Summer Training at
Samaj Pragati Sahyog
(April 15, 2013 – June 8, 2013)

Why are Savings Decreasing and Loans Increasing of SHG Members

By
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Under the guidance of
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Post Graduate Diploma in Rural Management
2012-2014

Institute of Health Management Research,
Jaipur
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CERTIFICATE

This is to certify that, **Roshan Avasthi**, student of Post Graduate Diploma in Rural Management (PGDRM) from Institute of Health Management Research, Jaipur, batch 3rd (2012-2014) has undergone summer internship training at **Samaj Prgati Sahayog, Dewas, Madhya Pradesh** and has done project on "Why are savings decreasing and loans increasing of the member of Self Help Group supported by Samaj Prgati Sahayog."

The candidate has successfully carried out the work assigned to him during his summer internship training from **8th April 2013 to 10th June 2013** and his approach has been sincere, scientific and analytical.

I wish him success in all his future endeavors.

Prof. Rahul Ghai
Associate Professor
Faculty and Mentor
IIHMR, Jaipur

G. Sadhu

Dr. Goutam Sadhu
Associate Professor
Cum Dean, (RM),
IIHMR, Jaipur

Samaj Pragati Sahayog

Bagli, Dist. - Dewas (Madhya Pradesh)

Certificate for Summer Internship Project (April 8 - June 10 2013)

This is to certify that **Shri Roshan Awasthi**, from the Institute of Health Management and Research (IHMR), Jaipur has completed his summer internship project at Samaj Pragati Sahayog. This project is in partial fulfillment of the requirements of the Post-graduate Diploma in Rural Management (PGDRM), 2012-14. He has submitted the report on his internship project to us titled, "***Why Are Savings Decreasing and Loans Increasing of the Members of Self Help Groups (SHGs) Supported by Samaj Pragati Sahayog***?" In this report, he has tried to analyse why the members of some SHGs are not able to increase their savings in tandem with their rising incomes and what are the critical factors affecting their sustained participation in the SHG movement.

Shri Roshan Awasthi has taken a keen interest in the project and has done detailed field work to answer his research questions. During the internship period, we have found that he is a sincere and hardworking student. Shri Roshan enthusiastically participated in some other tasks entrusted to him by SPS, such as conducting baseline survey of soil fertility enhancement interventions done by SPS in some villages and preparing a plan to saturate the village with such interventions. He has shown keen interest in studying various aspects of the rural economy, including working of the rural credit markets, in the tribal context in which SPS is operating.

We wish him all the best for a bright future.

Date: 20/9/2013

(P.S. Vijayshankar)
Core Team Member &
Director, Research

ACKNOWLEDGEMENT

The study has been a novel learning experience with field exposure to rural sector. This study helped in understanding and learning of various problems faced by people living in rural areas.

Samaj Pragati Sahayog is working with so many programs in Dewas district, a deep and thorough learning about their functioning and their interrelation helped to know how things are managed at ground level. However, none of this would ever have been possible without the priceless support of several people. I wish to take this opportunity to express my deepest gratitude to all of them who have made this endeavor a success.

I would remiss if I do not specifically mention some individuals who supported the assignment bestowed on me. I would like to extend my special thanks to **Mr. Vijay Shankar** (core committee member), **Mr. Yogesh Sharma** (senior project officer), **Ms. Jyotsna Tirkey** (senior project officer), **Mr Prashant Mohanty** and a very special thanks to SHG **Mitaans** for their help and guidance without which the work would not have been possible.

I would also like to extend my gratitude and thanks to the management, lower staff of Samaj Pragati Sahayog for giving me all the information and support required to complete the summer training. Being beehive of activities, it was great experience as Intern at SPS.

My deepest gratitude is to **Dr. S.D. Gupta**, the Director of IIHMR, Jaipur, **Prof Gautam Saddu**, and my mentor **Prof. Rahul Ghai** who has always been a source of encouragement and guidance which enabled me to do a good job in SPS, Dewas, MP, which is considered to be the oldest and renowned.

I would also like to thank all the others who left their mark in the projects and helped me inspite of their busy schedule and hectic work hours.

Last but not least, I acknowledge the moral support of my parents, family members, friends and almighty God who made me confident and capable enough to face such a task.

I thank everybody again.

Roshan Awasthi
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Dated- 10th June, 2013

ABBREVIATIONS

- AAY Antyodaya Anna Yojana.
- AAY Annapurna Anna Yojana
- CSO Civil Society Organisations
- INDAPS Indira Gandhi National Old Age Scheme
- ICDS Integrated Child Development Services
- MDMS Mid Day Meal Scheme
- MGNREGA Mahatma Gandhi National Rural Employment Guarantee Act
- NFBS National Family Benefit Scheme
- NMBS National Maternity Benefit Scheme
- PDS Public Distribution System
- SPS Samaj Pragati Sahyog
- SHG Self Help Group

EXECUTIVE SUMMARY

"Jai Jawan Jai Kisan" a slogan not very old is still relevant today. Agriculture forms the backbone of the economy of our county; therefore a happy and prosperous farmer can convert the country into a prosperous and wealthy nation. His efforts can fill the country with grain. Government is doing everything to change his condition and NGOs like Samaj Pragati Sahyog is providing outreach services and capacity building to them through help and support in livelihood and agriculture sector.

How to make land more fertile, how to prevent and reduce usage of chemical fertilizers, how to utilize organic manure and latest technology is now the core area which is focused and need to be looked for the things to change. Much has been done and still much needs to be done, farmers have not completely escaped the hands of moneylenders and basic amenities like safe drinking water and health services are not available to them.

One of the best paths undertaken in order to make them sustainable is Self Help Group formation which not only helped the women of low socio economic status to look forward but also made them competent enough to face small challenges.

Looking back gives us satisfaction but there is way ahead to go. Understanding their problems and finding a solution of it requires efforts. SHG is one such effort, women took it up with great enthusiasm but gradually stopped saving, why… this was studied and reasons were found out which showed that they are not spending on accumulating leisure but are using money to fulfill their basic requirements. With the survey analysis it becomes clear that formation of SHG alone cannot change their living. It must be explained to them how and why savings can help them. Research work taken up reflects the condition of farmers to an extent where it can change for a better future. The results can be utilized for their betterment. An attempt was made to find out the reasons for not taking interest in savings as they used to do it earlier and certain ways out have been discussed.

Small scale enterprises will help them to stand on their feet. A huge amount of money is used in marriage celebrations. If a group of women who are willing to learn are given cooking training and with small investment are provided with chairs tables and other fixed assets required for marriage feast can not only generate money but also reduce the cost of ceremonies. Hence such small self sustainable proposals must be encouraged and supported in order to make them capable of living respectfully. Another problem faced by them is rain drought cycle sorrow. Proper water management and good quality seeds will not only help them recover but also help them do farming more energetically.

A smile on the face of the person who fills the stomach of the country will be the most rewarding and fruitful job and SPS is doing its bit to do the same.

CONTENTS

Summer Placement Report

The following report is an effort to put into words the learning during summer placement in Samaj Pragati Sahyog. During the training, we carried out the study of various programmes of SPS, Dewas. The main purpose of the study was to get orientation towards the functioning of various field works of SPS and to complete the assigned task which includes our respective projects.

INTRODUCTION

Samaj Pragati Sahyog a non-governmental organization popularly known as SPS is located in Dewas district of Madhya Pradesh in the foot hills of Vindhya and Satpura ranges. It is a not for profit organization which started its journey about twenty years ago after getting inspiration from the visionary leader **Baba Amte** known to us as Pramukh Sahyogi.
When SPS took stock of the situation the area was badly drought struck and required actions to be taken in order to save migration and protect the downtrodden and marginalized sections of society like the Adivasis, Dalits and the poor.
SPS started its work in specific areas which included water and livelihood security and initiated working with its partners on a million acres of land across 72 backward districts, mainly in the central Indian Adivasi belt.

All the direct interventions were concentrated in about 260 villages and towns of this area. This work was not as easy as it seemed but turned into a model as a living laboratory of learning for others to adapt to their own areas.
To facilitate this mutual learning, in 1998 SPS set up the **Baba Amte** Centre for People's Empowerment in tribal village Neemkheda, where watershed work began in the early 1990s.
The organization focuses more on the empowerment of India's most disadvantaged people – women, Adivasis, Dalits and the poor, which are believed to be the greatest contributors in strengthening the fragile democracy at the grass-roots.

PROGRAMMES- A SHORT STORY

➢ WATERSHED DEVELOPMENT

SPS took watershed program in 57 villages covering an area of 1,12,000 acres which utilized Rs. 250 million effectively leading to recharging of ground water and also generating nearly two million person-days of employment. The total storage capacity of the water harvesting structures created by SPS exceeded over 4 million cubic metres. This led to security in drinking water facility as well as increase in kharif and rabi crop resulting in food and financial security. People understood the importance and thereby out migration was checked, instead in migration started taking place leading to more availability of work force. The farmers started growing multiple crops which further led to stability in their life.

➢ SHG PROGRAMME

With in-migration and crop cultivation the prosperity started rising but not at that effective pace to keep people go with day to day functioning. For this, they were to be made sustainable not only in moral terms but also in monitory terms and SHG became the best option for them. Women are considered to be the best savers so SPS started the concept of SHG in order to empower the women of the village in order to bring back the sustainable prosperity.

This could only be done when people were tied up with livelihood programs like agriculture, dairying etc. Thus SHG and livelihood programmes became complementary to each other and their simultaneous implementation is now the key to poverty alleviation. Since last six years, about 1,400 women's Self-Help Groups (SHGs) in 247 villages and 13 towns with around 23,000 members have been formed.

The unique strength of SHG programme is financial and procedural discipline and transparency in empowerment thereby causing the women to backward tribal area to find means of living. Not only providing them with technical and economical support but also helping and motivating them in order to become independent and self sustainable.

➢ SUSTAINABLE LIVELIHOODS

Keeping pace with the latest developments was very necessary for the farmers to maintain their growth of income and for that SPS helped them to utilize efficiently land resources, crop rotation and at the same time told harmful effects of chemical fertilizers and promoted organic manure. Farmers were told about composting, recycling of agricultural residue, use of farm yard manure and green crop bio pesticides. At the same time audio visual aids were used to make them understand agriculture extension work.

Only production of crop would not have solved the purpose if proper aggregating and marketing would not have been taken care of hence SPS helped them to collectively approach the market and sell the products at competitive prices in order to get the correct money for crop.

➢ LIVESTOCK

Each village household has livestock but the major problem faced is when taking care of them. Milk yields become less due to poor animal health and lack of water, fodder and affordable credit and a market for selling of products. SPS took initiative and arranged for veterinary services and proper collection channel of milk. Farmers were encouraged to purchase good quality breeds and they were insured from nationalised insurance companies. After minimizing the risk, the milk collection rose to 2,100 litres from no milk producing area to milk surplus area. On the procurement side, activities were focused on building up a fair and efficient milk collection and payment system. On the production side, various programmes like pregnant cow care, fodder production, regular de-worming and vaccination, support in selection of good animals and improved breeding services were provided to raise productivity of farm animals.

➢ KUMBAYA

The unique significance of Kumbaya is that in a predominantly agrarian region, where there are no traditional marketable crafts, it makes machine-stitched ready-to-wear garments, home linen and accessories designed to market specifications and international trends. Kumbaya has empowered women from one of the most deprived areas of the country by creating livelihoods through the dynamic skill of garment fabrication. Kumbaya is also hope for many differently-abled people, particularly women, whose inability to contribute manual labour in an agricultural area leads to their abandonment. Today over 500 women in 50 villages of many revenue circle and tehsils have learnt stitching and are contributing their part in upliftment of their family and village.

➢ MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT

MGNREGA gave an opportunity to the working farmers a ray of hope but due to lack of awareness beneficiaries were not able to utilize it properly hence SPS set up the National Consortium of Civil Society Organisations (CSOs) for NREGA in 2007. The Consortium includes 51 CSO partners in 59 blocks of 44 most backward districts across 11 states of India, working with about 1, 25,000 families to make MGNREGA a success. The SPS role is the technical and social empowerment of these partners.

The Consortium's work on the ground has led to very significant improvements in awareness of entitlements among workers and quality of assets created under MGNREGA.

➢ RIGHT TO FOOD

With the launch of various government schemes, public awareness must be generated in order to utilize them properly. SPS is working across 129 villages and 3 towns to generate awareness, greater local participation and build pressure on the government to reform the way these schemes are run and increase the resources allotted to them.

A survey was conducted in which more than 7,000 children less than six years of age, which identified malnourished children and monitored their growth. This has led to a marked improvement in quantity and quality of mid-day meals in 171 primary and middle schools.

Hence SPS is doing its bit in changing the life of the people of village because as said by father of the nation "real India lives in village and their empowerment and satisfaction will lead the country on the path of success" Therefore every work done by SPS is a step towards achieving it.

ORIENTATION AT SPS, DEWAS

8^{th} to 11^{th} April, 2013

The lecture on watershed management was taken by **MR. CHANDAN PANDEY**. In this class we learnt about two types and the structure of watershed-

1. **BOLDER CHECK**
2. **EARTHEN DAM**

BOLDER CHECK

Introduction

The whole day was dedicated to understanding bolder check. The concept was understood and we were briefed about its functions and construction and about its importance.

BOLDER CHECK is made by constructing a stone wall against the small drain on the slope of the hill.

Its main purpose is to erosion, water collected is absorbed by land thereby increasing the water level of nearby water bodies like wells and ponds and moisture of the land also increases. We also learnt about its construction and fabrication of bolder checks.

Observation

We went to field and observed the structure, functions and maintenance of bolder check. We also tried to construct its model form with the help of facilitators, during construction demonstration and practical we were able to find correlation between theory and its application thereby making the concept clearer.

EARTHEN DAM

Introduction

The second day our focus of study was on earthen dam the second variety of watershed project. It is used for irrigation of farms where there are fields available for farming, to increase level of underground water and for farmer to get more benefit from earthen dam.

Observation

We learnt about its construction and visited earthen dam and also tried to construct it.

We also visited Agra Khurd with Mr. Vijay Shankar on third day of orientation; there we saw soil compose systems, ware house, Ram Rahim Company.

SOIL COMPOST SYSTEM

People use natural methods to make soil compost. There are four kinds of soil compost systems-

1. *Bhu-nadep*
2. *Pakka nadep*
3. Four pit compost
4. *Sanjivak*

BHU-NADEP

Introduction

Bhu- Nadep is a natural system to make soil compost (manure). In this system farmer dig a 12 feet long by 5 feet wide by 3 feet deep ditch in the side of field and fill it with full organic waste garbage of field and mix cow dung and water and leave it for 6 or 7 months and after 6 or 7 months soil compost is formed.

Advantages-

- Increase the fertility of soil.
- Moisture of the land is retained for a longer duration
- Chemical fertilizer use is minimized there by reducing the cost of farming
- Macro and micro nutrients of the soil remain in it and do not get damaged.

Problems-

- It takes lots of time to get manure.
- Does not give full benefit.

To make it more useful new method introduced that is *nadep*.

PAKKA NADEP

This method has been introduced by **MR. NARAYAN DEV PANDEY** (Maharastra). In *pakka nadep* no ditch is dug but is constructed on the land with silt and cement of dimension 12 by 5 by 3 feet. A boundary is constructed from all four sides and bricks are laid in such a way that 3rd, 8th and 9th bricks have some space left for air circulation to occur and anaerobes generate gas and it makes soil compost (manure) faster. It takes only 3 to 4 month to make natural manure.

FOUR PIT COMPOST METHOD

This is a four step method to make compost. Four pits are made and each pit is filled one by one. This method gives 5 quintals of manure every four months. This helps the farmer to get manure every day. The size of the pits altogether is 12 by 12 by 2.5 feet and it is equally divided into four equal parts of size 5.5 by 5.5 by 2.5 feet.

Cow dung is filled in one pit and is moistened with water and then covered with black polythene. The procedure is repeated in second pit and about 500 to 1000 earthworms are added in first pit after the temperature of the pit becomes conducive for them to survive. This helps formation of manure. This is also called worm compost method.

SANJIVAK

One by one by one meter ditch is dug and polythene is placed at its base and walls properly. Polythene is tagged so that it does not go down and it also prevents *sanjivak* to go inside the ground where it is prepared. About one feet water is filled and mixed with fresh cow dung and other organic materials like jaggery and *besan* along with water in order to make a liquid mixture. The ditch should be about half inch empty in order to mix the solution properly. It becomes ready in about seven to eight days as starts fermenting and starts smelling thereby showing its cycle completion. It must be used in wheat crop in order to increase urea content of soil, retains moisture and makes the crop greener. *Sanjivak* is used to provide manure and nutrients to plant and has no relation to soil fertility. One glass of *sanjivak* is poured in the roots of the plant will provide nutrients to the plant.

KITCHEN GARDEN

The space in front of the house is utilized by the farmers to grow vegetables for the consumption at home. This helps in saving money on vegetables and also keeps the area clean and tidy. The concept of kitchen garden is proving popular in every house of village because fresh and seasonal vegetables become available for food which is free of chemical fertilizers and provide nutrition to the family. It also helps in seeing the quality of seeds.

RAM RAHIM PRODUCER COMPANY

Introduction

Ram Rahim company was formed because the farmer did not had storage capacity so they were forced to sell all their agricultural output at once to the big and prosperous farmer and these farmers used to purchase all their products at a very cheap rate not at all conducive and appropriate even to bring back the money invested on cultivation. When the price rose in market they sold the products at a high rates earning a huge amount of profit so small farmer was not able to get the real cost of it products. The amount invested on agriculture was also not recovered; there was full exploitation of small farmers.

In order to stop such kind of exploitation SPS took an initiative to create Ram Rahim Company in order to help small scale and poor farmers to get the real market price of their cultivation.

Observation

SHG members came with their products of farming, got it weighed and the person in-charge or the employee working on duty checked the quality of wheat and then labeled the quality as A, B or C. In A category those wheat which were fully clean and big seeds, B category little bit smaller ones with some hay and dust (GHAAS, FOOS) and likewise others were categorized.

This not only gave freedom from the hands of big farmers but also gave the farmers the real cost of their cultivated products and also encouraged them to produce a better quality of products in order to stand in market.

How Does It Function

All SHG members give their wheat to company and get initial amount then company submits all the production to Government warehouse and gets the receipt; from this receipt company takes loan from Bank and from this loan it distributes initial money and when the prices increases all agricultural product is sold in market and that amount is distributed amongst farmers, so all farmers get actual market price and also recover their input cost. The payment is also made to the bank from which loan was taken. Full benefit from their agricultural products encourages them to produce more quality products.

We saw a warehouse where maize was stored of farmers; it was going to be exported to Iraq. Ram Rahim Company have national and international markets which provide good money to the farmers.

EXPOSURE TO RIGHT TO FOOD

12th April, 2013

Introduction

Right to food is a very encouraging and optimistic thought of government of India in providing food to everyone. As the country has surplus of food grains such schemes has been rolled out for the benefit of people. Altogether nine schemes are running under the right to food act.

The basic work in which SPS is helping the government is in monitoring and evaluation of the right to food delivery mechanism, selection of beneficiary, creating an awareness in the society and slowly making people familiar with the right by doing its advocacy to the fact that people generate demand on their own. SPS is not only helping the government in doing this but also helping the beneficiary in availing services, hence the service provider and beneficiary link is being looked after by SPS. Programme specific monitoring mechanism is developed and followed by SPS; regular monitoring will lead to improvement in quality of service as well as reduce malnutrition and other deficiency disorders thereby putting a check on one of the 4 d's (defect, deficiency, disease and disability). Indirectly it will also improve the human resource of the country with healthy next generation thereby building up the nation.

Following nine Schemes are functional under Right to Food-

1.) ICDS
2.) MDMS
3.) AAY
4.) Annapurna Anna Yojana (AAY)
5.) NFBS
6.) INOAPS
7.) NMBS
8.) MGMREGA
9.) PDS

Observation

We also visited an ANGANWAI CENTRE in order to have a look more closely. We learnt how to measure the weight of a baby. The registers were maintained and had children enrolled for the mid-day meal and food distribution mechanism. We also learnt the way government system runs and provides services to the people.

DATA COLLECTION FOR RRA

13th to 26th April, 2013

A soil component survey was conducted by SPS for Revitalizing rain-fed Agriculture (RRA) which in turn provided data to GoI in order to ensure MGNREGA schemes etc.

RRA and SPS are working together in the soil project. Two areas AGRA KHURDA and SIVAN PANI were chosen for survey which took place for two week from 12th April, 2013 to 26th April, 2013 that is for 2 weeks.

Objectives

- To know about how many farmers are using *BHU-NADEP* or *PAKKA NADEP* or *SANJIVAK* in their field to provide nourishment to the soil.
- To know how many *NADEP* are in use.
- To know how many farmer who have *NADEP* are actually using it or not.
- To know how much land is covered by *NADEP* manure.
- To know how many farmers is composing manure with cow dung (*rukda*) that is green and organic manure.
- To know how much chemical fertilizer (*rasaaynik khaad*) is being used.
- To know how much land has water availability (*pivat*)
- To know how much has no water availability (s*ukhat*)
- To know what type of soil is available in village (red, black or any other)

Findings

Most of people have PAKKA NADEP. Some were using and some were not using. Soil composers and four pit compost are very few in use and most of the farmers are happy and satisfied with PAKKA NADEP function because the land cultivating power has increased and the cost of farming has gone down resulting in less more production in limited available area of farming.

We were in the field for 2 weeks to collect data for the survey and simultaneously the field visits made us understand the problems and situations faced by the farmers. We felt that the farmers were aware about the hazards of chemical fertilizer and were ready to accept green manure. Living in difficult situation with smile on the face was the best and most important thing which we learnt from them.

PREPERATION FOR SURVEY

27^{th} to 30^{th} April, 2013

Although there are many work being done and supported by SPS but I found the SHG loan system most interesting and therefore decided to work on it and take up one of the most burning issue of SHG that why the loans on SHG members are still present and increasing and savings decreasing despite of the SHG in place for last 3 years. Therefore after thorough review of literature and discussion, I formulated my mind to take up the issue in order to find out the reasons for the decrease in savings and increase in loans. For the same I went to various SHGs, studied its working, talked to members, attended meetings, took help from maitans and finally formulated the research question.

EXPOSURE TO SELF HELP GROUP

SHG is a small group of 12-20 women of the same section, socio-economic backgrounds who come forward together and work voluntarily to increase their savings and help each other to overcome and come out of critical situations faced by them during the course of life. They work together for their own upliftment.

The main purpose for the formation of SHG was to make people free from the chains of moneylenders but it also provided various other features like helped empower women, increase their decision making power, inculcate and hep to strengthen leadership quality, make a strong social environment to make an impact, increase the value and importance of women in family and society, promote and enhance complete participation of women in financial and economical matters.

Objectives

- To make a common platform for members to save money.
- To provide emergency loan to members.
- To empower women.
- To develop leadership skills in members.
- To develop decision making power in members.
- To make them familiar with bank activities.
- To bring marginalized/deprived section to main stream of the society.
- To increase the income of members and bring sustainability in it

- There are three kinds of phases which mainly SHG has created-
  - To make people free from moneylender (people take money from SHG and pay their old loan to moneylender and get freedom from them)
  - To fulfil their needs like seeds, manure and all.
  - Can buy TV, Bike and such kind of fixed assets.
- Main target sections are provided interest on saving, fixed deposits, loans against fixed deposits.
- Individual member loan limit is Rs. 3000/- to Rs. 30000/-.
- Loans provided are thrice of their savings or if the member has good record of last year deposits and repayment of loan so can get more than thrice the sum but maximum up to four times of deposit.

Step-by-step Formation of SHG

- Decide location.
- Small household survey to know awareness about SHG in the community.
- Re-awareness programme in the community.
- Prepare a list of members who are ready and who are not.
- Try to convince those who are not ready. If you are convincing then this will be a negotiation so awareness is the right word - if they come on their own after knowing will be taken as voluntary such point must be reconsidered.
- Form a group of 12-20 women.

Eligibility criteria

- Members of SHG can be both men and women of age group 18-55.
- All members of SHG should belong to one village/colony/ward and must hold a valid BPL card.
- Membership fees is Rs 10/- or Rs 5/- or whatever the group members decide and this is called direct income.
- All members should be from same community and socio-economic background.
- There should be only one member from each family.
- The group will be run by the members themselves and no external supervisor or control will be allowed. No outsider can implement rules and regulations on the group.
- All member elect *adhyakshya* and *sachiv* from amongst the group members either together or by vote.

- The *adhyakshya* and *sachiv* can hold the post only for 2 years after which new member must be made *adhyakshya* and *sachiv*.
- To add a new member in SHG 51% members of that SHG should agree.
- Only those can join the group who have earnings less than 30000.

Important bodies

The most important part of the group is the women who are the members and take care of the working. Without their sincerity and activeness the group may not survive, sense of ownership and participatory approach is not only necessary but inevitable for the success of the SHG. Next are the *Maitaans* who act as the connecting channels between the group and the organization, they are the channels for upward and downward movement of messages, issues and requirements of both side. They act as a bridge by delivering services and message to the people of the community and also provide feedback to the organization. The *adhyaksh* or the chairperson and *sachiv* or secretary is also equally important in delivering the success to the working of SHG.

Formation of SHG

In the initial three months of conception only internal preparatory activities takes place, no bank involvement or transaction occurs. In these three months all members understand the functions of SHG. How it works. What would be minimum saving for month? What would be punishment if they are not deposit minimum savings? When would monthly meeting happen (Place, Time, Date). If someone cannot make up in time what will be punishment. In first three months they collect money and give to the member who requires the most as loan. If there are more members who need money then it is given as per need and priority. Members decide about the repayment method how it will be returned either in instalment or at one go, NGO makes them familiar about the money transaction and helps them to understand real vision of such group.

Role of bank

After three months of SHG the NGO helps to create linkage between Bank and SHG. There are two types of account that can be opened in Bank first is individual account and second is SHG account. The SHG account is joint account of *Adhyakshya* and *Sachiv*. SHG group members collect money then this becomes the responsibility of sachiv and *adhyakshya* to deposit all collection in the bank. In the meeting members decide who requires how much loan and who will receive how much loan and then *maitaan* fills the registration form (*avedan patra*) for member who is asking for loan.

All money will be deposited in SHG account then the person needing money will take loan from SHG account. All transactions will be recorded in both accounts. Loan would be minimum {saving * 3}, if the previous record of person is good then person would get about 4 times of savings. Loans for cattle insurance, Life insurance, emergency loans, loans against fixed deposits, loans for marriages etc are various types of loans demanded and approved. The SHG has Interest on loan as its big earning source.

Two kinds of loan are given-

- Cash credit
- Drawing power

Cluster developmental association

Around 15 to 20 SHG together forms a larger group called as cluster. Actively participating member of SHG are made the members of cluster which is supposed to look after the SHG under its coverage area. People can come to cluster who are hard working, vocal and display equal sense of responsibility. All the issues pertaining to groups are discussed and finalised in cluster meetings.

Federation

Federation is an institution formed by 15 to 16 clusters. It is a registered body. It was created because SHG did not have any legal registration from where all information about SHG can be taken. It is a platform to interact members to others clusters and share their information, experience and all so they can learn by each other. Through Federation members also get leadership training.

Observation

Members were making amendments in SHG rules and the bargaining power of members was amazing. They collected and counted the money. Loans were being provided on priority basis. The decision to give loan to whom was taken after the agreement of all the members. Penalty system was in place, those who did not attend meeting were supposed to pay a fine to allow meeting to happen on time, every month.

RESEARCH WORK

Introduction

With the basic goal of releasing the farmers from the hands of moneylenders SPS vision was to make farmers self sustainable and capable enough to look after their finances and learn the importance of savings.

Keeping this in mind it helped in formation of SHGs which was a group of 12 to 15 females of same community and socio economic class to look after their financial problems as well as save money for future problems. I decided to complete survey in one month from 1st May, 2013 to 31st May, 2013.

Earlier the cycle of loan broke the backbone of the farmer not only leading to poverty but also causing disturbance in family with lots of inter-related issues rising up. Hence the concept of micro financing came up which acted as a boon for the farmers and helped them to look forward**.**

SPS is working in different areas helping downtrodden and marginalized people to come in mainstream way of living but the area which caught my attention was the loan is to saving ratio of SHGs members. Therefore I decided to go for a survey and analyze the cause why the people are not saving as they used to and why their loan are increasing day by day.

Review of Literature

After seeing the reports, article and previous records, it was found that the basic purpose for which the SHGs were formed still exists and people are still entrapped in the hands of moneylenders.

The records shows that people especially women initially hesitated in becoming part of SHGs but slowly learnt its importance started enthusiastically and took part in savings, the saving though a small amount generated confidence in women and were able to find a source of income. But somehow it lost its purpose either due to disruption in continuity or due to overconfidence, the savings got reduced and people wet in debts. To find out the reason in order to formulate and medication in policy this study was taken up.

Research Question

"Why are savings decreasing and loans increasing of SHG members" despite more than a decade has passed since it started.

Objectives of Study

The purpose of the study was to find out-

- current financial status of members
- source of income of members
- ways and means of expenses
- reason for reduction in savings
- what kind and why are they taking loans
- purpose for which they are utilizing loans

Hypothesis

- **Null hypothesis**- people are saving less and taking loans to purchase leisure items and goods.
- **Alternate hypothesis**- people are earning less and are not able to fulfill their day to day requirements.

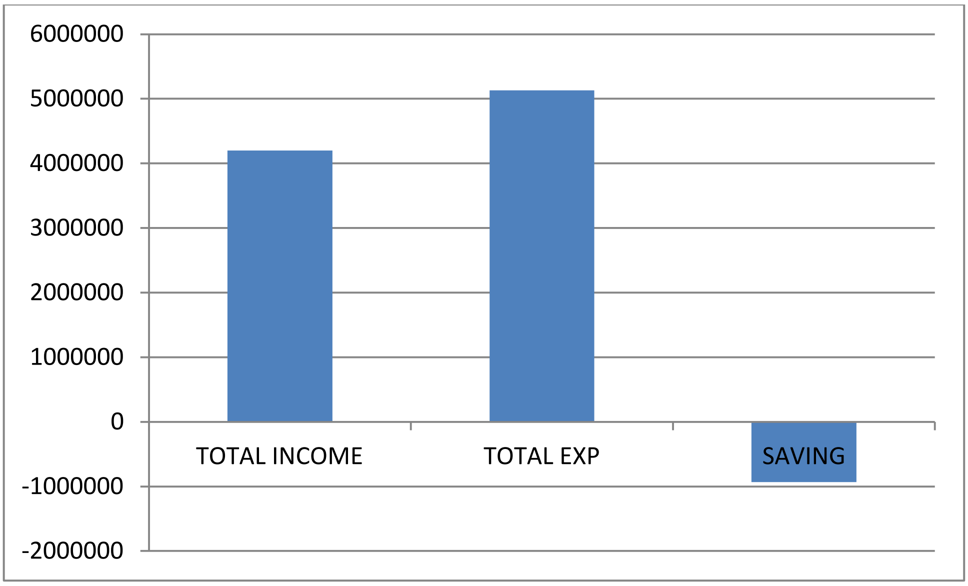
Methodology

As we have 17 clusters in **UDAI NAGAR SAMITI**, we decided to randomly select 10 clusters for good findings. We analyzed all data and found that if we take 7 persons from one cluster that have invested minimum in savings and have taken maximum loans.
After the experience of agriculture survey one can do survey of 5 members in one day and most of questions are closed ended so it will take around 60 minutes per person.
Cluster No.:- 17
Random cluster selection:- 10
Group Members sample size :- 7 persons (selected after forming a list of members keeping in mind the records and in consultation of maitaans who have taken maximum loans and do not deposit money, then an ascending list was prepared. Finally top seven were selected for sampling
Members sample size: - 7 persons
Total Target population: - 10*7=70
No. Of days allocated for Data collection: - 17 days
Target sample per day for survey: - 70/14= 5 person per day (3 days have been kept as reserve)
Time duration for each person: - 60 minutes.
Total duration for one day survey: - 5 hours
Total duration in field for survey: - 70 hours (plus travelling)

Findings

INCOME VERSUS EXPENDITURE-

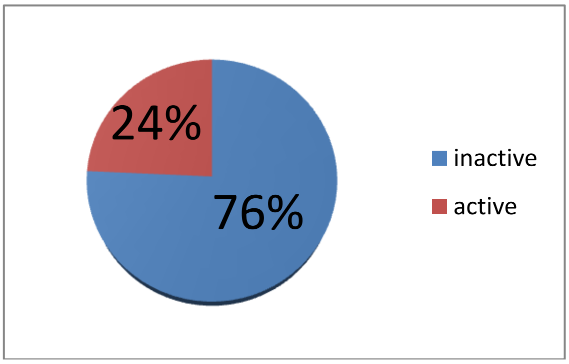
Income	Expenditure	Gross deficiency
4197820	5131740	**-933921**



The graph shows total income, total expenses and deficiency of balance between them of 70 samples, it clearly shows high Expenses exceeding income. Though it is yearly transaction but after analysis of cash flow statements it is quite evident that people are spending more than their income.

CURRENT STATUS OF MEMBER

Inactive 76%
Active 24%



In this we can see that SHG members are not actively participating in SHG activities and are not saving.

Reasons

1.Meeting does not happen on time because many members do not prefer to come and remain inactive so lack of quorum does not allow meeting to happen and therefore members have to suffer.

2. Leisure items like mobile, TV and other items have caused increase in expenditure hence are not able to save money.

3. Family size has increased so more mouth to feed have caused reduction in savings

4. Inflation rate has also indirectly affected savings; people are not able to save because expenditure is more than income.

5. Some members are not satisfied with the way of interest taken by SHG (not aware with how is interest calculated)

6. Some needed immediate loan but SHG could not give them so they were forced to take loan from moneylender. So now all money saved and earned is spent on repaying to moneylender.

7. All groups are 10 year old and in this 10 year many amendments have been done but because of inadequate information or IEC material, information is not reaching to the members so there is dissatisfaction.

8. Two groups were closed in *Chandupura* cluster and the reasons behind the closure was that the groups were formed in different communities and the members had some fight so they refused to come in meeting together hence meeting did not occur.

9. Some member thinks that once they take loan from SHG is more than what they invested so now no need to save and continue with SHG.

10. Because of marriage and other social ceremonies and issues members need more loan from SHG which is not provided so they go to moneylender for loan and ones they take loan from moneylender they get trapped and can never come out.

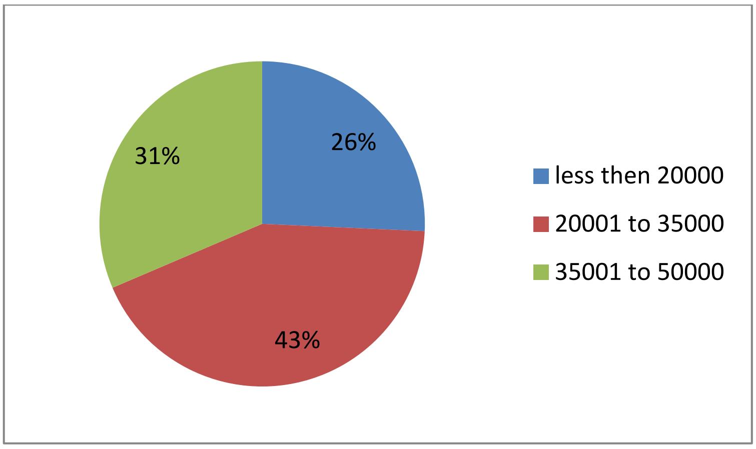
11. Some member does not have land and some have their land on mortgage so they have to migrate for livelihood hence cannot come in every meeting.

12. In *Borkhaliya* cluster, *Sita Mata Bachat Samhu*, some members do not have Bank linkages

So the members have to pay two kinds of loan SHG loans and loan from moneylender so whatever they earn all money spend to pay interest of loan.

Some members really want to save money however when they come from very far and see that meeting would not occur, this makes them loose their belief in SHG and now they do not save money in SHG and demand to close the account. Those who want to close account; it cannot happen as *maitaan* does not reach in time there.

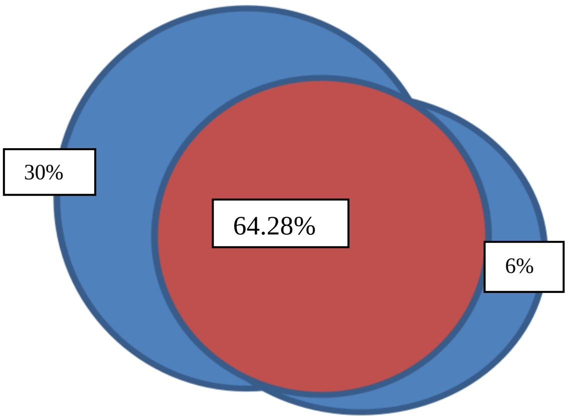
ANNUAL INCOME



In SHG people become member who have their earnings less than Rs 30000 annually, some people cross the limit hence they should leave the SHG membership but they do not leave thereby many people who require membership are left, member who are earning less than Rs 30000 are getting less benefit from SHG and those who are earning less than Rs 30000 they have to take loan from moneylender so now all their money goes in repaying of interest on loan, so people are no able to save money.

NUMBER OF LOANS

SHG	OTHER	LOAN FROM BOTH
30%	6%	64.28%



In the above Venn Diagram we can easily see that only 6% members took loan from only moneylender, the reasons behind it

1. Members do not get immediate loan from SHG.
2. Not getting that required amount of money they go to moneylender for the same.
3. Not satisfied with rate of interest of SHG, they feel that why SHG is charging 18% and why giving 6% (not aware).

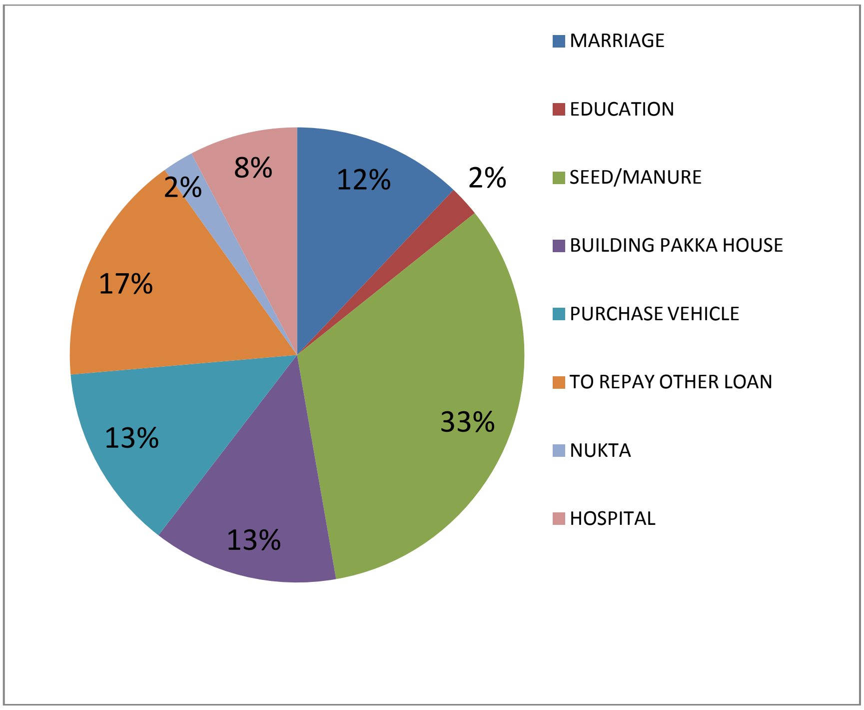
The other thing is 64.28% members are taking loan from both. It means they have made SHG as support which will help them for repayment to moneylender.

Previously people were taking loan only when they really needed it and they had in mind that if they could not repay the money they will lose their land. Now they are taking loan very frequently because they now have SHG the land will not go anywhere ‘we will take loan from SHG and repay the moneylender’ and they do not think about repayment to SHG. Thus, easy availability of loans has only increased their tendency to take loans.

Following data also supports that in SHG more members are taking loan to repay moneylender.

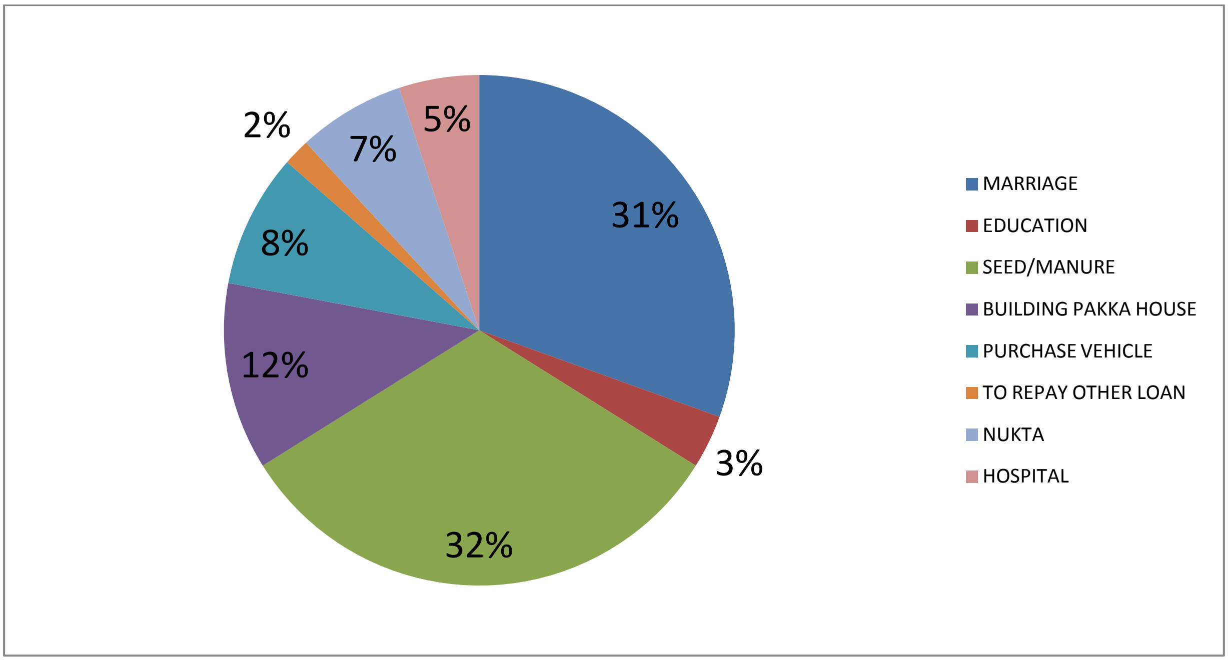
REASON FOR LOAN FROM SHG

MARRIAGE	EDUCATION	SEED/ MANURE	BUILDING PAKAA HOUSE	PURCHESE OF VEHICLE	TO REPAY OTHER LOAN	NUKTA	HOSPITAL
12%	2%	33%	12%	13%	17%	13%	8%



REASON FOR LOAN FROM MONEYLENDER

MARRIAGE	EDUCATION	SEED/MANURE	BUILDING PAKAA HOUSE	PURCHESE OF VEHICLE	TO REPAY OTHER LOAN	NUKTA	HOSPI TAL
31%	3%	32%	12%	8%	2%	7%	5%



If we compare both the above pie charts, we can see that 17% members are taking loan from SHG to repay to moneylender. It directly indicates that members are taking loan from SHG to repay moneylender. From conversations with these members, it transpires that this has enabled them to take more loans from the moneylender, as they feel that this debt could easily be paid back by borrowing from the SHG. Thus, SHG's have only resulted in more loans by the household.

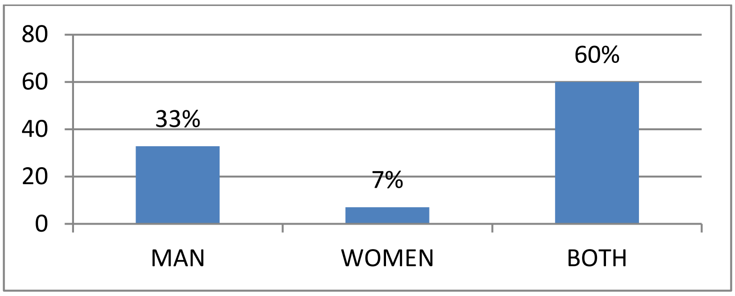
Comparing pie chart we can also intimate that two other reasons for loans- marriage and seed are high taken from both SHG and moneylender.

Reasons

- Easy loan from moneylender
- If members need Rs 50000 for marriage they get Rs 10000 or Rs 20000 according to their limit, rest of the money is taken from moneylender which makes them entrapped.
- SHG provides only Cash but moneylender provides Dress, utensil things which is called indirect loan.

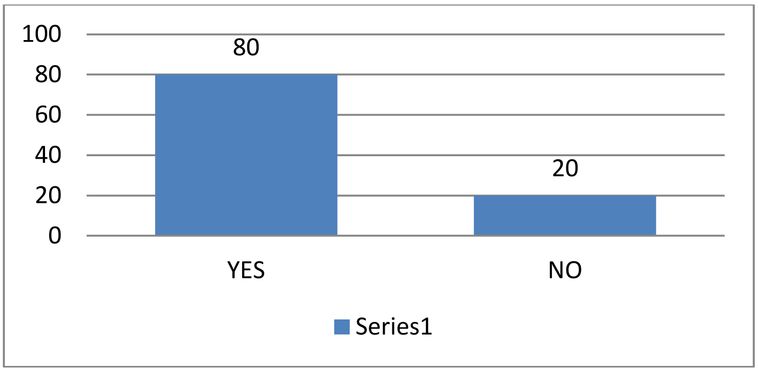
We can conclude from this pie chart that in social functions people still prefer moneylender because of easy loan and the mentality of people is that SHG is only for seed and manure and they take loans for it. For other reasons they feel that SHG cannot fulfill it so they have to go for loan to moneylender and once they take loan from moneylender it is not easy to get rid of.

CONTROL OVER MONEY



Only 7% families are there where control on money is in the hands of women and about 33% by men, individual control is more but I could not find any gender issues but this data can be used in making IEC materials, we should not only aware women about SHG but the whole family should be involved in target people whom to make aware. (Target people should be both women and men)

WILLINGESS TO CONTINUE WITH SHG



80% people want to continue with SHG. They are only inactive because other members are inactive and hence meeting does not take place, they do not have complete full information and feel SHG is a better option.

LEARNINGS

1. Learnt from villagers how they manage to survive in difficult situations. Living with wild animals and still doing all daily activities as normal routine is commendable job. (Environmental Balance).

2. While doing survey I faced transportation problems I realized how do people face it daily.

3. Most of all are farmers and have lands which are very far from their home so they have to protect their cultivation from wild animal so they have to guard the field all the time in summer or winter hence face very variable conditions.

4. Learnt how to get information by informal conversation.

5. Learnt that research designed should be flexible. One should be able to adept change in ground as per reality.

6. Learning for SPS that how slowly they developed things and interlink all programmes to each other and with collective work helped people.

7. People in village still feel that males are dominant part of society hence equal importance cannot be given to males and females and males have the final saying in family.

8. People are not spending money on accumulating leisure items, they take loan to fulfill their basic needs and sometimes get into trap of moneylender.

9. New innovations in the field of agriculture have helped farmers to become sustainable and with use of green manure the land fertility is being looked after.

10. SHG is taken as the sources of loan only for seeds and manure, people are not aware that they can take loan for various purposes.

SUGGESTIONS

1. Some emergency fund must be kept with one member of group so that if contingency occurs some relief can be taken from.

2. If quorum does not completes and those who want to deposit money in account must be allowed to do so, not only for special people (those who earn from labor and go out to earn) but also for all member it should be applied. Those who want to deposit can deposit it. Usually many members want to deposit but are not able to, hence if the restriction is removed the number of deposits will increase.

3. Those who have improved their social status or whose annual income has increased above Rs 30000 should be eliminated from the group in order to pave way for more needy people.

4. Those who do not come to attend meeting should be charged some fine.

5. Members who take loan should discuss in next meeting where did they really used that loan (same reasons as motioned before taking loan). Sometimes the real reason is not disclosed for taking loan.

6. Those who are not interested to be with SHG should be consulted once and after verifying that they do not want to be member should be given chance to move out from SHG.

7. Most of emergency loan are taken from moneylender like for hospital so a doctor can be asked to visit the place once a while to check people and give them necessary instructions, moreover hygiene maintenance instructions can also be delivered by him to all villagers.

8. All new information should not only be given in meeting but IEC material must also be used preferably pictorial and in regional language to inform them.

9. Some anti tobacco anti alcohol campaign (*Nasha mukti Abhiyan*) should be in village so that people become aware of its bad effects and also spending on such items can be reduced which can save good amount of money.

10. Marriage arrangement proposal- some of the women can be given special training for cooking and with initial investment can be provided with basic utensils and other items required in making food. Also tents and *shamiyans* which are required can be purchased at one time and can be used in functions of village. A self help group can be formed which will look after its functioning and collect orders from the village on occasions where tents and catering services are required and can deliver services less than market rate. This will not only prove to a source of income but will also cut down excessive expenditure on such items. People can save money and will get the services from within their range.

ANNEXURES

ACTIVITY PLAN FOR RESEARCH PROJECT

	Dates of from 1st MAY to 8th JUNE						
Activity	1-3	3-7	8-25	26-31	1-3	4-7	8
Research topic decide ,Literature review ,interaction with SHG members							
Development of fieldwork plan							
Fieldwork for data collection							
Data entry and validation							
Data analysis							
Developing report							
Submission of final report							

BUDGET PLAN

S.No.	**Item**	**Details**	**Amount**
A.	**SALARIES**		
	Mtan salary	1 person x 26days @ Rs. 100 per day	2600
	SUBTOTAL OF SALARIES		**2,600**
B.	**TRAVEL, TRANSPORTATION, PERDEUM**		
	Travel for survey Office to destination Punjapura	3 trips @ Rs.5 x 2	30
	Peepari	3 trips @ Rs. 30 x 2	180
	Uday Nagar	3 trips @ Rs.25 x 2	150
	Pandu Talab	3 trips @ Rs.35 x 2	210
	Fuel Expenses For Home to home Survey	26 days @ 100/. Rs. Per day	2600
	SUBTOTAL OF TRAVEL, TRANSPORTATION, PERDEUM		**3170**
C.	**OFFICE/ADMINSTRATIVE COST**		
	Stationary, etc.	4 pencils @ 4 Rs. Per pencil	16
	Photocopy/Printing of Schedules	110 forms 5 pages in each form @ 1 Rs, for each page	550
	SUBTOTAL OF OFFICE/ADMINSTRATIVE COST		**566**
		TOTAL	**6336**

SURVEY- QUESTIONAIR

WHY ARE ALREADY EXISTING MEMBERS LESS PARTICIPATING IN SAVINGS DESPITE OF THEIR LOANS INCREASING SINCE LAST THREE YEARS?

NAME Of MEMBER/HUSBAND ..../...

NAME OF VILLAGE.....................................NAME OF SHG...

DATE OF JOINING SHG.........................CURRENT STATUS OF MEMBERSHIP..............

TOTAL NUMBER OF FAMILY MEMBERS..............MALE................. FEMALE................

1. HOW DID YOU GET TO KNOW ABOUT SHG?

A. SOMEONE TOLD ☐

B. THROUGH TV/ RADIO ☐

C. BY SELF ☐

D. ANY OTHER SOURCE ☐

2. WHAT WAS THE REASON FOR JOINING?

A. OUT OF CUROSITY ☐

B. FOR FINANCIAL SUPPORT ☐

C. TO IMPROVE LIVING ☐

D. ANY OTHER REASON..

3. HOW MUCH WAS YOUR INITIAL SAVINGS …………………………………………………………...

4. WHAT IS YOUR CURRENT SAVINGS …………………………………………………...

5. HOW MUCH IS THE ANNUALY INCOME OF FAMILY FROM ALL SOURCES?

A. LESS THAN 20000 ☐

B. IN BETWEEN 20001 TO 35000 ☐

C. IN BETWEEN 35001 TO 50000 ☐

6. HOW MUCH IS THE GENDER SPECIFIC FAMILY EARNING MONTHLY?

A. MALES...

B. FEMALES...

7. HAVE YOU EVER TAKEN LOAN FROM ANYWHERE?

A. YES ☐

B. NO ☐

8. WHAT WERE THE REASONS FOR TAKING LOAN? (YOU CAN TICK MORE THAN ONE)

A. MARRIAGE ☐

B. EDUCATION ☐

C. SEED/MANURE ☐

D. BUILDING PAKKA HOUSE ☐

E. PURCHASEVEHICLE ☐

F. TO REPAY OTHER LOAN ☐

G. ANY OTHER REASON..

9. WHAT WERE THE REASONS FOR TAKING LOAN FROM SHG (YOU CAN TICK MORE THAN ONE)

A. MARRIAGE ☐

B. EDUCATION ☐

C. SEED/MANURE ☐

D. BUILDING PAKKA HOUSE ☐

E. PURCHASEVEHICLE ☐

F. TO REPAY OTHER LOAN ☐

G. ANY OTHER REASON...

MONTHLY SAVING CHART

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	NOV	DEC
Save more											
Save less											
Reason											

10. HOW MANY LOANS ARE CURRENTLY RUNNING?

……………………………………..

11. SAVINGS FOR THE YEAR.

2009-10 ☐

2010-11 ☐

2011-12 ☐

12. DO YOU THINK THERE IS REDUCTION IN YOUR SAVING? IF YES HOW

....

....

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....

....

13. IS SHG A BETTER SOURCE OF FINANCIAL SOLUTIONS?

A. YES ☐

B. NO ☐

IF YES THEN WHY

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IF NO THEN WHY

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………………………………………………………………………………………………

20. DO YOU PREFER TO CONTINUE WITH SHG?

A. YES ☐ B. NO ☐

21. WHO DECIDES REPAYMENT METHOD?

A. FAMILY

B. YOU YOURSELF

C. GROUP MEMBERS

D. MITAN

E. OTHER

21. ARE YOU SATISFIED WITH SGH REPAYMENT METHOD?

A. YES

B. NO

22. COMMENTS IF ANY

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DATE OF INTERVIEW…………………………………………………….……

TIME OF INTERVIEW...

PLACE OF INTERVIEW..

SIGNATURE………………………………………………………………….

CASH FLOW STATEMENT

HEADS OF INCOME	**JAN**	**FEB**	**MARCH**	**APRIL**	**MAY**	**JUNE**	**JULY**	**AUG**	**SEPT**	**OCT.**	**NOV**	**DEC**	TOTAL INCOME FOR THE YEAR
A. INCOME FROM:													
a) AGRICULTURE													
b) AGRICULTURE LABOUR													
c) FROM LIVESTOCK													
d) FROM FOREST PRODUCE													
e) SERVICE/JOB													
f) RENT													
B. INCOME FROM SALES													
a) MANURE													
b) ALCHOL													
C. OTHER INCOME													
a) PENSION AND SCHOLORSHIP													
b) BONDED LABOUR													
TOTAL INCOME													
HEADS OF EXPENDITURE	**JAN**	**FAB**	**MARCH**	**APRIL**	**MAY**	**JUNE**	**JULY**	**AUG**	**SEPT**	**OCT**	**NOV**	**DEC**	
A. REGULAR EXPENDITURE													
a)ALCOHOL/ TOBACCO													
B) MOBILE BILLS													
C) PETROL													
b) VILLAGE MARKET													
b) LOAN REPAYMENTS													
B. SEASONAL EXPENDITURE													
a) AGRICULTURE INPUT													
b) ANIMAL HEALTH													
C. OCCASIONAL EXPENDITURE													
a) FESTIVAL													
b) MARRIAGE													
c) DEATH													
d) EDUCATION													
e) MEDICAL EXPENSES													
D.OTHER EXPENSES													
TOTAL EXPENDITURE													