

EXECUTIVE SUMMARY

Introduction

Financial services play an important role in assisting the poor in managing their money and in improving their living status. Government and other organizations have utilized Self-Help Groups (SHG) as a powerful tool for women empowerment and credit disbursal, leading to improvement in their economic condition. Several Micro Finance Institutions (MFIs) have been experimenting and trying to develop financial products, to address the diverse needs of liquidity, security and financial returns for the poor, and have succeeded to an extent. But before the financial products are developed for the poor, it is useful to understand the fund flow and expenditure patterns so that issues pertaining to savings and credit can be addressed.

The present study derived on a representative sample, within Yavatmal District. The objective of this study is to understand the financial flows of the rural poor and facilitate the process by which MAVIM and financial institutions can design community driven women empowerment strategy and financial products that would help rural poor.

Specific objectives of this study:

1. To evaluate the success of the Self Help Group (SHG) promotion programmes being carried out by MAVIM in the Yavatmal district.
2. To examine the quality of the SHGs formed by MAVIM and its Non-Government Organizations (NGOs).
3. To evaluate the efficiency of the training given to SHGs by MAVIM.
4. To understand the level of empowerment of women achieved in personal, family and community life.
5. To examine governance issues and structure in SHGs developed by MAVIM.
6. To document the process of socio-economic and political change brought about in the district.
7. To understand the implications of such processes on the prevailing gender relationships and on the quality of life of the rural poor.

8. To delineate sustainability and self – sufficiency of the micro finance programmes.

Methodology

The entire study was segmented into 3 phases. In phase one, secondary literature was reviewed and interactions with key personnel were undertaken, this helped the research team to prepare field-testing tool after pilot testing. In the second phase, the team set for collecting data from various blocks. The third phase comprised of data analysis and preparation of report.

Sample size

127 respondents were interviewed from six different blocks (30 villages) for this study, 41 focused group discussions (FGDs) with SHGs and interactions with Sahayoginis (field staff of MAVIM) were also conducted.

Scope and limitation of the study

The study involves a comprehensive review on the impact of various schemes on lives of rural poor women in Yavatmal district. As the study highlights strategies for MAVIM to initiate and improve the mechanism of various schemes, it can help administrators in government, NGOs or corporates to design supportive mechanism to help improve the lives of rural poor women. The findings of this study can help researchers to design their own hypotheses to probe into this sector further. However the study also has its own limitations. The study is based on small sample considering the constraints of resources like monetary, time ,etc. Thus the primary data collected pertains only to those SHGs visited and the results cannot be generalized to all units.

Findings

- **Socio-economic profile :** Majority of the respondents owned houses; half of them live in kachha houses though many could not bring any change in present household. There is little change in use of medical facilities, in terms of improved access to and use of private doctor /hospital. Tailoring and bangle selling are preferred enterprises as the capital required for these ventures is low. Majority of the women have annual income less than Rs.24000/- It leads to the fact that around fifty percent of the respondents are below poverty line.
- **Socio Political Profile :** There is negligible improvement in active involvement of women in various institutions even after joining SHG, as they did not realize importance of in decision-making process.
- **Saving profile:** Joining SHG results in phenomenal improvement in saving habits, as SHG promotes savings and their ability to save. The distribution of saving was highest within SHG followed by chit fund, bank, other like LIC, home, etc..
- **Borrowing Profile:** Poor people borrow from both formal and informal sources. Women avail loans first from SHG and then bank, moneylenders, IRDP scheme, etc. Very small amount of credit is available from SHGs, which forces women to borrow from other sources. MAVIM or NGOs have to advocate on behalf of the SHGs to expedite the process of loan sanctioning from formal sources. Lending institutions are bureaucratic and stress more on paper work.
- **Empowerment :**
 - Functioning Independently - Very few women are confident of functioning independently.
 - Initiative / Decision making within family and outside - Availability of loan /credit facility leading to enhancing their income improves their decision making position and earn them respect within family and at local level.
 - Confidence in running enterprise related activities: very few women are confident to run enterprise related activities. Activities, which involve dealing

- with outside people like procuring raw material and marketing, are managed along with their husbands.
- Confidence in travelling alone: Women are confident to go out short distance for marketing or other activities.
 - Self Confidence: The increase in confidence was seen in communication within SHG. Maximum women are confident when it comes to seeking loan or advice from SHG or expressing their views within group.
 - Awareness about socio-political issues: The data reveals very poor level of awareness on socio-political issues among members.
 - Access to Government Programmes: Majority of the respondents are still unaware about the government schemes.
 - Forward linkages for Income generation enterprises are absent and community lacks access to market due to poor logistics and infrastructure.
 - **Training of the SHG** - Training seemed to have enhanced certain professional traits and equipped the members with a knowledge to form group and social awareness. But training programme related to livelihoods (vermi compost, leaf plates making etc.) have not been able to attract participation and resultant benefits .
 - **SHG visit by Sahayogini** - Sahayoginis fail to visit every group every month as number of groups and villages allocated per Sahayogini exceed their capacity to travel.

Conclusion

The SHG programme of MAVIM has been a reasonably successful. It is evident that joining MAVIM supported SHGs increases women's self esteem and in some cases their standing in the society. While fulfilling some of the expectations, aspects which need attention include credit delivery mechanism, training and interaction with Sahayoginis and number of villages / SHG per Sahayoginis. MAVIM also needs to interact with other agencies and banks to reduce paper work and help SHG/ women get credit without hassles from banks.

Recommendation

- MAVIM needs to review its management information and monitoring systems at the district level.
- MAVIM should undertake a 'Time and Motion' study to decide the optimum load factor for Sahayoginis, and allocate villages/ groups in a cluster so as to reduce travel time
- Sahayogini should be trained on a regular basis in order to update and enhance information, so that they become more effective in their role.
- MAVIM should make efforts to educate the women to understand functioning of the local organizations and realize the importance of participation in it.
- MAVIM must focus on empowerment, not only on ensuring regular savings and access to credit – financial resources can only be one part of an empowerment process.
- Exposure tours would help building up the confidence of women in initiating an enterprise. These could be to trade fairs, successful enterprise operated by women, different small-scale industries.
- MAVIM needs to strengthen the organizational capabilities of women members through education and training for knowledge and skill development in the aspects like savings and interloaning process, record management for group and finance management.
- MAVIM should impart training in entrepreneurship, keeping in mind various factors like changing market scenario, technology up gradation, variation in consumer taste and other related factors.
- It can also provide entrepreneurship development training to members of SHGs along with information on project planning, identification of recourses, overcoming obstacles while setting up an industry, marketing, etc.
- MAVIM can adopt livelihood enhancement approach by involving upgradation of livelihoods through environmentally sustainable agricultural methods.
- Financial institutions like Banks, State Financial Corporation, NABARD, etc. should widen their existing strategies and should make maximum efforts to encourage rural saving and extend rural credit

- Bank and MAVIM officials should have better coordination for processing the documents of SHG members. .
- MAVIM should work with other government agencies to improve facilities such as electrification, water availability, toilet etc.
- Banks need to reorient their policies to meet the small borrowers' requirements.
- Bankers rarely empathies with poor women. The bank staff needs to be trained so that they look at aspects like loan history to assess credibility.
- The existing banking products do not fulfill the needs of poor. There is a need to introduce new products to suit the requirements of poor.
- In long run 'Rural business Hub' can be designed to promote marketing opportunities to SHGs and facilitate trade related practices.