments, which is evident by their inability to operate mobile phones, household appliances etc. From the mean values of response of members on technological empowerment, it may be inferred that SHGs must act proactively for the emancipation and Technological empowerment of the rural poor. Repeated MANOVA has not identified any significant difference in the technological empowerment of members in between the 'pre' and 'present' SHG situations across Regions, Terrains or Social statuses. But univariate ANOVA has found significant difference in the mean values of Technological empowerment of sample respondents at present across Regions ($P < 0.050$) but not across Terrains or Social statuses ($P > 0.050$) at 5 per cent level of significance. Hence, it may be concluded that SHGs are not much successful in the technological empowerment of members.

The concept of Rural Empowerment through SHGs is explained by the variables Financial, Personal, Familial, Social, Legal and Political and Technological Empowerments. Statistically significant difference is identified in all the variables of empowerment except technological empowerment in between the 'pre' and 'present' periods of SHG intervention. Hence, SHGs are proved to be a potent tool for empowerment of rural poor. The magnitude and impact of empowerment indicators vary. Of the various components, Legal - Political, Personal and Social Empowerment

lead in terms of rate of change compared to Financial, Familial and Technological empowerment.

70. **Factor Analysis** has been applied to analyse the **problems faced by entrepreneurial SHGs**. It is a general practice in factor analysis to consider as many factors as there are, whose Eigen values greater than one (Eigen Values are variances of the factors). Using this procedure five factors were identified as dominant with 71.862 per cent of explanation of total variance.
71. The problems faced by entrepreneurial SHGs are compartmentalised under five heads viz. Marketing Problems, Fund Management problems, Revenue Generation problems, Training Related problems and Problems in procurement of raw material.
72. **Region-wise**, the Marketing problems, Fund Management Problems, Revenue Generation Problems and Training Related Problems are higher in South, whereas Raw material Procurement Problems are higher in North and lower in Centre.
73. While considering **ANOVA** for the bundle of five factors taken as dependent variables by the factor **Region**, it is found that all the problems faced by entrepreneurial SHGs except Revenue generation problems (which has uniform applicability) has significant difference across Regions. The univariate test provides significant F values for the set of factors across Regions at 5 per cent level (**P < 0.05**) of significance except for **Revenue Generation Problems**.
74. **Terrain-wise**, **Marketing problems** are higher in hills; whereas Fund Management, Revenue Generation, Training related and Raw material Procurement Problems are higher in **Coastal area**. The results of ANOVA for the bundle of five factors taken as dependent variables by the factor **Terrain**, shows no significant variation. The univariate test provides no significant F values for the set of factors across **Terrains** at 5 per cent level (**P > 0.050**) of significance.

The problems faced by entrepreneurial SHGs were summarised under five heads, with 71.862 per cent explanation to total variance. Region-wise, ANOVA has identified significant difference in all the problems except for revenue generation.

Whereas across Terrains, none of problems have significant difference at 5 per cent level of significance.

6.3 SUSTAINABILITY AND OPERATIONAL PROBLEMS OF SHGS

6.3.1 Profile of Leaders

75. **AGE OF LEADERS.** Majority (92 %) of the leaders are in the age band of 26 - 55 years which is uniform across Regions. Log linear values of Pearson Chi- square justify this at 5 per cent level of significance (Log linear = **5.873**, **df-6**, **P= 0.438 > 0.050**). **Terrain-wise**, the distribution holds true but uneven, the Log linear values of Chi- square support this (Log linear Chi- square = **17.162**, **df-6**, **P= 0.009 < 0.05**).
76. **LEVEL OF EDUCATION.** Majority (51 %) of the leaders have secondary level education, 27 per cent have primary level and 14 per cent have +2/Diploma, however, 6 per cent are illiterates. This holds true but uneven across Regions. *Leaders with lower level of education are higher in North whereas leaders with comparatively higher level of education are more in the Central Region.* The log linear values of Chi- square vindicate this (Log linear Chi-square= **25.787**, **df-6**, **P= 0.001 < 0.050**). **Terrain- wise**, the difference is insignificant which is evidenced by the Log linear values of Pearson Chi square (Log linear Chi-square= **4.979**, **df-8**, **P= 0.760 > 0.050**).

6.3.2 Profile of Groups.

77. **AGE OF SHGs.** Majority (82 %) of the SHGs are 4-12 years old and are matured. This found true but uneven across **Regions**, the statistical values of Pearson Chi-square asserts this (Chi- square = **18.724**, **df - 6**, **P= 0.049 < 0.050**). Across **Terrains**, Plains have majority (93 %) of the matured (4-12 years) SHGs and Coastal area has the lead share of young SHGs (23 %). The difference is statistically significant at 5 per cent level of significance (Chi- square = **16.103**, **df-6**, **P= 0.013 < 0.050**).
78. **STATUS OF LINKAGE.** 66 per cent of the SHGs are linked and the linked groups are higher in South. The distribution of Linked SHGs across Regions and Terrains is uniform. Statistical values of Pearson Chi- square justify this across Regions

- (Chi- square = **5.610**, **df-2**, **P= 0.60 > 0.050**) and Terrains (Chi- square = **3.774**, **df-2**, **P= 0.152 > 0.050**).
79. **LIVE LINKAGE.** 86 per cent of the linked groups are maintaining live linkage, out of which 76 per cent maintain it for more than 3 years. **Region-wise**, the groups from North are higher (96 %) and the difference is statistically significant at 5 per cent level of significance (Log linear Chi- square = **22.731**, **df-8**, **P= 0.004 < 0.050**). But across Terrains the distribution is uniform, Log linear values of Pearson Chi- square vindicate this (Chi- square = **4.092**, **df-4**, **P=0.394 > 0.050**).
80. **LIVE LINKAGE AGE.** 72 per cent of the SHGs with live linkage are more than three years old. Majority (73 %) of SHGs from North found to maintain live linkage for more than 4 years. Across Regions, the difference is statistically significant at 5 per cent level of significance, the Log linear Pearson Chi- square values justify this (Log linear Chi- square = **22.731**, **df-8**, **P=0.004 < 0.050**). Though Plains have comparatively higher concentration of groups with up to 8 years of live linkage, the difference is statistically insignificant (Log linear Chi- square = **9.536**, **df-8**, **P= 0.299 > 0.050**).
81. **ROLE OF BANKS IN GRANTING LINKAGE TO GROUPS.** Banks are part of microfinance revolution through linkage loans and other services to SHGs. The Commercial banks play significant (76 %) role in the Linkage process; the role of Co-operative banks is higher (31 %) in Centre, Commercial banks (83 %) in South and Regional rural banks (17 %) in North. Across Regions, significant difference is evident in the role of banks, which is justified by Log linear values of Chi- square (Log linear Chi- square value= **15.567**, **df-6**, **P= 0.016 < 0.050**). RRBs play a significant role in Hills, Co-operative banks in Plains and Commercial Banks in Coastal area but the difference is not statistically significant across Terrains. (Log linear Chi- square value = **12.451**, **df-6**, **P= 0.053 > 0.05**).
82. **NATURE OF SHGs.** 59 per cent of SHGs are a mix of different communities prevailing in the state, 22 per cent are only OBC groups and 11 per cent a mix of SC/ST/OBC communities (OBC only groups and Hindu/ Muslim/ Christian only Groups were higher in South; SC/ST/OBC groups in Centre; and Mixed groups in North). Regions- wise, significant difference is evident at 5 per cent level of

significance, which is supported by log linear values of Chi- square (Log linear Chi- square= **31.485**, **df- 8**, **P= 0.000 < 0.05**). Though OBC groups found to polarise in Coastal area, the distribution is true and even across Terrains. The Log linear values of Chi- square justify this (Log linear Pearson Chi- square= **14.144**, **df- 8**, **P= 0.078 > 0.05**).

83. **SIZE OF THE GROUPS** Majority (88 %) of the groups have a moderate size of 11-20 members (Medium size). Across Regions, the difference is not significant at 5 per cent level of significance, the Log linear values of chi-square justify this (Log linear Chi- square = **3.271**, **df- 4**, **P= 0.513 > 0.05**). Though Coastal area has concentration of large groups Terrain –wise, the difference is not statistically significant (Log linear chi-square = **8.396**, **df- 4**, **P= 0.078 > 0.05**).
84. **MODE OF ELECTION.** Three-fourth of the groups follows the most see-through democratic practice in electing their leaders, by raising hands. Across Regions or Terrains, no significant difference is evident at 5 per cent level of significance; the values of Chi-square support this.
85. **PATTERN OF MEETINGS.** Majority (99 %) of the groups are conducting weekly meetings which will increase group cohesion, in assuring refund of advances and in passing informations to members. No significant difference is found in the pattern of meetings followed by sample SHGs across Region and Terrains, the log linear values of Chi- square justify this.
86. **PERCENTAGE OF ATTENDANCE.** Majority (95 %) of the SHGs have more than 75 per cent attendance in weekly meetings, this holds good but uneven across Regions, which stands justified by Log linear Pearson Chi- square values. (Log linear Chi- square = **18.917**, **df- 6**, **P= 0.004 < 0.05**). The general tendency of the distribution is true and uniform across Terrains (Log linear Chi- square = **6.404**, **df- 6**, **P= 0.379 > 0.05**).
87. **NATURE OF SHG SERVICES.** Majority (97 %) of the SHGs are engaged in Thrift and Credit services only. SHGs from different Regions are no exception to this, Log linear Pearson Chi-square values support this (Log linear Chi- square = **3,196**, **df- 2**, **P= 0.202 > 0.05**). But, across Terrains SHGs engaged in Thrift, Credit and Insurance found to concentrate in Plains alone. The distribution of

- SHGs by nature of services is significant at 5 per cent level of significance (Log linear Chi- square =7.410, df- 2, P= 0.025 < 0.05).
88. **THRIFT PER MEETING.** Majority (64 %) of the SHGs were collecting thrift in the range of ₹ 11 to 30, which can be stated as a sign of improvement in their economic condition. Whereas some of the groups were following flexible thrift collection policy, which may be considered a giant leap in their move to self sufficiency and adoption of banking practices. SHGs collecting thrift up to ₹ 10/- and groups following flexible thrift were found higher in Central region and Groups collecting thrift above ₹ 10/- are higher in South. Log linear values of Pearson Chi- square evidence this (Log linear Pearson Chi- square =**17.958**, **df- 8**, **P= 0.022 < 0.05**). SHGs from **Hills** alone found to follow **flexible thrift** practices. Most of the groups contributing **less than ₹ 10/-** per meeting are from **Coastal area**. Terrain- wise, the difference is significant at 5 per cent level of significance, which is justified by Log linear values of Pearson Chi- square (Log linear Chi- square =**32.305**, **df- 8**, **P = 0.000 < 0.05**). Through flexible thrift, members get an opportunity to save according their ability, like savings deposits.
89. **INTEREST ON BANK LOAN.** Banks were charging 10 to 17 per cent on loans. 90 per cent of the groups from Central region and 55 per cent of the groups from North pay '11-13' per cent interest, whereas 69 per cent of groups from South pay '14-17' per cent interest. Log linear values of Chi- square assert this (Log linear Chi- square =**26.874**, **df- 8**, **P = 0.001 < 0.05**). Terrain wise, Majority (59 %) of SHGs from plains and 52 per cent SHGs from Coastal were paying 10 -13 per cent interest. However, 47 per cent SHGs each from Hills pay 10-13 per cent and 14-17 per cent interest on their bank loans, this difference is insignificant at 5 per cent level of significance (Log linear Chi- square = **8.001**, **df- 8**, **P = 0.433 > 0.05**).
90. **ARREARS OF BANK LOAN.** Majority (91 %) of the groups have no arrears of bank loan, which is true and uniform across Regions and Terrains. Log linear Chi- square values support this at 5 per cent level of significance across Regions (Log linear Chi- square = **12.826**, **df- 8**, **P= 0.118 > 0.05**) and Terrains (Log linear Chi-

square = **8.087**, **df- 8**, **P = 0.425 > 0.05**). This shows the success of SHG- Bank linkage in reducing the bad debts.

91. **BORROWING NEEDS.** Majority (91 %) of the members partially justified financial needs through SHGs in the area. Across Regions, the difference is statistically significant at 5 per cent level of significance, as evidenced by the values of Chi-square (Chi- square =**10.081**, **df- 2**, **P= 0.006 < 0.05**). Terrain wise, the distribution holds true to the general tendency, the statistical values of Chi-square vindicate this (Chi- square= **0.255**, **df- 2**, **P= 0.881 > 0.05**).
92. **INTERNAL INTEREST RATE.** Majority (89 %) of the groups charge up to 12 per cent rate of interest considering the social just and norms imparted by Kudumbashree. However, there are a few zero interest groups in North (2 %) and 4 per cent groups in South and Centre charge above 18 per cent interest. Log linear values of Chi- square support this (Log linear Chi- square =**19.007**, **df- 6**, **P= 0.004 < 0.05**). No significant difference exists in the internal rates of interest across Terrains, which is vindicated by the Log linear values of Chi- square (Log linear Chi- square = **9.483**, **df- 6**, **P = 0.148 > 0.05**).
93. **INTERNAL LOAN SANCTIONING PERIOD.** No significant difference is identified in the Internal loan sanctioning period, the Log linear values of Chi- square justify this across Regions (Log linear Chi- square = **0.919**, **df- 4**, **P = 0.922 > 0.05**) and Terrains (Log linear Chi- square = **0.919**, **df- 4**, **P = 0.922 > 0.05**)
94. **COLLATERAL.** Majority (93 %) of the SHGs grants loan on Social Capital and only a few demand documents or fixed assets as collateral. Region- wise, more SHGs from South collect collateral, which is evidenced by values of Chi-square (Log linear Chi square = **12.440**, **df- 4**, **P = 0.014 < 0.05**). Terrain wise, the distribution holds good and uniform, which is justified by Log linear values Chi-square (Log linear Chi- square = **1.997**, **df- 4**, **P = 0.736 > 0.05**).
95. **PERIODICITY OF REPAYMENT.** In majority (82 %) of cases, the repayments are on monthly basis. Region- wise, the weekly repayment groups are higher in Central Region and the monthly repayment groups in North. Log linear values of Chi- square support this (Log linear Pearson Chi- square = **17.298**, **df- 6**, **P = 0.008 < 0.05**). Terrain wise, the weekly repayment groups are more in Coastal

- area and monthly repayment groups in Plains. Log linear values of Chi- square support this (Log linear Pearson Chi- square =12.572, df- 6, P = 0.050 = 0.050).
96. **REPAYMENT PERIOD.** Fifty three per cent of the SHGs follow a repayment span of 10 months, 33 per cent between 10 and 20 months and 13 per cent, above 20 months. Across Regions, the difference is statistically significant, which is asserted by Chi-square (Log linear Chi- square = **8.014, Df-6, P= 0.237 > 0.050**). Groups that offer repayment period up to 10 months are more in Plains and 11-20 months in coastal area, but the difference is statistically insignificant across Terrains at 5 per cent level of significance; the Log linear Pearson Chi- square values support this (Log linear Chi- square = **7.709, Df-6, P= 0.260 >0.050**).
97. **LOAN RECOVERIES.** Majority (97 %) have more than 90 per cent recoveries and it is important to the sustainability of SHGs. Statistically the distribution is insignificant across Regions (Log linear Chi-square= **3.699, Df-4, P= 0.448 > 0.050**) and Terrains (Log linear Chi- square= **3.783, Df-4, P= 0.436 > 0.050**) at 5 per cent level of significance.
98. **ACTION AGAINST DEFAULTERS** Seventy seven per cent of the SHGs do not take any action on late repayments but in 18 per cent cases peer pressure is observed. However, in 5 per cent cases penalty is levied. Region- wise, SHGs that do not take any action on defaulters are higher in North and lower in Centre and South. But those which impose penalties are higher in South and peer pressure in Centre. The difference is statistically significant across Regions, the Log linear values of Chi- square confirm this (Log linear Chi- square =17.195, df- 4, P= 0.002 < 0.05). Terrain wise, the distribution is true to the general tendency, the Log linear values of Chi- square justify this (Log linear Chi- square = 1.549, df-4, P= 0.819 > 0.050).
99. **REASONS FOR CHARGING PENALTY.** Majority (95 %) of the SHGs charge penalty for late attendance/ unauthorised absence in meetings and this found effective in enforcing discipline and punctuality among members. The distribution is statistically significant across Regions (Log linear Pearson Chi- square = **12.792, df-4, P = 0.012 < 0.050**) but not across Terrains (Log linear Pearson Chi- square = **5.254, df-4, P = 0.262 > 0.050**).

100. **DECISION REGARDING PENALTY.** The leader decides the penalty 72 per cent cases and members collectively decide the same in 27 per cent cases. **Region-wise**, significant difference is observed at 5 per cent level of significance. Log linear values of Chi- square assert this (Log linear Pearson Chi- square = **1.286, df-4, P = 0.036 < 0.050**). Terrain-wise, **Leaders' role is higher in Plains and Coastal area**, which is evidenced by the Log linear values of Chi- square (Log linear Pearson Chi- square = **12.185, df-4, P = 0.016 < 0.050**).
101. **ANNUAL DROPOUT RATE** Drop outs are a major problem of SHGs mostly in period of storming. The average dropout rate is 5-9 per cent in 51 per cent and up to 4 per cent in 49 per cent SHGs. Region-wise, significant difference exists and the average dropout rate is higher in Central Region (Chi- square = 7.477, df-2, P = 0.024 < 0.050). Terrain-wise, annual dropout rate is lower in Coastal area (up to 4 %) whereas Plains and Hills have 5-9 percent dropout. The difference is statistically significant at 5 per cent level of significance (Chi- square = 8.077, df-2, P = 0.018 < 0.050).
102. **REASONS FOR DROPOUT.** Marriage and Migration are the main reasons for dropout which is true and uniform across Regions (Log linear Pearson Chi- square = **12.506, df-8, P = 0.130 > 0.050**) and Terrains (Log linear Pearson Chi- square = **14.712, df-8, P = 0.065 > 0.050**).
103. **TRAINING.** Of the total, 61 per cent of SHGs received training on Skill development, 13 per cent received training on book keeping, 8 per cent received training on Social development and 14 per cent received all types of training. Region-wise, more **SHGs from Central region received skill development training** and the difference is significant at 5 per cent level of significance (Log linear Chi- square = 45.954, df-10, P = 0.000 < 0.050). Terrain-wise, differences are not statistically significant (Log linear Chi- square = 16.397, df-10, P = 0.089 > 0.050).
104. **HELP IN INCOME GENERATION.** Fifty eight percent of the SHGs do not have any IGAs. Of the remaining, members themselves identified the suitable IGA in 64 per cent cases and in 24 per cent, they took the guidance from CDS. Across Regions, the difference is statistically significant at 5 per cent level of

significance (Log linear Pearson Chi- square = **54.189**, **df-10**, **P = 0.000 < 0.050**).Bur across Terrains, no significant difference is evident at 5 per cent level of significance (Log linear Pearson Chi- square value = **6.540**, **df-10**, **P = 0.768 > 0.050**).

105. **LOCAL BODY MEMBERS AT PRESENT** None of the members in 88 per cent SHGs represent any Local bodies. **However**, twelve per cent of the SHGs have an opportunity to represent the local bodies with at least one member. **Region-wise, Central region has the highest representation in local bodies**, the Chi square values vindicate this at 5 per cent level of significance (Pearson Chi- square = **20.269**, **df-2**, **P= 0.000 < 0.050**). Terrain-wise, though Plains have comparatively higher representation in local bodies, it is not statistically significant (Pearson Chi- square = **2.304**, **df-2**, **P= 0.316 > 0.050**).
106. **TOTAL LOCAL BODY MEMBERS** Of the 16 SHGs with representation in local bodies, 14 made it possible through SHG association. Region-wise, values of Chi-square have shown significant difference in the distribution of SHGs at 5 per cent level of significance (Chi- square = **20.064**, **df-2**, **P = 0.000 < 0.050**). However the difference is not statistically significant across different Terrains (Chi- square = **2.304**, **df-2**, **P = 0.316 > 0.050**).

Majority of the groups in Kerala are dominated by OBCs with an average strength of 11 -20 members and a survival span of 4 - 12 years. The leaders were elected democratically and their average age is 26 - 55 years. The average thrift ranges between ₹ 11 and ₹ 30/-. The cost of linkage loan varies from 12 to 17 per cent whereas internal loans are mostly charged at 12 per cent or less. The members are prompt in repayment and the extent of default is meager. Penalties are mostly charged for non/ late attendance in meetings and this found essential in imparting total discipline. Though members have received a number of trainings, it is not reflected in their IGAs. The SHGs found to contribute much to the political empowerment of members.

6.3.2 PROBLEMS FACED BY SHGS IN KERALA

107. The multitude of problems confronted by groups is summed up into six. Factor analysis has been applied as the data reduction technique for grouping the

problems, viz. 1. Marketing Problems (*Competition from FMCG Industry, Attitude of people and Intervention from spouses.*) 2. Fund raising Problems (*Untimely or non-availability of subsidies. Untimely or non-availability of Bank loans and Participation of members in MGNREGP*) 3. Group Conduct Problems (*Multiple memberships and MFI intervention*) 4. Fund Rotation Problems (*Bad debts and Political involvement*) 5. Production Related Problems (*Availability and storage of raw material, Others (Transportation, Labour availability etc.)*) and 6. Problem with Group Dynamics, with 67.21 per cent of explanation. The problems faced by the SHGs may be taken together and the variation of the mean scores of each variable is observed Region-wise and Terrain-wise, by applying MANOVA Model. This procedure tests the effects of group variables (Regions/Terrains) on the means of the bundle of dependent variables (Six factors). When Region and Terrain are taken together MANOVA has shown significant difference at 5 per cent level for all the six factors ($P= 0.000 < 0.050$).

108. Fund raising is the major problem faced by SHGs; other important problems relate to Marketing, Group conduct and Production. **MANOVA** has shown significant difference in all the problems across Regions. Since most of the consumers prefer branded products, if the products are branded and are of uniform quality it may be more acceptable to the consumers.
109. **Region- wise**, when all the six factors (representing the sum of problems faced by SHGs) are taken together, the difference is significant at 5 per cent level ($P= 0.000 < 0.050$). This holds true for all the sets of problems except fund rotation ($P= 0.177 > 0.050$) and group dynamics problems ($P= 0.302 > 0.050$), when factors are considered independently. Central region found to experience higher instances of **marketing problems** whereas it is the lowest in South. **Fund raising problems** is severe in **North** and **lower in Central Region**. Central Region found to experience higher levels of **Group Conduct problems**, which is found lower in South. **Production related problems** are higher in Central Region and lower in North.
110. **Terrain-wise**, uniform presence is identified in all the problems ($P > 0.05$) except **group conduct problem** which is higher in **Plains** ($P= 0.006 < 0.050$) at 5 per

cent level of significance. Higher opportunities in plains may be the prime hurdle in the conduct of groups.

MANOVA has identified significant difference at 5 per cent level of significance in all the six sets of problems faced by SHGs across the state. The Region-wise analysis suggests uniform existence of fund rotation problems and problems with group dynamics. All other problems have significant difference at 5 per cent level of significance. Terrain-wise, all problems except group conduct problems have uniform presence across the state. Group conduct problem is found higher in Plains and lower in Coastal

6.3.3 SUSTAINABILITY OF SHGS

A sustainable SHG would be one that continues to function well over a long period of time. Moreover, the long-term performance depends on members' overall socio-economic development, including level of empowerment, ability of SHGs to function independent of SHPI etc. The performance of SHGs also depends upon members' awareness of the overall objectives of SHGs as well as SHGs' capabilities to develop their members' managerial and technical skills.

111. **The Sustainability of SHGs is** measured through four indicators, viz. **Financial Sustainability, Operational Sustainability, Organisational Sustainability and Mission Sustainability**. One sample 't' test has shown significant difference in mean values of samples for all the four indicators. However, Operational Sustainability is negative, since the mean is less than test values (3).

112. **Group-wise, 't'** test results have not indicated any significant difference at 5 per cent level of significance except for Mission sustainability which is higher in groups of Kudumbashree. The Kudumbashree has the advantage of having State level operation, federal structure of SHGs, governmental support and subsidies.

Linkage-wise, 't' test results have shown statistically significant difference at 5 per cent level of significance for **Financial Sustainability** alone, which is higher in linked groups. linkage is therefore instrumental to Financial Sustainability of SHGs.

113. **Live linkage-wise**, groups that were linked earlier are financially more sustainable. Therefore linkage is instrumental to Financial Sustainability and the respective 't' values vindicate this.
114. **Region-wise, ANOVA** has indicated significant difference for all the four indicators of sustainability at 5 per cent level of significance. SHGs from Central region are financially and organisationally more sustainable. But those in North and South outshine the rest in Operational and Mission Sustainability.
115. **Terrain-wise, ANOVA** has not shown any significant difference in any of the four indicators of Sustainability at 5 per cent level of significance. From this, it can be inferred that Terrains do not influence the Sustainability of SHGs.
116. **Group age-wise, ANOVA** has not shown any significant difference for any of the indicators of Sustainability at 5 per cent level of significance. This indicates the irrelevance of group age to sustainability.
117. **Group size-wise**, Sustainability indicators have not shown any statistically significant difference at 5 per cent level of significance, test results of ANOVA vindicate this. This shows the no-influence of size of Groups on Sustainability.
118. **Community-wise, ANOVA** has shown significant difference in Operational Sustainability and groups of forward communities are better in this regard.
119. Stepwise Multiple Regression has been attempted to test the relationship between indicators of sustainability and influencing dimensions. Durbin-Watson test results have evidenced validity for the model which shows significant regression between dependent variable **Financial Sustainability** and independent variables viz. **Conduct of meeting, Thrift accumulation and Profit sharing**. ANOVA has identified statistically significant regression at 5 per cent level of significance [F (3,116) =8.351, P= 0.000 < 0.05]. The regular conduct of meeting leads to thrift accumulation and profit sharing which in turn leads to Financial Sustainability.
120. Operational Sustainability is found influenced by Profit sharing, Penalties imposed on members and SHG-Bank linkage. ANOVA has shown statistically significant regression for Operational Sustainability [F (3,116) = 24.049, P= 0.000

< 0.050.] at 5 per cent level of significance. The respective 't' values of independent variables are also significant at 5 per cent level of significance. If groups avail funds through Linkage along with strict imposition of penalties, and at the same time Profits are better shared, Operational sustainability will be ensured.

121. The dependent variable **Organisational Sustainability** is influenced by **Profit sharing, Skill development and training and Loan repayment habits of members**. These three variables altogether explain a significant amount of the variation in the dependent variable [F (3,116) = 9.214, P= 0.000 < 0.050], indicating that regression is statistically significant at 5 per cent level of significance. The respective 't' values of all the independent variables found significant at 5 per cent level of significance. If no penalty is imposed on the defaulters of loans and if proper skill development and training are imparted along with proper sharing of profits, these all will lead to Organisational Sustainability.
122. Mission Sustainability is dependent on Donor support and subsidies, Penalties imposed on members, Style of governance and conduct of meeting. These four independent variables explain significant amount of variation in the dependent variable [F (4,115) = 8.492, P= 0.000 < 0.050], which states that regression is statistically significant at 5 per cent level of significance. The higher penalties lead to regular attendance in meetings and the democratic style of governance has positive impact on members' participation in meetings. Donor support and subsidies attract and promote members to associate with the mission and proper conduct of meetings which ultimately lead to Mission sustainability. The 't' values of dependent and independent variables show significant difference at 5 per cent level of significance.

6.4 TESTING OF HYPOTHESES

H01: Membership in SHGs has not influenced the credit accessibility of members

Paired 't' test has been applied to test this hypothesis. Since the 't' values are statistically significant at 5 per cent level of significance [t (597) = -7.487; P=0.000 < 0.050] (Paired difference in Mean -31648.495; S.D 1.034, S.E Mean 4227.076), there is

a tremendous change in the 'pre- present' SHG situations (388 %) in the purpose and quantum of borrowing of members. Hence, the null hypothesis "Membership in SHGs has not influenced the credit accessibility of members" stands rejected and alternate hypothesis "Membership in SHGs has influenced the credit accessibility of members" stands accepted.

H02: There is no difference in the influence of motivational factors for joining SHGs across the state

This hypothesis on the influence of Motivational Factors is tested using the Friedman's test which shows that the influence of Grama Panchayat member is the most prominent factor followed by success stories of their predecessors. The role played by Bank Manager is nominal as a motivational factor. The χ^2 statistics provides a value of 2754.423 which is significant at 5 percent level of significance (N= 600, Df- 7, P= 0.000 < 0.05). Hence the null hypothesis "there is no significant difference in the influence of Motivational factors for joining SHGs across the state" stands rejected and alternate Hypothesis "there is significant difference in the influence of Motivational factors for joining SHGs across the state" stands accepted. This leads to the conclusion that there is difference of opinion among members on the influence of motivational factors across the state. Kruskal-wallis has identified significant difference in the influence of motivational factors across Regions but not across Terrains. Mann-Whitney U has shown no significant difference between APL and BPL classes.

H03: Participation of poor in SHGs has not influenced their Financial Empowerment

This hypothesis has been tested using Repeated MANOVA. Among the indicators of financial empowerment, Participation in financial services has the highest rate of change, Credit availability, Asset acquisition habits and Financial Discipline of members also found highly influenced but the least influencing factor is participation in IGA. Since there is significant difference (P < 0.050) in all the indicators of Financial Empowerment between pre and present SHG situations, the null hypothesis "Participation of poor in SHGs has not influenced their Financial Empowerment" is rejected and alternate hypothesis "Participation of poor in SHGs has influenced their Financial Empowerment" is accepted.

H04: Participation in SHGs has not resulted in the personal empowerment of members

Repeated MANOVA has been applied to test the hypothesis. Members have experienced positive changes ($P < 0.050$) in all the indicators of personal empowerment; Self Confidence, Freedom of Individual, Capacity Building and Positive Attitudes through SHGs. Hence, the null hypothesis “Participation in SHGs has not resulted in the personal empowerment of members” is rejected and the alternate hypothesis “Participation in SHGs has resulted in the personal empowerment of members” is accepted. From the degree of change in the indicators leading to personal empowerment, it may be inferred that participation in SHGs has been instrumental in bringing magical changes in personal empowerment. Hence, it may be concluded that SHGs can be used a better medium to impart personal empowerment of the rural masses.

H05: SHG intervention has not resulted in Familial Empowerment of members

The significance of Familial Empowerment stands tested with Repeated MANOVA. Since SHG intervention has resulted in significant difference ($P = 0.000 < 0.05$) at 5 per cent level of significance, in both the indicators of familial empowerment the null hypothesis “SHG intervention has not resulted in Familial Empowerment of members” is rejected and alternate hypothesis “SHG intervention has resulted in Familial Empowerment of members” is accepted. Hence, SHGs may be considered in improving the familial empowerment levels of the rural (poor) people across the state.

H06: Participation in SHGs has not affected the Social empowerment of members

Repeated MANOVA is used to test the hypothesis. Since all the indicators of social empowerment such as Community participation, Social contacts, Social awareness and Participation are having significant difference ($P < 0.050$) in between the pre and present SHG situations, The null hypothesis “Participation in SHGs has not affected the Social empowerment of members” is rejected and alternate hypothesis “Participation in SHGs has affected the Social empowerment of members” is accepted. Hence, SHGs may be considered a better medium for imparting the social empowerment among the rural masses.

H07: Participation in SHGs has not influenced members’ Legal and political empowerment

This hypothesis also is tested using Repeated MANOVA. Means scores for the set of indicators determining legal and political empowerment of SHG members across state has found significant difference ($P = 0.000 < 0.050$) at 5 per cent level of significance. Hence, the null hypothesis “Participation in SHGs has not influenced members’ Legal and political empowerment” stands rejected and alternate hypothesis “Participation in SHGs has influenced members’ Legal and political empowerment” is accepted.

H08: There is no association between membership in SHGs and members’ Technological empowerment

The hypothesis has been tested with Repeated MANOVA. The experience with SHGs has not resulted in significant changes ($P > 0.050$) in the Technological levels of members. Hence, the null hypothesis “there is no association between membership in SHGs and members’ Technological Empowerment” stands accepted and alternate hypothesis is rejected.

H09: There is no difference in the nature and extent of problems faced by SHGs across Regions and Terrains

Factor analysis has been applied in grouping the data on the basis of nature of problems. MANOVA is used to test the variations in mean scores of variables describing the problems faced by SHGs across Regions and Terrains. The ‘test of between subject effects’ model has shown significant difference in all the problems faced by SHGs across the state. Pillai’s Trace test with F value 8.134 and $P < 0.050$ shows significant difference across Regions but not across Terrains (Pillai’s Trace test with F value 1.776 and $P > 0.050$). Hence, the null hypothesis “There is no difference in the nature and extent of problems faced by SHGs across Regions is accepted and that across Terrains is rejected”.

H010: There is no relationship between the level of sustainability and various dimension of sustainability.

Step-wise Multiple Regression, ‘t’- test and ANOVA are applied to test this Hypothesis and to establish the relationship among the factors leading to the sustainability of SHG movement in the state. ANOVA has indicated significant

difference in all the four Sustainability indicators across Regions but not across Terrains or Age of the group or Size of the group or on Community except for Operational Sustainability, which is higher in Groups of General Community (ANOVA). All the four sustainability indicators have shown significant relationship with the constituent factors. Step- wise Multiple Regression has been applied to establish the relationship among factors leading to respective Sustainability indicators and is significant at 5 per cent level of significance ($P < 0.050$). Hence, the null hypothesis “There is no relationship between the level of sustainability and various dimension of sustainability” is rejected and alternate hypothesis “there is significant relationship between factors leading to the sustainability of SHG movement in the state” is accepted.

6.6 POLICY SUGGESTIONS

1. As per the development status of Kerala, the present BPL norms are *quite irrational*. Majority (about 90%) of BPL members are not eligible for the status. Either the income and related norms should be amended objectively, or the members may be excluded from the list.
2. The participation of the poor who are under 26 years of age is very low in the SHGs. The young may have creative suggestions and vibrant ideas and hence, if clubbed with the experienced it will work wonders. Efforts should be made in attracting the young who are educated and unemployed to the SHG movement.
5. Though participation of poor in the SHGs is seen improving well, a complete transformation is still a mirage. Local body members and fellow beings must proactively act in bringing them to various SHGs.
6. Even at present, 23 per cent of the members are found to depend on money lenders either occasionally or regularly. This may be due to the insufficient funds available with the SHGs or strict procedural inclination by the banks. SHGs may collect information about such cases and should discuss it with higher authorities to find a way out.
7. The investment in IGAs seen decreasing even after SHG intervention. The members should actively consider the projects which properly utilise local

resources and which offer reasonable returns. If required, the service of a consultancy may be considered. The project may be in the manufacturing sector or service sector, but should always be demand-oriented.

8. The rates of interest charged by MFIs are higher than what is charged by SHGs and differ with operators. RBI should take stringent measures in ensuring uniform and reasonable rates of interest.
9. Members are presumed to be well-versed in banking but in reality they are not. Proper and continuous training by fellow, competent members and need based regular practice will reap fruits.
10. Though the participation in Insurance has increased much, it is far from sufficiency. Government should ensure minimum insurance coverage against death or severe casualties at least for the BPL (through their remittance of premium by government). This can be clubbed with the health insurance under RSBY-CHIS.
11. The insurance under RSBY-CHIS have taken roots in the rural sector. Many of the beneficiaries (RSBY- CHIS) have complained of fewer hospitals under the scheme. They need to include nearby private hospitals where quality services are available. Majority of the respondents were not getting all the benefits while on treatment and also when they get discharged. Government may start a grievance-redressal mechanism to deal with the complaints of beneficiaries.
12. General insurance services are much beneficial to the rural community. However, the formalities in connection with the settlement of claims on Crops, Cattle, Poultry etc. may be simplified which appear complex to the common-folk presently. Many of the members, especially from hills found to suffer much in this regard.
13. Though the concept of Insurance is increasingly familiar to members at present, their participation is seen minimum. The number of SHGs providing thrift, credit and insurance is only a few and hence all SHGs should be promote Insurance services in addition to their traditional activities.

14. The SHGs should insist an insurance cover on the loans availed by members at the minimum possible cost. The premium may be collected from beneficiaries along with monthly instalments. This will ensure an extra protection to both the parties.
15. Though Postal department has strong rural outstretch, the participation of poor in postal financial services is very low even at present, Authorities may take steps to popularise all the financial products offered by the postal department by highlighting the pros and cons of each of the financial product, at a joint meeting of two or more SHGs.
17. Efforts may be put in increasing the financial discipline of poor, so that they may engage in need based purchase/prioritising their personal needs. SHPIs may extend support in increasing the financial literacy and in promoting the habit of savings which make them self-reliant and independent.
23. Though significant positive changes are evident in the political awareness and participation of members, still there are miles to go. Kudumbashree members may make use of their social awareness and empowerment for political achievements.
25. Efforts may be made to improve the awareness level of entrepreneurs on technology, demand, customer preference; marketing etc. for various activities i.e. a shift in production from manufacturer-centeredness to consumer- centeredness is inevitable for the success of IGAs.
26. Kudumbashree authorities may give freedom to groups in fixing the cap on interest on internal loans, through which a hidden profit will automatically created. The groups should be promoted to follow flexible thrift policy, so that members may be getting an opportunity to experience the banking practices. They can also be familiarised in accepting deposits (from among members and non members), so that they can offer higher loans to members (with or without collateral security) and needy non- members. This will help to minimise the dependence on money lenders.

28. Penalties are found helpful in enforcing discipline among the members which leads to organisational and mission sustainability. The groups which are not levying penalties should impose penalties.
29. Some of the SHGs are having surplus funds which are eligible for savings rate of interest only. Awareness on high-yield investment opportunities may be given to members of SHGs, so that they could make use of the opportunity.
30. Entrepreneurial SHGs were experiencing much problems related to finance and among them timely unavailability of subsidies is the most critical one. Government should speed-up the release of subsidies to eligible micro-entrepreneurs.
31. State Government may consider providing assistance in marketing of SHG products under a single brand name through quality certification and standardisation. For promotion of products under IGAs, department purchase/distribution through Civil Supply Depots and Co- operative outlets etc. may be considered.
33. Fund raising is the major problem of SHGs which can be addressed through accepting deposits locally or through linkage with banks. Strict direction in this regard may be given by RBI or NABARD.
34. Some of members found to maintain multiple memberships in SHGs and this leads to functional and organisational problems for SHGs. SHGs should adopt stringent measures including even the expulsion of such members, if necessary.

6.5 CONCLUSION

The SHGs were successful in triggering a virtuous cycle of growth and development of the poor across different paradigms. The socio-economic indicators have shown an all-round domination of Hindu religion, OBC/OEC community in the SHGs of the State. Most of the groups are ideal sized, with majority of the members having qualification of SSLC and below. The participation of BPL in SHGs has significantly improved which is a manifestation of the inherent strength of the programme.

The non-acceptability of the rural poor to the formal financial sector, have left them open to the mercy of money lenders. Through SHGs, the rural poor have a chance to enjoy credit without collateral at soft interest. This has led to an all round increase in the amount of loans availed by them. The increase in loans for basic life needs indicates the shift in consumption habits. Through association with SHGs, the members were able to raise funds to settle existing high interest loans; this can attract additional income to the family. The opportunity to associate with MGNREGP distanced members from IGAs, which are day long and ill rewarding.

Grama Panchayat member is the most prominent source of motivation for the members to join the groups, closely followed by success stories of their predecessors. Further, the Bank managers are the least inspiring source of motivation; but APL respondents found inclined to this source. The APL class is also found more influenced by the role Media, as a source of motivation.

MFIs are corporate credit providers of rural poor without any collateral. The extent of awareness on MFIs is found low among SHG members and only less number of respondents actually participates in MFI activities. Though they are much satisfied on MFI services, most of them do not wish to continue with such services, mainly due to their inability to repay in time. MFIs follow the same tactics adopted by money lenders though they are corporate microfinance providers. The higher rates of interest have the effect of adding fuel to the fire to the already unattractive IGAs which are non-viable and un-profitable. In addition, the diversion of funds for unproductive activities aggravates the situation which defeats the purpose of microfinance. Through interaction with respondents, the researcher has learned of the initiatives of Kudumbashree, in successfully countering the vast campaign undertaken by MFIs.

Access to affordable financial services, especially banking, credit and insurance enlarges livelihood opportunities and empowers the poor to take charge of their lives. The dearth of financial services from formal financial sector has intensified the rural poor's dependence on money lenders and informal operators. Presently, members have increase in banking habits; majority has bank accounts, but is operational at times only. Though members are presumed to be competent in banking transactions, they are not. Account holders mostly cannot differentiate between fixed and floating rates of interest

and do mostly not prefer ATM. Most of the members were part of Government's health insurance (RSBY- CHISS) but discussions have shown minimum level of satisfaction. The participation of members in postal financial services has minimal impact only.

Credit is a crucial input in the process of development. Physical constraints, requirement for collateral and high transaction costs restrict their access to formal credit institutions. SHGs have been recognised as a supplementary mechanism for providing credit support to the rural poor. The poor recovery rate of formal rural financial markets has further aggravated the situation by impinging their already fragile viability. The lack of funds alone can induce one's personality, which is far deeper among rural poor who are mostly women. Through promotion of SHGs, the protagonist economists were trying to evolve a solution to this. Though results have indicated of significant improvement in financial services of the poor, still many of the members find it difficult to save. Most of the rural poor's credit needs are related to festivals, rituals, celebrations and related gifts. They are fascinated, influenced and exploited by the media advertisements on consumables, investments, education etc and the members are ready to avail loans at any rate, to meet the needs. The lower financial discipline coupled with low participation in IGAs, has restricted the members from enjoying the benefits of financial services. Many of the members have felt the credit availability, quite insufficient to meet their fund requirements and still have to depend on money lenders either occasionally or regularly, this shows the insufficiency of credit. The mean scores of thrift indicated significant difference across regions, with the domination of south but across terrains, no significant difference is identified.

Personal empowerment involves developing the confidence and strength to set realistic goals that suit one's potential. . Personal empowerment also means being aware that other people have their own set of values and goals which may be different to ours. This involves becoming aware of one's strengths and weaknesses and getting equipped to deal with problems and achieve goals, enhance the contribution they make both as an individual and as member of a team, to take opportunities to enhance personal growth and a sense of fulfilment. Developing personal empowerment usually involves making some fundamental changes in life, which is not an easy process. Without personal empowerment, other indicators of empowerment are in dark. Self Confidence is the crux of Personal Empowerment; joining SHGs has brought accolades

in the self confidence of members but the members' Freedom of mobility is seen restricted even now. Capacity building includes personal traits to monitor, evaluate, communicate and motivate fellow citizens including poor which in turn is critical for improving the outcomes of government programs. The personal capabilities of members found strengthened considerably. The SHG intervention has lead to an all round increase in the personal capabilities of members, the positive attitudes towards future also seemed to multiply many a times. In crux, the SHG experience has been instrumental to wide changes in the personalities of members, the impact of which is almost uniform except for individuals' freedom of mobility.

The study has shown gradual but remarkable changes in the status of women within households and in society. Women now have increasingly more say in matters relating to the usage of household cash, decisions on education, house repair and in availing loans. One of the most important impacts is the greater awareness that women now have due to their increased mobility and interaction with outsiders. This is building greater confidence among the women. The members have gathered more awareness on family management but this seemed to have little impact on their conventional views on decisions relating to the future of their wards. Besides, the access to savings and credit in the group gives them a fair amount of bargaining power within the household.

Members seemed confident and powerful to take up challenges and question all forms of exclusion, deprivation and exploitation. In this regard, it needs to be stated that SHGs are a means in the process of empowerment to rural poor, especially women. There is an increasing trend in most of the parameters in commensurate with their level of involvement in the activities of the group. The positive impact on social aspects is also visible. The members have developed a mass change in their attitude towards health and hygiene, environment protection, conservation of natural resources etc. The members now feel more empowered and are aware of their rights and duties to the society. The increase in social contacts made them powerful in resolving the issues, locally. The coming together of women itself has opened up avenues for their search for space for themselves. Their collective bargaining power gives them more confidence to fight against injustices and for their rights. Thus, formation of SHGs is not the end in itself, but the means to facilitate the process of bringing positive change in the status of women in particular, and society in general.

Participation in SHGs has been instrumental in broadening and deepening the legal awareness of members. Their awareness on equal pay for equal work, dowry laws, grounds of divorce, right to education, right to information, right to property, Domestic Violence Prevention Act etc. are some among them. But with regard to the application, still most of them are reluctant to enforce. Organising into groups has an impact on the lives of women; many of them have increased self confidence and self-dependence by being a part of the group. This stands reflected in their political awareness and participation also; many of them started taking independent decisions on elections and exercising their civic rights. Through SHGs, some of the members have embraced Political empowerment by being candidates in local body elections. Though more members were ready to participate in election campaign, the extent of impact is apparent but limited.

Technology is the lifeline of development. When the world runs tech-savvy, many of the members were not capable of coping with the bottom line developments, which is evident by their inability to operate mobile phones, household appliances etc. Some of the members were aware of the importance of star rating on electrical appliances and on the use of CFL/LED light fittings. Members' awareness on the developments in agriculture and industry were also found low and only a few has the potential to operate a computer or surf the internet. SHGs must act proactively for emancipation and Technological empowerment of the rural poor.

The difficulties to raise loans from banks and avail subsidies, in addition to members' opportunity to associate with MGNREGP have made Fund raising the major problem, which is severe in North. Consumers' preference for branded items along with the non tolerance of spouses makes the marketing of products miserable. The multiple memberships and participation of members in MFIs has restricted members' availability for meetings and other group activities. Lack of storage space, difficulties in transportation and meagre compensation made the IGAs in-attractive. The political intervention to protect the defaulters has restricted the funds to needy. Lack of motivation and interactive skills, priority for personal interest to group interest etc. are the problems with group dynamics.

A sustainable SHG would be one that continues to function well over a long period of time. Moreover, the long-term performance depends on members' overall socio-economic development, including their empowerment, ability of SHGs to function independent of SHPI etc. The performance of SHGs also depends upon members' awareness of the overall objectives of SHGs, as well as SHGs' capabilities to develop their members' managerial and technical skills. The study measures Sustainability of SHGs through four indicators, viz. Financial, Operational, Organisational and Mission Sustainability. From the scores of Likerts' the Mission sustainability stands taller than other indicators, viz. Organisational, Financial and Operational. The negative (less than normal values) scores indicate the non-viability of IGAs of SHGs.

To conclude, the SHG intervention has resulted in immitigable changes in the lives of members, though its impact varies. The Legal and Political empowerment stands taller, other leading indicators are Social, Personal, and Financial empowerment. Familial empowerment has minimal impact only and Technological empowerment is still a mirage. The persistence of multiple problems hampers the pace of growth, though SHGs are mostly sustainable. SHGs in the State are sustainable financially and organisationally but operationally not.