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## THE IMPACT OF SHGs, MICRO FINANCE AND LIVELIHOOD IN IMPROVING THE SOCIO-ECONOMIC STATUS OF RURAL WOMEN



**SUMMER INTERNSHIP PROJECT  
REPORT AT EQUITY  
FOUNDATIONPATNA**

Submitted By:  
SWARNA YADAV

7/16/2013

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**THE IMPACT OF SHGS, MICRO FINANCE AND LIVELIHOOD IN IMPROVING THE  
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*A study of SHG members in Patna district of Bihar*

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## Executive Summary

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Women are seen as being responsible for the home and family but the irony lies in their economic dependence on the male members of their families and sadly, according to the different governmental and non-governmental surveys, women in the process of becoming dependent on the male members are deprived of their socio-economic independence. Although, the problem has its roots in patriarchy, but if we go through the statistics we will come across several other disparities in the overall status due to factors like caste and class. Also, the pervasive nature of Bihar's social and economic backwardness has prevented researchers in focusing on vital social sectors concerning women. Hence the overall condition of women in Bihar is disappointing especially in the rural areas.

One of the landmarks in the field of women's empowerment is micro finance which is facilitated by the self help groups which are formed by clubbing together 10-15 women in a group and inculcate the habit of making savings.

Micro-finance implemented through forms of initiatives between the state and different kinds of banks – state-backed, commercial, cooperatives - and self-help groups (SHG), administer local pools of capital for small loans.

Rural women in particular have been prime movers and beneficiaries of SHGs. Though various problems have been highlighted, the SHGs are widely considered to be a source of solidarity and of empowerment. Often it is the household that ultimately holds any debt, but the women who administer it. Debt has been used in a number of different ways. Its use often goes beyond the original intentions of micro-finance, ranging from short-term urgent medical needs (often related to injuries or illness suffered by migrant workers), to specific investments, either directly in (usually tenant) farming or in small business activities that can be undertaken from the home. The use of this debt by the poor can be considered 'rational' in the pursuit of development and survival strategies that are responding to new circumstances and opportunities. In this context, micro-finance in general and SHGs in particular are a preferred alternative to the complicated methods of traditional local moneylenders. The terms and conditions are better, the lending more flexible, and, if the borrower experiences difficulty, the SHG, of which the borrower is also a member, is also liable to be more patient and understanding as a collective. This has brought a kind of revolution in the lives of women who are a member of any properly functioning SHG.

## **Acknowledgement**

This internship report would not have been possible without the guidance of my mentors, stakeholders, classmates, parents and last but not the least Equity Foundation. Hence I would like to thank each one of them starting from the Director of Equity Foundation, Mrs. Nina Srivastava for having faith in me and for allowing me to work under her guidance and support. I would especially like to thank my mentor at Equity Foundation i.e., Mr. Rahul Kumar for teaching me the technicalities of the survey and for guiding me for the data analysis which otherwise would have been a strenuous exercise.

I am also grateful to all the stakeholders, organizations and the local residents of the different villages for being extremely helpful and cooperative without which it would have been impossible to undertake such an important study.

I would also like to thank my supervisor at the University i.e. Mr. Aditya Mohanty for guiding me throughout the thesis proposal writing and for providing me the direction and also for keeping a track of my internship.

And lastly I would like to thank my classmates and my parents for providing all sorts of support.

## Review of Literature

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In India Once rendered invisible-by methodologies of census, accounting and planning processes that discounted and negated the role, participation and contribution of women to economic production are increasingly the targets of state-based policies and programmes for the economic development of India. Such a shift in perspective has been consolidated since the economic liberalisation or the Structural Adjustment Programme (SAP) was adopted by the government in 1991. Concomitant with this, there has been a shift in the government's construction and representation of women. While early policies and programmes, especially those formulated since the 1950s, focused primarily on women as passive recipients to whom the state owed services of education, health and welfare, post-1990s policies have assigned to poor women roles of being active economic agents. Such shifts can be traced not to changes in the conditions or status of women, but to changes in the state's conceptions of and orientations towards women, and their roles in the nation's economic agenda. The immediate post-independence Five Year Plans drew primarily on a welfare approach and contextualised women as only second-order agents in the planning and development agenda of the nation. While the First Five Year Plan (1952-57) overlooked the gender dimension in national development itself, the Second to Fourth Plans (1958-74) focused on providing welfare schemes to women. But the welfare programmes and their orientation were largely developed in terms of seeing and addressing women as part of the 'vulnerable sector', which included the Scheduled Castes and Scheduled Tribes, and the mentally and physically handicapped. More specifically, the problems experienced by these people were associated with social customs and values. That the first four Plans failed to accord any productive capacity to women is observable in the major programmes initiated during these Plan periods. A central programme that represented such an agenda was the Community Development Programme (CDP), which was based on the expertise and suggestions of the United States' aid agencies. The programme itself was based on a simplistic understanding of rural communities in India and emphasised the possibility of fostering economic growth through changes in community skills. While men received training in agricultural modernisation, animal husbandry and marketing, programmes for women focused on enhancing their domestic and community skills (Varma 1993). The CDP was replete with promotions of lecture demonstrations for educating rural women in techniques of nutrition development, baking and hygiene, and orienting them to being 'better housewives' and hence being better supporters of the communities' efforts to achieve high economic growth. Such a perspective reflected the extent to which the state assessed women's roles and capabilities essentially in terms of their capacities and roles as wives and mothers. As recipients and not participants, women were not considered to be actors or agents with independent roles and specific capabilities. Instead, they were to be treated as persons who had to be exposed and subjected to new forms of knowledge and socialisation in order to enable the modernisation of communities and hence the 'development' of the

nation. The focus, then, was primarily on altering the social orientation of the poor. Subsequent Plans (the Fourth to the Seventh [1981-86] ) were concerned primarily with the twin problems of poverty and population pressure, and proceeded to institute family planning programmes as measures to combat both. Such programmes, focused on controlling the reproductive capacities of the population, also led to the targeting of women to control their fertility.' The focus was more on the reproductive capacities of women rather than on their productive capacities (Government of India 1996). Other programmes, such as the agricultural modernisation agenda programmes, largely overlooked the role and potential of women and addressed only men as key actors. Yet the impact of the programmes also reconstituted women's positions. In areas where economic gains, related to increases in agricultural productivity, were made, an increasing casualisation of labour and the withdrawal of women from direct labour processes as a cultural sign of improved status meant a decline in the proportion of women workers. Criticisms of such programmes highlight the extent to which the state collaborated and assisted dominant-class interests and overlooked the needs of the poor majority. In addition, these policies and programmes formulated to alleviate poverty and/or enhance economic growth continued to overlook women's conditions, contributions and roles. Such policies neither assisted women in their entrepreneurial or economic roles nor were sensitive to the institutional and cultural barriers women faced in their attempts to access the markets. It was partly policies such as these and internal political developments that saw the state face its own crisis of legitimacy and led to a shift in the terms of debate from that of planned development to poverty alleviation. While poverty itself was seen as a structural problem and legislations, such as land reforms and hence land redistribution, were formulated, there were demands for the recognition of the role and contributions of women to economic activities. The report of the committee on the status of women, Towards Equality (Government of India 1974), initiated the debate for better participation, integration and recognition of women's labour, services and needs, but it tied in with the development orientation of the state and the focus remained on generating better opportunities and services for women. Yet, based largely on the growing presence and voice of women activists, by the 1980s debates on economic issues in the nation drew attention to the specific conditions of women. The recommendations of one report in particular, Shramshakti (or 'Labour Power') (National Commission on Self-Employed Women and Women in the Informal Sector 1988) were formulated by women in non-governmental organisations (NGOs), and focused on self-employed women and women workers in the informal sector. The report indicated the vulnerability of women in their workplaces and the extent to which a vast majority of women workers were subject to discrimination, harassment and hazards in the workplace (John 1996). The report called for recognising women as major earners and not as supplementary workers. In addition to such reports, interventions, demands and contributions by women's organisations and NGOs forced the government to establish several commissions and plans for improving social conditions and opportunities for women. A programme that drew on such thinking was that of the

'Development of Women and Children in Rural Areas', a centrally sponsored programme initiated in 1982, which sought to be a 'human resource development' scheme. But the gains and perspectives of the 1980s have been largely undermined by the hegemony of the post-1991 Structural Adjustment-linked programmes and policies. Though the state was until then a development and interventionist state, it entered, with loans from the World Bank, a phase of being an emergent capitalist state. Based on the restructuring of the economy, in terms largely dictated by the International Monetary Fund, the planning agenda of the nation itself has been subject to a reorientation, whereby the economic productivity and profitability capabilities of the nation have received priority over the state's responsibility towards social sectors such as education and health. Providing the guiding impetus for the shift from a welfare and equity approach to that of efficiency approach have been reports by the World Bank and other neo-liberal economic institutions and advisers. Emphasising the extent to which fiscal and production reorganisation are key to national growth; such neo-liberal economic advice has sought to focus on women, especially poor, rural women, as independent economic beings. The World Bank report has been singularly emphatic and notes the extent to which increases in women's income will lead to improvements in the domestic domain, reduce poverty and lead to improvements in the 'intergenerational effects on the quality of human capital. While Bennholdt-Thomsen (1988) has indicated the extent to which the World Bank stands to profit by 'investing in the poor' in the countries in which it is the creditor, its policy in India states clearly that 'poor women in India are a potentially profitable market niche for an institution that can respond efficiently to their needs' (World Bank 1992: 33). Poor women's economic capability is sought to be identified, tapped and enhanced through a network of government and private credit services in which their integration into the market is consolidated. While the profitability to the Bank is assured through the creditworthiness and reliability of poor women, the multiplier effect of their economic activities (which translates into higher income homes, better fed and smaller families, etc.) is sought to be a substitute for the state's responsibility towards its citizens. As it notes, 'Efforts to improve the position of Indian women must focus on women as economic actors. There is compelling evidence that improving women's productivity can have important economic effects in terms of growth and distribution' the National Policy for the Empowerment of Women (Government of India 2001 ) reiterates its commitment to the economic empowerment of women. The Approach Paper to the Ninth Five Year Plan (1997-2002) again emphasises that the 'advancement, development and empowerment of women is the central issue in the context of Social Development' (Government of India 1997: 1).

While the term 'empowerment' itself has become a clichéd concept with which a range of issues related to the status and position of women are sought to be resolved, it has been appropriated by the government in seeking to legitimise its own economic and political agenda in relation to women. This is specifically observable in the extent to which the state has decreased its financial allocations for social sectors and now privileges not the Shramshakti report that seeks and asserts the rights of women and the

responsibilities of the state towards enhancing the life conditions of women, but the World Bank's recommendation of enhancing the economic capability and agency of women. Policies such as these in a context where there are no state assured structures of support that ensure access, equity and justice in terms of property rights, wages and entitlements to women, expose the extent to which the state seeks to appropriate the capabilities of women for its own economic and political agenda. Three common factors or results can be discerned in the ways in which the two states/governments represent and constitute poor women. In both cases there is: (a) the denial of the structural basis of poverty, and the collusion of state and business interests to appropriate women's labour; (b) the use of arguments based on a combination of social and economic reforms pertaining to women and families in order to legitimise the new economic agenda; and (c) stemming from the above two reconstitutive forces, the policies and schemes will lead to the third result: the development of new forms of dependencies and exploitation that are inherent in such economic schemes. In such a context, the creation of new tensions between economic and social domains in which women live and work will be inevitable. That neo-liberal economic rationales are not restricted to any one nation and have an international dimension is observable in the ways in which experiences in the US are sought to be shared in India, and those of India are to be disseminated and replicated in the US. While the US has distributed copies of its Social Responsibility in the United States to institutions and individuals in other nations, Bangladesh's Grameen Bank and India's Self-Employed Women's Association (SEWA), the credit organisation of women from Gujarat's informal sector, have been identified as 'models' by which even poor women in the US can organise themselves for credit schemes and new entrepreneurial activities; This is in spite of the fact that both organisations are now increasingly incorporated into the global circuit of international donor capital and lending agencies, which are in turn setting the agendas for these organisations. In needing to camouflage its own failure, the Indian state (as in the US) seeks to identify and locate problems in the society itself. Further, as a yet-to-be fully modernised or capitalist nation, the state in India is an agent of capitalism and by appropriating problems in the society (the low status of women) and claiming to resolve these seeks legitimacy for itself. In the US the state seeks to repair the questionable moral status and representation of women on welfare, and intends to reintegrate women into the family norms and dominant culture of the nation. In India the government claims its purpose to be an effort to alter the general and pervasive gender discrimination faced by women. And in the emerging international economic order in which neo-liberalism supports market principles and the withdrawal of the state from the social sectors, the family is again a set of resources rather than of needs now with special responsibilities. Such responsibilities imposed on the family, and hence on women, include not only sustaining themselves in the face of adverse and unsupportive economic, political and cultural structures and conditions, but also supporting the state in meeting its economic goals. The acceptance of such programmes and policies is enforced and endorsed by



economic conditions, in which a double income has become an unavoidable economic choice for many households.

### **Background: National and State scenario**

#### **PROGRESS UNDER MICROFINANCE - BANK LOANS DISBURSED DURING THE YEAR REGION-WISE/ STATE-WISE/ AGENCY-WISE POSITION DURING THE YEAR 2011-12**

Region/State	Commercial Banks		Regional Rural Banks		Cooperative Banks		Total	
	No. of SHGs	Loans Disbursed Amount	No. of SHGs	Loans Disbursed Amount	No. of SHGs	Loans Disbursed Amount	No. of SHGs Loans	Disbursed Amount
A & N Islands (UT)	114	108.25	0	0.00	461.75	596	710	570.00
Bihar	21525	20421.27	17716	19439.67	0	0.00	39241	39860.94
Jharkhand	7839	7561.53	4201	5179.54	0	0.00	12040	12741.07
Odisha	22264	29811.09	20068	17832.41	7499	6454.08	49831	54097.58
West Bengal	35385	25956.46	20667	22277.88	43327	6902.21	99379	55136.55
Total	87127	83858.60	62652	64729.50	51422	13818.04	201201	162406.15

#### **PROGRESS UNDER MICROFINANCE - BANK LOANS DISBURSED DURING THE YEAR REGION-WISE/ STATE-WISE/ AGENCY-WISE POSITION AS ON 31<sup>ST</sup> MARCH 2012**

Region/State	Commercial Banks		Regional Rural Banks		Cooperative Banks		Total	
	No. of SHGs	Loans Disbursed Amount	No. of SHGs	Loans Disbursed Amount	No. of SHGs	Loans Disbursed Amount	No. of SHGs Loans	Disbursed Amount
A & N Islands (UT)	1699	50.21	0	0.00	3822	81.07	5521	131.28
Bihar	150445	9741.92	154668	4300.44	0	0.00	305113	14042.36
Jharkhand	58869	5133.27	30734	1588.48	0	0.00	89603	6721.75
Odisha	235829	12366.26	226745	17948.26	77455	5821.89	540029	36136.41
West Bengal	350641	23145.43	199733	6505.83	135074	8043.15	685448	37694.40
Total	797483	50437.08	611880	30343.01	216351	13946.11	1625714	94726.20

Source: NABARD

The above two tables make it clear that in the eastern region Bihar's progress in terms of loan disbursement shows a positive growth in the last two years and is just next to West Bengal.

### BIHAR: SHG coverage ratio

1	Potential Rural households to be covered	73.51 lakh	
2	Rural households covered*(SHG: savings linked)	39.66 lakh	
3	Districts with low coverage of SHGs	37 out of 38 districts	
4	Average savings/SHG (Rs.)	4602 National Average : 8230 Highest Priority State : Uttarakhand :12283	
5	Average credit disbursed/SHG (Rs.)	101580 National Average : 144046 Highest Priority State : Uttarakhand :148155	
		2010-11	2011-12
6.1	Loans issued No. of SHGs (lakh)	0.32	0.39
6.2	Loans issued ( ` crore)	322.05	398.61
7	Loans outstanding ( ` crore)	796.03	1040.71
8	Gross NPA ( ` crore)	32.40	64.27
8.1	SGSY ( ` crore)	22.85	40.67
8.2	SHG (non-SGSY) ( ` crore)	9.55	23.60
9	No. of WSHG districts	16	

Source: NABARD

The table above shows that though the average savings of the SHGs is almost half of the national average but the credit disbursed is two-third of the national average which indicates that sufficient credit facility is being provided to the SHG members. Also the comparison of the two years (2010 to 2011 and 2011 to 2012) shows that there has been an increment in the overall funding.

### Aims and Objectives

The aim of this study is to compare the SHGs running under the supervision of three organizations namely NABARD (National Bank For Agriculture And Rural development), World Vision and WDC (Women Development Corporation) through the help of NGOs like NIDAN and IDF(Integrated Development Foundation) to study the impact of SHGs and microfinance on socio-economic status of the members of these SHGs. This study also includes the role of livelihood in the lives of these members.

### Research Methodology

Primary data through personal interview

Type of questionnaire: Semi structured questionnaire

Type of sampling: Stratified random sampling

Number of respondents: 150 (50 from each village)

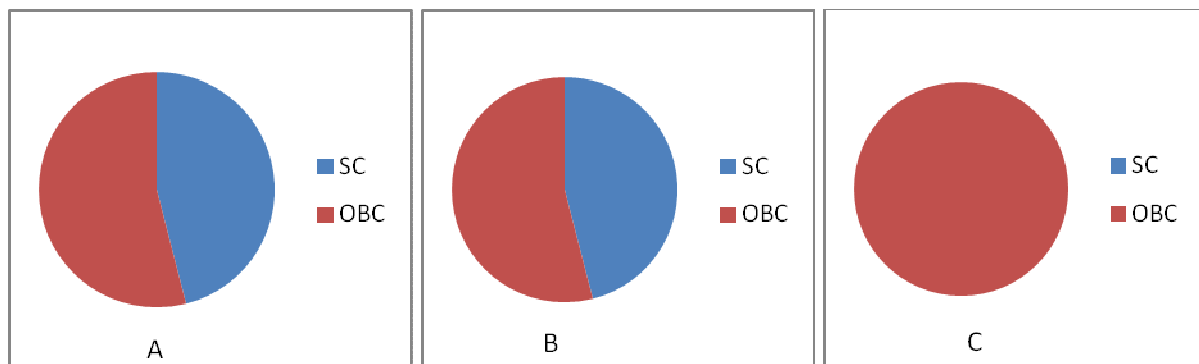
Name of the villages: Kurkuri, Lohanipur and Maner (Patna district)

## Findings

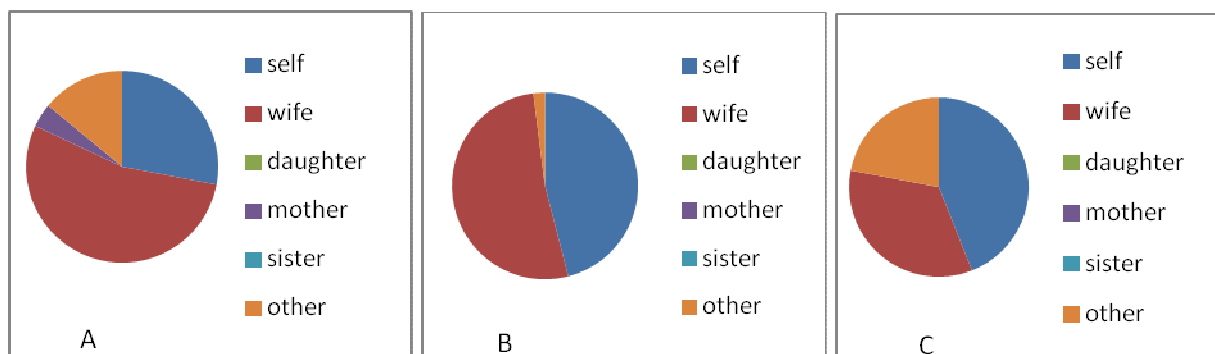
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The survey includes a total of 150 respondents which includes 50 respondents from each of the three villages namely Kurkuri, Lohanipur and Maner of Patna district. The SHGs operating in the Kurkuri village is taken care of by NIDAN and is funded by NABARD, the SHGs operating in Lohanipur village is taken care of by World Vision and the SHGs of Maner are taken care of by Women Development Corporation.

In the respective charts of the findings the chart of Kurkuri would be labelled A, that of Lohanipur would be labeled B and that of Maner would be labeled as C:

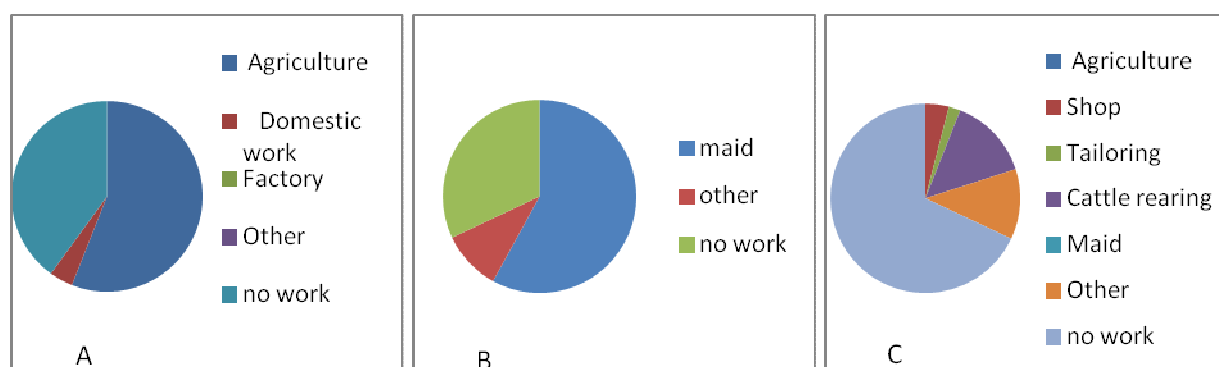


Out of the total 150 respondents 69% were OBCs and the rest 31% were SCs with 100% OBC respondents in Maner and 54% OBC respondents each and 46% SC respondents in the other two villages. Approximately 74% of the total respondents were illiterate. The survey included married women out of which 9% were widows.

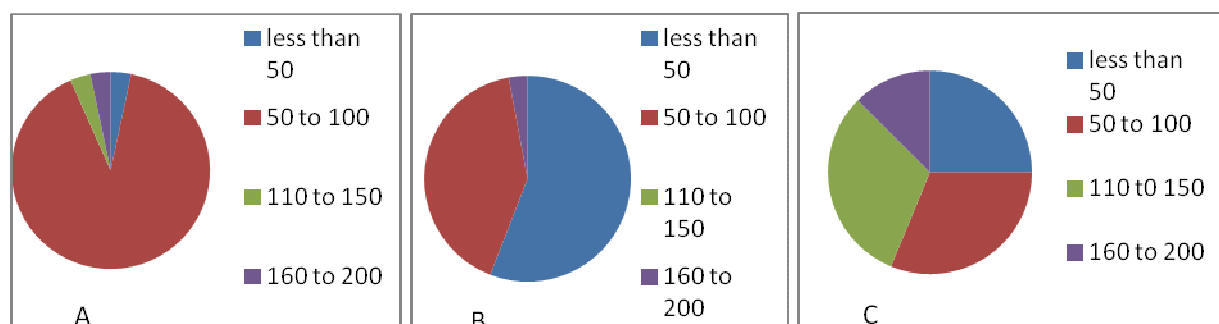


In Kurkuri, according to 54% respondents, their husband were the head of the family, in Lohanipur the percentage of husbands being the head of the family was 52% and in Maner it was 34% along with 22%

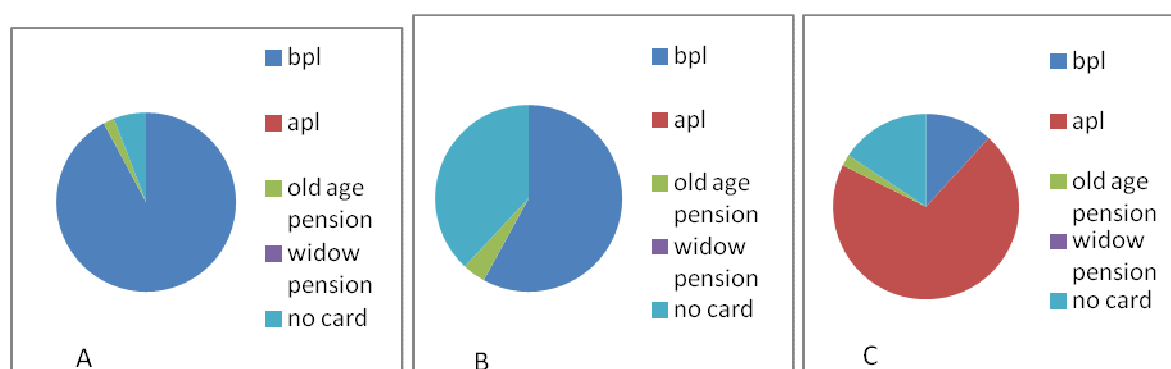
of elders who acted as the head of the family. Hence this shows that husbands have a greater say in the family matters.



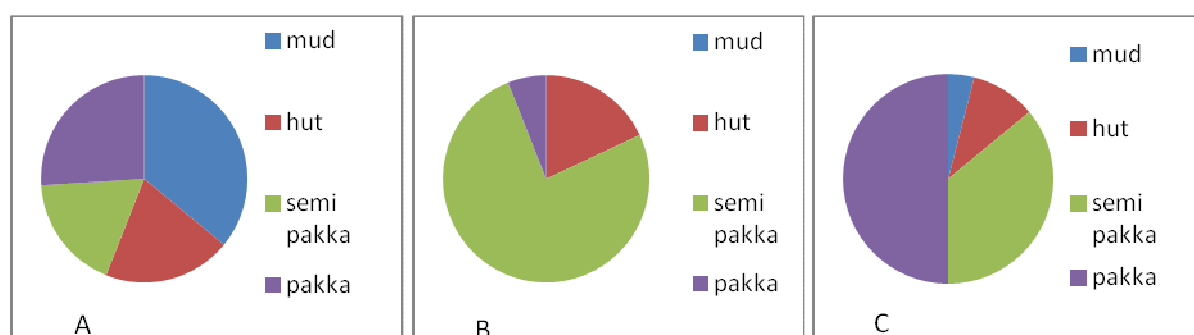
The members of the SHGs in Kurkuri village mainly practice agriculture as the main source of livelihood and that of Lohanipur work as maids and in Maner some 14% of the respondents are dependent on cattle rearing.



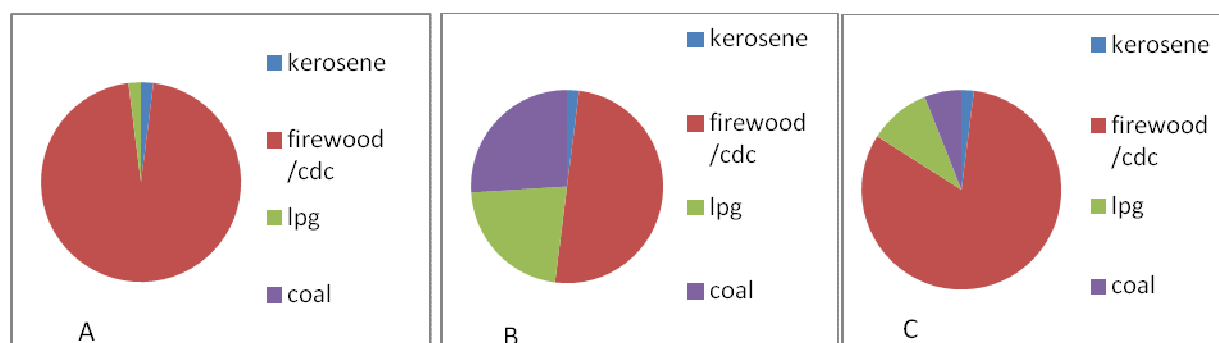
The average income lies between Rs. 50 to Rs. 100 per day in all the three villages however in Lohanipur 56% of the respondents earn less than Rs. 50 per day on an average and in Maner only 26% of the respondents have a source of livelihood excluding their families' source of livelihood. This shows that with all the efforts they make and with all the hard work they put in they only receive Rs. 2500 per month on an average.



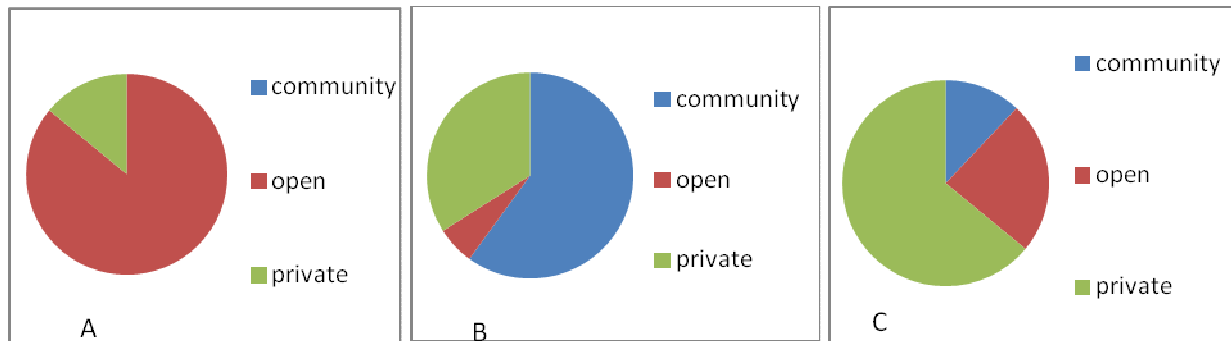
The survey also revealed that in Kurkuri 92 % of the respondents were below poverty line and 6% had no BPL card, in Lohanipur 58% were BPL respondents and 38 % had no BPL card while in Maner 71% were APL respondents and 16 % had no card. Hence with more of OBC population Maner is comparatively better than the other two villages which have more of SC population and hence women in Maner have a comparatively better standard of living.



When asked about their quality of life it was observed that in Kurkuri 56% did not have either semi pucca and pucca house, in Lohanipur 76% had semi pakka house and in Maner 50% had pucca house and 36% had semi pucca house. This again shows that Maner is at a better position than the other two in terms of housing and hence safer for women.



In Kurkuri 96% respondents use firewood or cow dung cakes, in Lohanipur 50% and in Maner 82%. For the respondents of Lohanipur the other lot uses coal and a handful of people have access to LPG which shows that these women have a greater health risk because of the smoke produced by fire woods while cooking.



When enquired about toilets it was found that in Kurkuri 86% did not have any private or community toilet, in Lohanipur 60% had access to community toilet and in Maner 64% had access to private toilet. This again explains that majority of the respondents do not have access to private toilets and hence it puts women at greater risk due to the unhygienic conditions of the community toilet or open defecation. However Maner still is at a better position.

In terms of access to potable water it was found that in Kurkuri 64% had access to community tap, in Lohanipur 48% and in Maner 24% while in Kurkuri 30% had access to private tap, in Lohanipur 52% and in Maner 76%. Again the two villages have no private taps at their homes hence they have to collect water from the community taps everyday which adds up to their hectic life.

In terms of electricity it was found that more than 80% of the respondents in all the three villages had electricity at their house. This is worth appreciating that their nearness to the urban area gives them this benefit.

## Major observations on the Functioning of SHGs

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The SHGs have been functional from as long as 9 years to 3 months at present with the oldest ones belonging to the WDC (Maner) and the recent ones belonging to World Vision and the SHGs under NIDAN have been in existence from the last 3-4 years and are operating without much hassle.

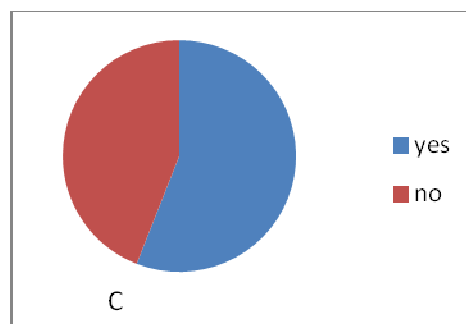
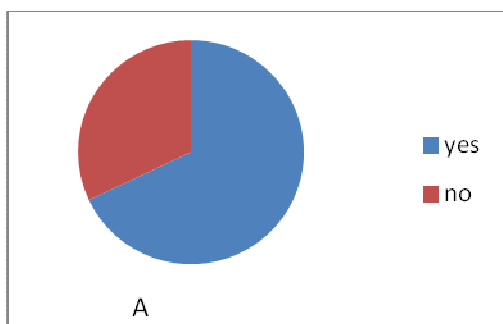
None of them have convergence with any government schemes.

When asked about awareness it was found that 100% respondents were aware of the SHGs which is commendable and all of them had an equal access and share in their respective groups. This shows that the peer pressure acts and hence the its working gets regulated automatically without the involvement of a third body.

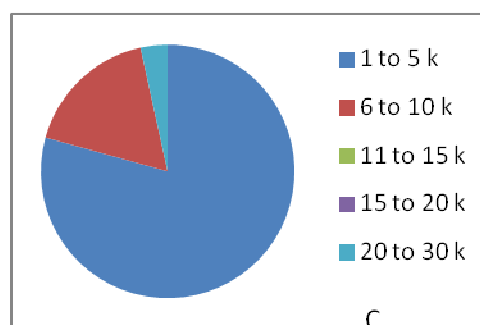
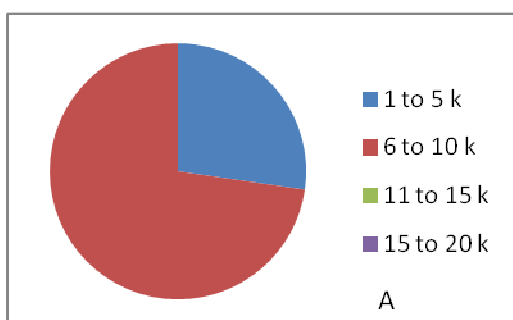
Respondents of Kurkuri save Rs. 30 per month, that of Lohanipur save Rs. 30 per month and the respondents of Maner save Rs. 40 per month. Members of the respective groups in their respective villages regularly made the savings during their weekly or monthly meetings. Also the minimum amount to open a bank account was Rs. 1000 with an interest rate of 1-2% on an average. However in Kurkuri women had to pay Rs. 1 for every Rs. 100 as the rate of interest and in Maner it was Rs. 2 per Rs.100 and the reason for a higher rate of interest in Maner was the inflation over the years but for Kurkuri the lower rate of interest was mainly because of more people in the BPL category unlike the people of Maner.

When asked about the impact of SHGs on their lives the response was quite positive and almost all of them were satisfied with the functioning of their group. The fact that they can take loans on their own without much complications or complex procedures has given them a lot of confidence and most importantly they do not have to pay high rate of interests as in the case of the usual bank loans. However, there were a few cases of non repayment of loan because of which certain members of the group complained that a group stops functioning and ultimately breaks because of such kind of an issue. Hence, on the part of the members it is important that they act responsible to avoid any sort of clash which hampers the working of the groups.

Out of the three villages the respondents of Kurkuri and Maner have bank accounts while the bank account of the respondents of Lohanipur has not yet started functioning as they are still waiting for some more SHGs to become operational and according to them as soon as the optimum number of groups are formed the accounts will be created and the bank procedure will take place.



In the two villages where the accounts have been active 68% of the SHG members in Kurkuri and 56% of the SHG members in Maner have taken loan for several purposes which include loans for health related issues, for agriculture, for business, for marriage and for the admission and education of children at schools. It implies that the SHGs have made it easier for rural women to get loans to meet those demands which require investments which are usually beyond their capacity or they have to be at mercy of the ‘Sahukars’ or the village money lenders which makes them vulnerable.

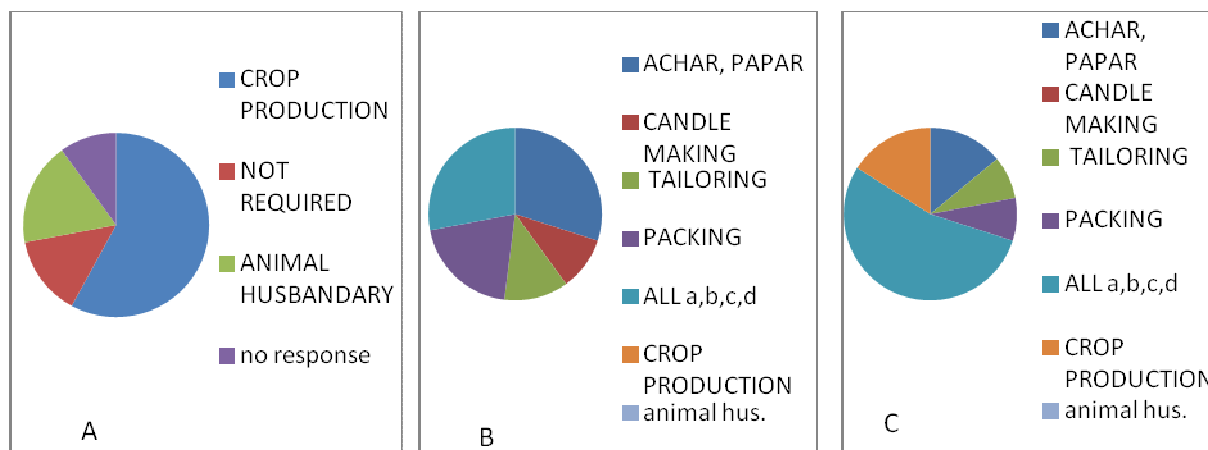


The amount loaned ranges from 6 to 10 thousand in Kurkuri while in Maner it ranges from 1 to 5 thousand on an average. This explains that a huge sum (from the rural poors’ perspective) could be loaned at certain intervals and it also shows that in these areas the NGOs and the governmental organizations like NABARD and WDC are doing a decent work.

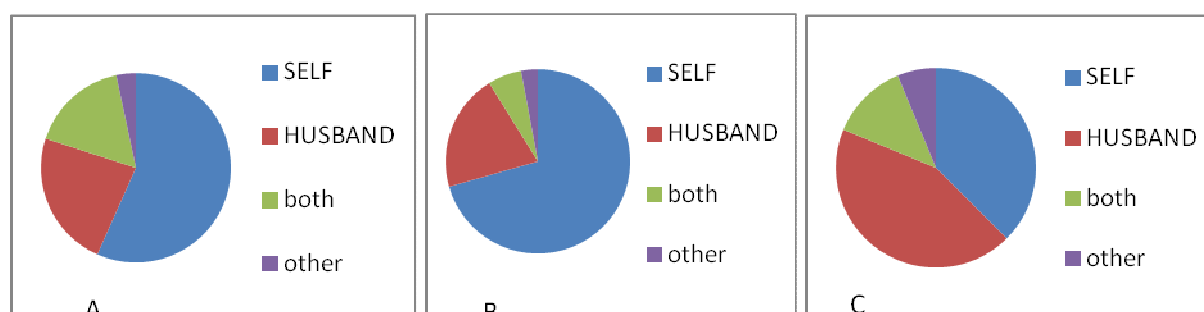
Whoever took loan did not have any complaints about the working of the SHGs and according to all of them loans were always provided on time without any hassle. This again makes it evident that the concerned NGOs and Governmental organizations along with the rural women who act as the representatives in the form of secretary, president or treasurer of the different groups are working in sync with each other.



However when asked about group activities or group business, except 12% in Kurkuri none of the respondents were found involved in any sort of group activity or business and had not even got any training for any sort of group activity.



When asked about the requirement of any training they all showed enthusiasm towards training and almost all of them wish to get training of all sorts for example 28% members in Lohanipur wish to learn tailoring, candle making, packing, etc. and in Maner 54% of the respondents wish to learn the same while in Kurkuri, since the members usually remain busy with agricultural work so they prefer to learn more about crop production. Looking at the responses one can say that since these women work hard and still remain poor hence any kind of group business especially during those months of the year when women do not find work in the agricultural fields will give them good financial support and thus they will be able to pool more of their savings and this will further lead to more financial support from the governmental organizations.



When further asked about the household decision making in terms of expenditure of the income earned by the respondents themselves it was observed that though maximum respondents in all the three villages took decisions on their own yet approximately 30% of the respondents in each of the three villages had to consult their husband for the same.

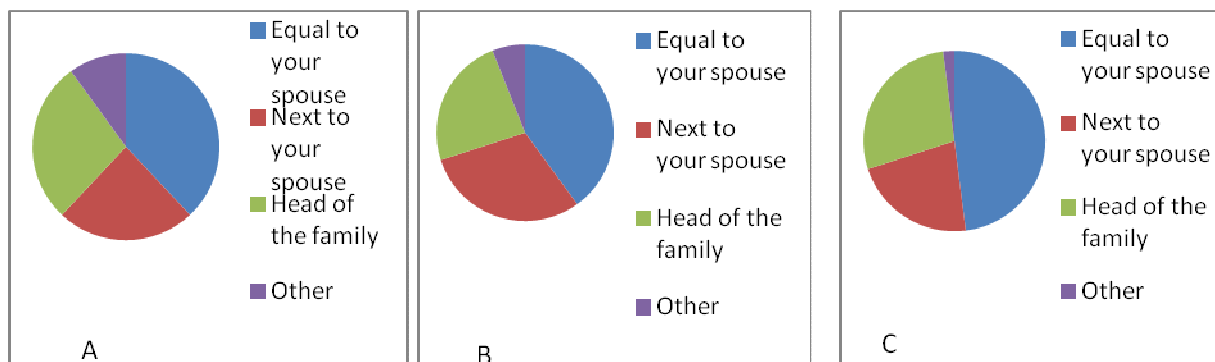
In terms of the investment of the credit fund it was observed that husbands had the major share in the decision making with approximately 40% in each of the three villages with a higher share in Maner.

In terms of receiving and providing credit it was observed that the picture was similar to the investment of credit.

In terms of sale of proceeds in Kurkuri women had a better share in decision making as compared to women in Maner. In Lohanipur, since women were barely involved in sale-purchase business hence this is not applicable to them.

In terms of purchase of daily necessities, in Kurkuri women had a major share in this type of decision making, in Lohanipur both husband and wife had a major share and in Maner husband had a major share in this type of decision making.

The decision making criteria and the survey related to it explains that women have a good say in their respective families though the male members, especially their spouse, take the maximum decisions overall.

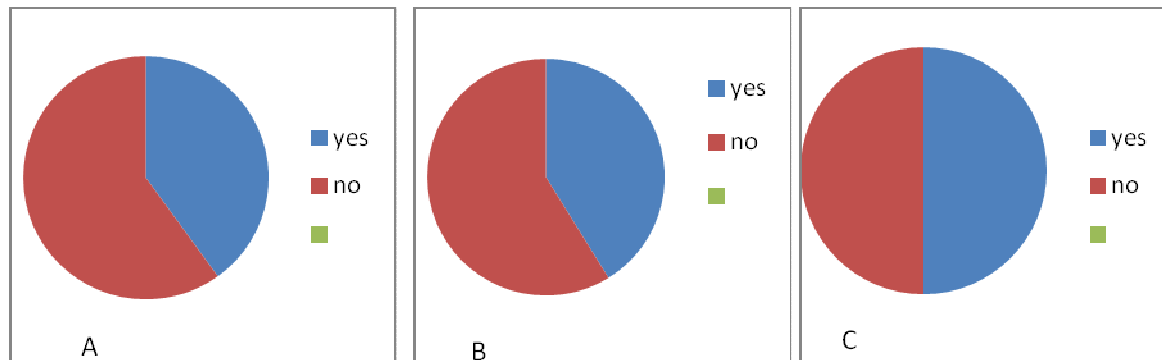


When asked about their status in their family it was observed that around 26% of the respondents considered themselves to be the head of their family, 42% of the respondents found their status to be equal to their spouse, around 25% found their status to be next to their spouse and the rest fell into the category of 'others'. This explains that women in these villages get an equal treatment or are even the head of their families which could be linked with their financial independence and hence to the SHGs.

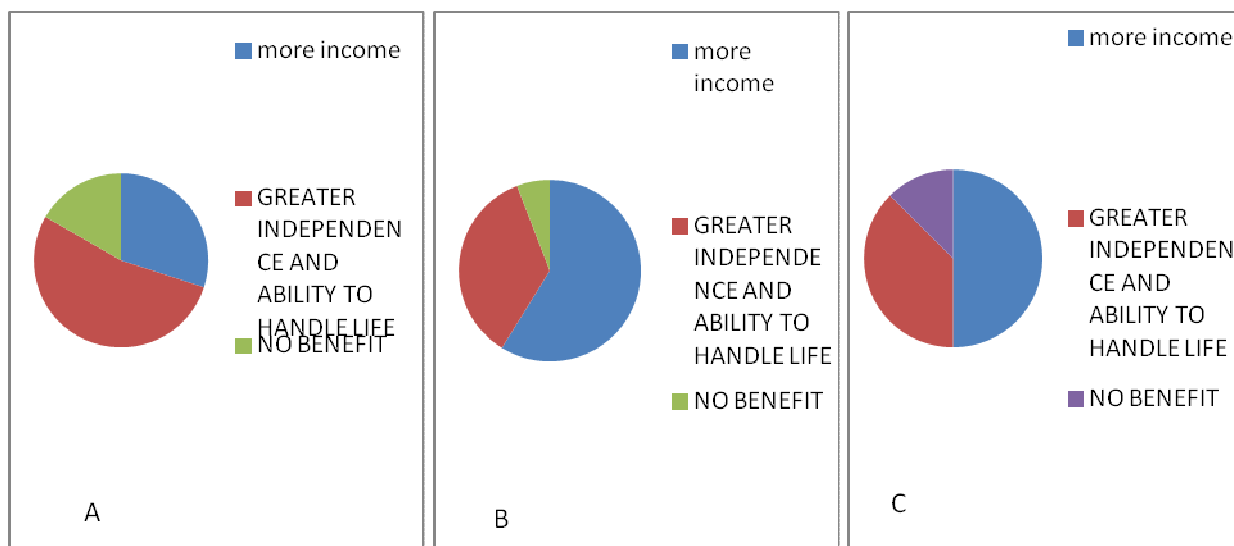
When asked about their income that whether they hand over the entire or some amount of their income to someone or keep with themselves, it was observed that in Kurkuri 47% women would hand over their income to their husband and the other 40% would keep the income with themselves, in Lohanipur 38% respondents would hand over the income to their husband and 62% would keep the income with themselves and in Maner 50% of the working women hand over their income to their husband and 19% keep the income with themselves. This shows that these women do have a control over the income they

earn and approximately 50% of these women prefer to share the income with their husband to fulfill the needs of their family.

When asked that whether they save the income for themselves it was observed that 78% had no savings, around 60% of the respondents had the savings between 10 to 15% for themselves for their own needs. The rest is spent on the daily consumption and other necessities of their family like every normal household.



44% of the respondents said that their income suffices their needs and around 56% said that their income doesn't suffice their economic needs. This means that though the basic necessities are met but any other demands beyond the basic ones remain unmet.



46% claimed that employment gives them the benefit of more income, 42% said that it gives them greater independence and the ability to handle life and only a small percentage of the respondents said that there is no benefit of working at all. Hence one can say that these women, who work either out of compulsion or will, agree with the fact that any source of livelihood improves their socio-economic status.

Finally when they were enquired about the functioning of their SHGs none of them had any complaints about their SHGs and all of them were happy to be a part of the SHGs and there was barely any issue related to the SHGs.

## **Conclusion**

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The observations of this study make it clear that SHGs are doing a decent job in these villages with regular savings and credit facilities. However the dearth of group activities and lack of training for any sort of group activities is something which needs to be dealt with. Though the group activity is not a major issue with the SHGs under consideration however, it will boost up their own economic stability as their monthly income does not completely suffice their needs.

The absence of middlemen or the Sahukars or the money lenders makes it easier for these women to lend money and hence there is barely any issue of corruption as the members of the SHGs work collectively and there is no scope of domination by any member.

The 100% awareness among these women plus a decent say in decision making proves that they feel empowered to a certain extent due to the SHGs hence, being a part of a group is essential for these women to enjoy the benefits of the schemes.

The fact that maximum these women find it beneficial to work makes it clear that they enjoy their economic independence.

This “banking for the unbankable” system is doing its bits in these areas and hence women feel satisfied and do not have any complaints about the functioning except for one or two cases where it was the fault on the part of the members and not the organisations responsible for these groups.

## **Recommendations**

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- Apart from the credit facility, the SHG members should get training for certain group activities which will help them to become skilled to a certain extent and in case of any shortage of employment they can earn from their group activity and hence it would act as a backup for them.
- Several women did not have BPL /APL card, hence they should be provided with the card.
- Hygiene is a major problem with these villages as maximum people use community toilets hence through the SHGs the importance of having private toilets should be explained and clean drinking water should be made available to every household and if possible some compulsory funding should be made in the area of sanitation.

- Further, the use of smoke producing fuel for cooking food puts the health of these women at risk and hence the use of environment friendly fuels should be encouraged but this requires the involvement of the government to take the initiatives.
- Most women find it difficult to fulfill the needs of her family even if they have a source of livelihood as the income they earn is too low to make a living and hence the government schemes should be implemented properly to raise their standard of living.
- The members of the SHGs should be imparted some basic education and especially to house wives who stay at home and do not go to the fields. This will bring some awareness among the rural women and will help them in taking care of the family in a better manner.

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7. Women Development Corporation, <http://www.wdcbihar.org.in>

**Annexure:****Stakeholders:**

- Manoj K. Verma, Director (Integrated development foundation)
- Jogendar Kumar (Head of SHG federation Maner)
- Neeraj Kumar (Junior Officer NABARD)
- Prema Devi ( SHG coordinator Nidan)
- Ritesh Kumar (SHG coordinator World Vision)

## Questionnaire

Name of Area:

Location:

Ward Number:

District:

State:

### 1. Respondent's details:

Name of the respondent	Caste	Head/Relation with head	Age	Marital status	Literacy Level	Present Occupation	Per day income	Disability

RELATION CODE		Q 1 Sub Column 6:		Q 1 sub column 7	
				Occupation	code
Self	1	Class 1 to 10	1,2,3...10	Agriculture	1
Wife	2	12 <sup>th</sup>	12	Domestic work	2
Daughter	3	Graduation	15	Factory	3
Mother	4	Illiterate	40	Shop	4
Sister	5			Tailoring	5
Other	6			Butcher	6
				Pottery	7
				Carpentry	8
				Brick Kiln	9
				Construction Worker	10
				Beedi factory	11
				Vendor (specify)	12
				Winnowing, weeding/Sifting	13
				Basket weaving/ pattal	14
				Handicraft	15
				Small cottage industry (papad/badi/agarbatti/masala/pickles)	16
				Ojha/quack/ hakim	17
				Cattle rearing	18
				Maid	19
				Other	20

### 2. Coverage under government anti-poverty programme:

APL-1 /BPL-2/ Antodaya-3/ Annapurna-4/ Old age pension-5/ Widow pension-6/ Disability pension-7/ RSBY-8/ ISHUP-9 /SJSRY-10/ RAY-11/ No Card-10/ Any other beneficiary (Please Specify)

### 3. Quality of living:

A. House structure: Mud house/ hut/ semi-pucca/ pucca

B. House status: Own/rented

C. Mode of cooking: Kerosene/ firewood/ LPG/ coal

D. Toilet: Community toilet/ open defecation/ private toilet

E. Drinking: Well/ tap

F. Source of lighting: Kerosene/ solar/ electricity

4. Are you aware of SHG? : A. YES B. NO
5. Are you a member of any SHG? : A. YES B. NO
6. Name of the SHG-
7. Type of SHG group:
8. Your designation in SHG: MEMBER-1/ SECRETARY-2/ PRESIDENT-3
9. Year of the establishment of SHG-
10. Span of the SHG's existence (in years)-
11. Convergence with government schemes: A. YES B.NO  
If yes, name of the schemes:
12. Does the group have a Bank account? A. YES B. NO
13. What is the amount to open a bank account? :
14. Have you taken loan from SHG? A.YES B. NO  
If yes, How much and for what purpose:
15. Interest rate on the amount loaned:
16. Was the loan provided on time? A. YES B. NO
17. Are you involved in any economic activities within your group? A. YES B. NO
18. Type of the economic activity:
19. Type of produce:
20. What do you do with your produce?  
A. Consume on your own B. It is sold in the market
21. Have you/your group got any training for the activities of the group?  
A. YES B. NO  
If yes, for what?  
If no, what is the area you need training?
22. Household economic decision regarding:  
A. expenditure of your earned income -  
B. investment of credit fund -  
C. receiving or providing credit -  
D. sale of proceeds -  
E. purchase of daily necessities -
23. How and where do you find your position and status in your family?  
Equal to your spouse/ Next to your spouse/ Head of the family/ Other
24. To whom do you hand over all/some amount of your income?  
Husband/ Parents/ Parents-in-law/ Other
25. What percentage of your income do you keep for yourself?



26. Does the income suffice your own economic needs?

27. Benefits of working:

More income/ Knowledge about outside world/ gain in self confidence/ Greater independence and ability to handle life

28. Are you satisfied with the SHG or not?

29. What are the problems with the functioning of your SHG?

## Photographs



## **Table of Contents**

Executive Summary

Acknowledgement

Review of Literature

Background

Scenario

Aims and Objectives

Methodology

Findings

Major Observations

Recommendations

Reference

Annexure