

Self Help Groups and Microfinance: A Study with Reference to Scheduled Tribes in Andhra Pradesh

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Introduction

According to the Census of India, 2001, there are 5,52,253 tribal households consists of 25,48,295 males and 24,75,809 females, whose share is 6.59% to the total population of Andhra Pradesh. Many non-governmental organizations (NGOs), banks and government have promoted self help groups (SHGs) through various programmes such as Development of Women and Children in Rural Areas (DWCRA), Swarnajayanthi Gram Swarozgar Yojana (SGSY), watershed (WS) etc. Since 2000, Indira Kranthi Patham, earlier called as Velugu under Society for Elimination of Rural Poverty (SERP), has been played a proactive role in the promotion and strengthening of SHGs and their federations. There are 1,913 women thrift groups in all the 9 Integrated Tribal Development Agencies (ITDA) in Andhra Pradesh (TCRT, 2004).

SHG is a group of 10 to 20 members, voluntarily formed and related by affinity for specific purpose. It is a group whose members use savings, credit and social involvement as instruments of empowerment. Indira Kranthi Patham (IKP) is a statewide poverty reduction project to enable the rural poor to improve their livelihoods and quality of life through their own organizations. It aims to cover all the rural poor households in the state with a special focus on the poorest of the poor households. It is implemented by Society for Elimination of Rural Poverty (SERP), Dept of Rural Development, Govt. of AP. Consequentially, the SHG movement in Andhra Pradesh has taken deep roots in all districts. As a result, there are 88,32,828 SHG members in 7,08,315 SHGs organized into 34,269 Village Organizations (VOs) and 1,085 Mandal Samakhyas (MSs). In addition, there are 126 Mandal Vikalangula Sangams, 17 Chenchu Mandal Samakhyas and 15 Fishermen Mandal Samakhyas in the State. District Samakhyas (DS) have come into existence in all the 22 districts.

As on March 2007, the banks have disbursed Rs. 180,417.42 millions to 29,24,973 SHGs with an average loan of Rs 44,342 per SHG and Rs. 3,167 per family (NABARD, 2009). Of the cumulative credit linkages in the country, 23.37% (6,83, 619) of SHGs with 39.47% (Rs. 71,209.73 millions) loan amount is disbursed in the state of Andhra Pradesh.

As per the Participatory Identification of Poor (PIP) survey conduct conducted by SERP, as on June 2007, of the total 11,43,010 poorest of the poor and poor households in AP, 84 percent of households formed into SHGs (SERP Annual Report, 2007). As on March 2005, the amount of CIF

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released for income generation activities is of Rs. 40,989 lakhs against the physical out lay of Rs. 17,28,055. Of the total CIF allotted for IGA in the AP, 19.18% of funds were released against a physical out lay of 18.2%. As on June 2007, of the total 2,024,894 CIF beneficiaries, 386,501 are STs. According to SERP annual report, as on June 2007, 695,707 SHGs have mobilized a total savings of Rs. 285,655 lakhs, and a corpus of Rs. 456,839 lakhs.

The percentage of households & the magnitude of indebtedness are high in tribal areas compared to rural and urban areas (NIRD, 2001). The dependency on traditional sources especially on money lenders is high, and access to formal institutions is less due to varied reasons. These include less banking network in tribal areas, banking procedures, flexible lending norms of money lenders, attitude of tribals etc. To reach the un-reached, who are away from formal financial institutions since decades, developmental professions have been promoted community based organizations in the form of SHGs and their federations as a tool for poverty reduction and empowerment.

There are multiple credit opportunities to SHG members within the group and from external agencies such as banks, DRDA and SHG federations. These multiple credit opportunities, reduces the dependency of tribals on money lenders, who provide credit at door steps on high rate of interest. In this context, a study was initiated to learn the quality of SHGs, kind of credit services availed, and the impact on the households of SHG members. The specific objectives of the present enquiry are: i) to know the coverage of tribals in SHG movement; ii) to know the profile of SHGs and their members; iii) to know the savings and credit activities of SHGs; and iv) to know the impact of credit on SHG members and their households.

The universe of the present study is the SHGs which were bank linked at least once. The study has covered a sample of 25 SHGs and 305 SHG members in 8 districts of Andhra Pradesh. The SHGs were selected at random while selecting the sample SHGs in the village.

Data were collected both at SHG and member levels through an interview schedule and focus group discussions. Most of the quantitative data was collected through interview schedule which covers profile of SHGs and their members, details of fund sources, lending activities and their details, and the impact on members' households. Where as most qualitative data was collected through focus group discussions with SHG members. Field work was conducted for data collection from December 2007 and January 2008. The entire data was entered into a computer, analyzed the data with help of a SPSS, a statistical data analysis package, and tabulated to draw meaningful inferences.

Profile of SHGs & SHG Members

Profile of SHG Members

Primary occupation: Data on primary occupation of SHG members shows that of the total 305 members, majority members primarily depend

on agriculture (54.09%) followed by agriculture labor (37.07%) and the remaining on non-agriculture activities.

Land holdings: of the total 305 SHG members, 73% have possessing some land and the remaining are landless. Of the total 72.79% SHG members, who possessed land, more than half of the members are marginal farmers (37.7%) followed by small (24.3%) and marginal (10.8%) farmers.

Ethnic group: The sample SHG members consist of the Gonds, Lambadas, Yerukalas, Koyas, Chenchus, and Gadabas.

Type of ration card: Of the total 305 SHG members, except 3, all have ration card. Most SHG members (93.77%) have white ration card. Another 4.59% of members have Annapoorna or Anthyodaya type of ration card. Only 2 members have pink ration card. It indicates all the SHGs were formed with poor and very poor who come under BPL category.

Profile of SHGs

Age of SHGs: The data shows that nearly half of the SHGs are less than 5 year old (48%) and another half of the SHGs are 5-9 year old. Of the total 25 SHGs, many SHGs are 5-7 year old (36%) followed by 1-3 years and 3-5 years old with 24 percent each. The average age of SHGs is 5 years. The percentage of small size SHGs is more in recently formed SHGs compared to the SHGs formed in 5 years ago. In other words, group size is more in older SHGs compared to SHGs formed in the recent past. It could be because most SHGs formed with 10-20 members promoted under SGSY, where as IKP formed SHGs with 10-15 members.

Group size: Group size varies from 8 to 16 with an average of 12 members. Of the total 25 SHGs, many SHGs consist of 8-10 members and 11-15 members each with 48 % of SHGs. Only 1 SHG has 16 members. Though most SHGs were formed with 10 or more than 10 members, few SHGs consist of less than 10 members. It could be because of with drawl of membership due to death, marriage, migration and expulsion of members. Of the total 25 SHGs, 15 SHGs have reported drop-outs vary from 1 to 5 members.

Promoting Agency: Most of the SHGs (92%) were promoted by Indira Kranthi Patham (IKP)/ DRDA. Only 1 SHG was promoted by banks and another 1 SHG was formed by themselves with demonstrated effect of other SHGs.

Type of bank and association: Of the total 25 SHGs, 20 SHGs (80%) have bank account with commercial banks and the reaming with regional rural banks. The distance from village to bank varies from less than 1 km to 30 Kms. with an average of 8.48 Kms.

Quality of SHGs

Awareness on Grading

There is a tool called Critical Rating Index (CRI), developed by NABARD, to assess the performance of SHGs. Of the total 25 SHGs, 56% are

aware of the tool and the remaining 44% are not aware of it. But Only 3 SHGs knew grading, grade obtained and the name of agency graded them.

The study team has collected information on the prerequisites of SHGs for bank linkage. Many SHGs reported more savings (48%), previous loan repayment track record (56%), good book-keeping (36%), good internal lending (20%) and purpose of loan (16%) as pre-requisites for bank linkage. The data clearly indicates that amount of savings and good repayment influences the bank linkage and the volume of loan. Of the total 25 SHGs, only 3 SHGs were prepared micro credit plan for bank linkage and the amount varies from Rs. 25,000 to 1,50,000. The purpose of credit plans includes agriculture inputs, business and milk animals.

Though many SHGs are poor in their performance, to get bank linkage, SHGs have followed different strategies. These strategies include good internal lending and repayment (44%), good book-keeping (36%), less volume of loan (20%), depended on IKP staff (16%), large amount of funds in Savings Bank account (12%), and recommendations with local leaders (8%). It clearly reveals that many SHGs realized that large amount of savings, good book-keeping, internal lending, and good repayment are essential for getting bank linkage. Further, the data also shows that some SHGs depended on project staff and local leaders for bank linkage. This might lead to bribery in future.

Book Keeping

The quality of book keeping is one of the indicators to know the performance of a SHG. The following tables show most SHGs are not maintaining books prescribed for SHGs and the financial statements, except minute's book and member pass book. A good number of SHGs not even maintaining minute's book and member pass books. In most SHGs, books are not up-date with complete information. Almost all SHGs have not prepared any financial statements such as receipts & payments, profit & loss and balance sheet. During group discussions many SHG reported that poor book-keeping is due to illiteracy of SHG members, irregular and or no SHG meetings, absence of book writers/ book keepers, no or less training to book writers on book keeping and accountancy and complicated book-keeping system. During focus group discussion, SHGs have reported that after bank linkage many SHGs have stopped up-dating of books.

Grades of SHGs

Of the total 25 SHGs, many SHGs are B-grade (44%) followed by C-grade (32%) and the remaining are A-grade (24%). The data shows that majority SHGs of all ages are in B and C grades. However, majority SHGs of 1 to 3 years old are in A- grade. It could be because of large amount of capacity building inputs from SHPIs in recent years. Further, most SHGs of 7-9 years old are in C-grade. It reveals that age and quality of SHGs are negatively correlated. During group discussion SHGs have reported that old groups over a period of time limiting to savings and credit activities rather than focusing all other aspects such as meetings, attendance, need based

lending, book keeping, leadership rotation which has much weightage in the grading tool.

Grade	Age of the SHGs (in years)				Total
	1.01 - 3	3.01 - 5	5.01 - 7	7.01 - 9	
A	50.00	--	33.33	--	24.00
B	33.33	66.67	44.44	25.00	44.00
C	16.67	33.33	22.22	75.00	32.00
Total	100.00	100.00	100.00	100.00	100.00

Internal funds

Savings

Periodicity & amount of thrift: SHGs are doing only compulsory savings. There are no voluntary savings. The amount of monthly savings of SHGs varies from Rs. 30 to 50 with an average of Rs. 37. Majority SHGs (60%) save Rs. 30 per month per members followed by Rs.50 (36%). Only one SHG have a savings of Rs. 20 per month per member. The amount of savings per month per member depends on the economic conditions of the SHG members and the inputs provided by the promoters. Few SHGs have increased their monthly savings as to get large amount of bank loan by increasing their group's corpus, which is one of determining factors of loan volume.

Distribution of savings: Of the total 25 SHGs, more than half of the SHGs (52%) have distributed their savings 1 to 7 times. Out of these 13 SHGs, 9 have distributed once and the remaining 4 more than once. The amount of savings distributed varies from Rs. 1,000 to. 52,000. The SHGs have reported large amount of savings, difficulties in managing large amount of funds, delay in getting bank linkage, to avoid internal default and idle funds as reasons for distribution of savings.

Distribution of savings by the SHGs has both positive as well as negative implications on SHGs. The negative implications include no credit access, dependency on money lenders, no income to group due to absence of internal lending and less group corpus over a period of time. Where as positive implications include large loans to take up income generation activity and group solidarity by avoiding quarrels among the members.

Cumulative savings: All the 25 SHGs as on November 2007 have mobilized a cumulative savings of Rs. 5,42,577 with an average of Rs. 21,703. Nearly half of the sample SHGs, 11 out 25 SHGs, has savings in SHG federation, a sum of Rs. 20,200 with an average of Rs. 1836. Absence of membership in SHG federation could be the reason for few SHGs not having any savings in federations. On an average a member, both in SHG and federation, has a cumulative savings of Rs. 1,845.

External funds

Revolving Fund

Of the total 25 sample SHGs, 12 (48%) have received a revolving fund of Rs. 1,20,00 with an average of Rs. 10,000. Many SHGs have reported lack of seniority and poor functioning as reasons for not sanctioning revolving fund from government. All the SHGs have distributed revolving funds to their members instead of revolving it by lending to its members, because it is an incentive from government to SHGs.

Details of funds	No. of SHGs	No. of loans	Total amt. in Rs.	Avg. amt. in Rs.
Revolving fund	12	12	1,20,000	10,000
Pavalavaddi-@ 3% interest	5	8	7,552	1,510
Subsidy loans-DRDA	4	4	2,98,500	74,625
Community Investment Fund	13	14	4,44,950	34,227
Rice credit line	4	6	22,035	5,509
Bank linkage	25	52	18,23,000	72,920
Total			27,16,037	1,08,641

Community Investment Fund (CIF)

CIF is provided to the groups that have formulated investment plans covering income generation activities (IGA), land purchase, skill development or enterprise development for securing jobs in private sector, social welfare activities, marketing interventions, physical productive infrastructure, and rice credit line to enable the poor, expand their livelihood options and improve their quality of life. Little more than half of SHGs (52%) have received community investment fund from the project/VO/MS to take up income generating activities. It varies from Rs. 10,000 to Rs. 56,000 with an average of Rs. 34,227. Only one SHG has received community investment twice under recycling. It could be because of high awareness on CIF guidelines and repayment among members.

Swarnajayanthi Gram Swarozgar Yojana (SGSY)

Swarnajayanthi Gram Swarozgar Yojana is a Central Government programme under which SHGs can access substantial credit amounts with a subsidy component. Of the total 25 SHGs, only 4 SHGs have received SGSY loans, a sum of Rs. 2,98,500 with an average of Rs. 74,625. Though most SHGs linked to banks for credit linkage, very few SHGs have received subsidy loans from DRDA. It could be because most SHGs promoted under SGSY were provided loan on subsidy basis. Where as subsidy loans were sanctioned to the SHGs promoted by IKP on specific conditions such as seniority, three minimum direct SHG-Bank linkages. As a result, many SHGs are unqualified for subsidy loans from DRDA.

Pavalavaddi

The scheme was started during the year 2004-05 with an objective of providing interest subsidy on the loans taken by the Self Help Groups. The

scheme is applicable to all loans extended by banks on or after 1st July 2004, under SHG Bank Linkage Programme. The incentive will be in the form of reimbursement of interest whatever is above 3% interest irrespective of bank interest rates. The subsidy shall not include penal interest, liquidated damages etc., paid to the bank. Of the total 25 SHGs, 5 have received an amount of Rs. 7,752 with an average of Rs. 1,510 as subsidy on interest paid on bank loan under 'pavalavaddi' programme. Some SHGs, 3 out of 5 SHGs, have received 'pavalavaddi' twice. It could be because of regular and on time repayment of bank loan.

Rice Credit Line Programme

To provide food security among the poor, IKP has initiated a programme called 'Rice Credit Line' (RCL) through SHGs. Of the total 25 sample SHGs, 4 have borrowed a loan of Rs. 22,035 with an average of Rs. 5,509. A couple of SHGs benefited twice. No SHG has been implementing RCL programme continuously. Most have ended it as one time activity (APMAS, 2005).

SHG-Bank Linkage Programme

All the 25 sample SHGs, have borrowed a cumulate of 52 loans, a loan sum of Rs. 18,23,000 with an average loan of Rs. 72,920. Of the total 25 SHGs, many SHGs (40%) are 1st time bank linked followed by 2nd time (36%) and the remaining SHGs (24%) were bank linked 3 to 5 times. It clearly reveals that though majority SHGs are more than 5 years old many SHGs were bank linked in the past 2-3 years only. In totality, the sample SHGs has received a cumulative loan of Rs. 27,16,037 with an average loan of Rs. 1,08,641, and an average cumulative loan of Rs. 8,905 per member from various external sources of funds.

Cumulative No. of Loans & Amount

As we discussed earlier, SHGs have multiple opportunities to borrow credit from both internal and external sources. But the question is how far these credit sources meeting the credit needs of SHG members. Of all the SHG members, 41% have borrowed loans from internal funds, a cumulative loan of Rs. 3,14,530 with an average of Rs. 3,534. It could be because of no internal lending due to less amount of funds in SHGs, all funds kept in bank to avoid quarrels among members, banks not allowing groups to withdraw their savings for lending etc. Where as 49% of the members has borrowed CIF from VO, a cumulative of Rs. 4,30,220 with an average of Rs. 3,947. However, all the SHG members have availed loans from the funds mobilized from banks, a cumulative of Rs. 13,12,528 with an average of Rs. 5,9993. Tribals need small loans very frequently to cater their daily and emergency needs. The data shows, more than half of the members not borrowed not even a single loan. Such is the scenario, how SHGs reduce dependency on money lenders, external funds sources and attain self sustainability.

The amount of members' credit access to group funds, either internal or external or both, influences the dependency on money lenders. The data shows that SHG members have borrowed credit from one to more than six

times. Majority of them have borrowed three (24.5%) to four (29.2%) times; another more than one quarter have borrowed one (5.5%) to two (21.9%) times; and the remaining have borrowed more than four (18.8%) times.

The data shows that of the total 209 SHG members, majority members (65.8%) have borrowed a credit of less than Rs. 10,000; another 28.3% have borrowed a credit of Rs. 10,000 to Rs. 20,000; and the remaining have borrowed an amount of Rs. 20,000 to Rs. 40,000. It clearly shows that many SHG members have borrowed three to four times with a cumulative loan of Rs. < 10,000. During group discussions the SHG have reported that the amount of credit availing from SHGs could be depend on the amount of group corpus, lending norms and external fund sources, repayment rate, loan absorption and repaying capacities of borrowers and the period of association with SHGs.

Status of Current SHG-Bank linkage Loans

Loan status: All the 25 SHGs have received a loan sum of Rs. 10,91,000 against their request of Rs. 12,06,000. It reveals that there is a gap (10%) between the demand and supply (90%) of loan to SHGs. Of the total loan of Rs. 10,91,000, 34.35% of loan amount was repaid at the rate of Rs. 90,000 per installment per month. The total amount of loan outstanding with members is Rs. 7,16,234.

Volume of loan: The volume of loan to a SHG depends on various factors. Loan size varies from 1st linkage to subsequent linkages, age of SHGs, repayment track record of previous loan, savings & internal lending and so on. The data shows that the average volume of loan increased from one linkage to the subsequent linkage. No. of linkages and volume of loan are positively correlated i.e. if linkage increases there is an increase in the volume of loan. The repayment track record of previous loan influences the percentage of increase of loan volume to the earlier loan. For instance if the repayment is on time and regular, the loan volume in repeat linkage is high, if not, the volume of loan is little high or same as previous loan. The volume of loan also depends on size of group savings. Generally group savings and loan ratio is 1: 4 to 10. Further, saving- loan ratio also depends on the attitude of banks and branch managers.

Linkage	Minimum	Maximum	Sum	Mean
1 st linkage	10,000	80,000	2,50,000	25,000
2 nd linkage	20,000	60,000	3,55,000	39,444
3 rd linkage	60,000	60,000	60,000	60,000
4 th linkage	60,000	1,05,000	3,30,000	82,500
5 th linkage	96,000	96,000	96,000	96,000
Overall	10,000	1,05,000	10,91,000	43,640

Disbursement of loan: Need based lending is the norm among SHGs. But the data shows that most SHGs (84%) practices equal distribution rather than need based lending (16%). The SHGs have reported, availing large amount of loans from banks on low rate of interest as reasons for equal distribution. Where as, the SHGs which have practiced need-based

lending said purpose of loan, loan absorption & repaying capacities as reasons.

Repayment Rate & PAR

Repayment Rate (RR): SHGs lend to their members from the funds mobilized internally in the form of savings, and external sources such as funds borrowed from bank and village organization. The data shows that the rate of repayment of loans borrowed from internal funds (IF), less than 50% is in nearly half of the sample SHGs (44%). Where as in external borrowings such as community investment fund and bank linkage, the rate of repayment is more than 50% in majority of SHGs. It clearly reveals that the repayment rate is high in case of external borrowing compared to lending from internal funds. During group discussions, SHGs have reported that internal funds are there own. No one questions the members. If repayment rate of external loans is poor, SHGs will loose faith and reputation at funding agencies and won't get large loans in subsequent linkages.

Portfolio at Risk (PAR): PAR is related to principal loan outstanding of over due loans. So any loan falls in overdue entire principal loan outstanding will be taken to calculate PAR. The formula for calculating PAR is: Principal balance of all loans with late payment/Total Loan Outstanding. The percentage of loan portfolio at risk is more than 50% is high in majority SHGs' internal funds compared to external funds. In other words, more than 50% of portfolio at risk is less (44%) in many SHGs in case of bank linkage (44%) compared to CIF (84%) and internal funds (80%). It clearly shows that members' savings are in more risk compared to external funds.

% of RR/PAR	Repayment Rate			PAR > 90 days		
	IF	CIF	BL	IF	CIF	BL
No	--	--	28.0	--	--	28.0
< 25	40.0	12.0	4.0	16.0	16.0	20.0
26-50	4.0	12.0	20.0	4.0	--	8.0
51-75	8.0	16.0	16.0	16.0	--	--
> 75	12.0	12.0	20.0	28.0	36.0	32.0
NA	36.0	48.0	12.0	36.0	48.0	12.0
Total	100.0	100.0	100.00	100.00	100.0	100.0

Note: RR-Recovery Rate; PAR- Portfolio At Risk; IF-Internal Funds; CIF-Community Investment Fund; BL-Bank Linkage; NA-Not Applicable

Reasons for default or delayed repayment: The SHGs have reported reasons for delayed payments/default as drought (4%), willful defaulting (8%), less availability of work (20%), migration (4%) ill-health of household members (20%), quarrels within the group (16%). Few SHGs have withdrawn whatever the amount in SB account to pay loan installment, funds transfer from savings account to loan account, and borrowed private loans to repay loan installments as strategies to avoid delay in repayment of loan regularly.

Opinion on Current Loan

Loan adequacy: Of the 25 sample SHGs, nearly half of the SHGs have reported that the amount of current loan is inadequate. However, most SHGs (84%) have reported that the loan was sanctioned timely. The average idle loan size suggested by the SHGs is Rs. 62,400 and it varies from Rs. 10,000 to Rs.1,50,000. Regarding loan repayment period, majority SHGs (76%) have reported as reasonable. Though few SHGs (8%) have expressed that the loan repayment period is less, still few SHGs (16%) have reported that the loan repayment period is more.

Timeliness & no. of visits made: Though most SHGs reported that the loan was sanctioned timely, the data on time taken to sanction loan indicates that on an average waited 4.48 months after submission of loan application to get bank linkage. On an average SHG leaders visited 3.17 times to get credit linkage from bank. It could be because though some of the SHGs are eligible for repeat linkage, banks have sanctioned loans just before starting agricultural operations for proper utilization of loan and to reduce dependency on money lenders.

Demand & targets: Data on who proposed loan shows that in some cases SHGs' proposed loans; in some cases promoting agency; in some cases banks; in some cases both promoters and SHGs and in some cases both SHGs and banks. Of the total 25 bank linkages, in 60% of linkages, SHGs proposed or initiated a dialogue. In some cases DRDA/IKP (32%), banks (24%), and VOs (8%) proposed loans along with the SHGs. It could be because banks and promoters proposed loans to reach their targets even though there is no demand from SHGs.

Idle funds: Idle fund includes balance in SB account of SHG, amount of funds in Recurrent Deposits (RDs) Fixed Deposits (FDs) and cash in hand. The data shows that there are idle funds of Rs. 7,794 in each SHG. It shows the bad management of group funds and earnings. During group discussions SHGs have reported that banks not allowing them to with draw their savings for lending. Some of the SHG also reported that to avoid misuse of funds and quarrels within the SHG as reasons for large amount of idle funds in SHGs.

Impact

Perceptional Impact

The data was collected from SHG members individually to understand the impact of services provided by SHGs on their members with the help a five point scale- 1) significant improvement, 2) noticeable improvement, 3) insignificant improvement, 4) no change and 5) change for worse. The data was collected on a set of socio-economic indicators such as income, access to credit and formal institutions, health, education and leadership. The data shows majority SHGs have reported noticeable improvement to significant improvement in their income levels. However, nearly one-third have reported no change and insignificant improvement. Many SHGs have reported noticeable improvement in availability of credit, access to formal institutions

and pro-poor programs. On the other hand many SHGs have reported insignificant improvement.

Most SHGs reported noticeable to significant improvement in inculcating the habit of savings. It could be because savings is mandatory. Majority SHGs have reported insignificant to noticeable improvement in health status and expenditure on food. During focus group discussions SHGs have reported that it is because household income and other earnings are mobilizing for paying monthly savings and large amount of bank loan installment.

Particulars	SI	Ni	II	NC	Total
Availability of credit	20.0	44.0	28.0	8.0	100.0
Access to formal institutions	12.0	44.0	36.0	8.0	100.0
Access to pro-poor programs	--	40.0	48.0	12.0	100.0
Income levels	36.0	32.0	8.0	24.0	100.0
Free from Money lenders	12.0	32.0	16.0	40.0	100.0
Indebtedness	8.0	32.0	48.0	12.0	100.0
Employment creation	4.0	20.0	24.0	52.0	100.0
Habit of savings	60.0	24.0	8.0	8.0	100.0
Health status	8.0	28.0	36.0	28.0	100.0
Expenditure on food	12.0	48.0	12.0	28.0	100.0
Educational levels	12.0	44.0	24.0	20.0	100.0
Leadership qualities	4.0	44.0	28.0	24.0	100.0

Note: SI- Significant Improvement; NI-Noticeable Improvement; II-Insignificant Improvement; NC-No change

Majority SHGs have reported no change to insignificant improvement in free from money lenders. However, nearly one-third have reported noticeable improvement. It could be because though many have repaid their old debts, to pay monthly loan installments on and off approaches money lenders for credit. As most of the SHGs used major portion of loan for consumption purposes majority most SHGs have reported no change to insignificant improvement in employment generation.

Majority SHGs have reported noticeable to significant improvement in the educational levels of their children. However, many SHGs have reported no change to insignificant improvement in educational levels. Little more than half of the SHGs have reported no change to insignificant improvement in leadership qualities. However, many SHGs have reported noticeable improvement. No SHG has reported change for worse because of membership in SHGs. It could be because of various capacity building trainings to SHGs and their federation members.

Asset Creation or Tangible Impact

Whatever the amount of credit borrowed from SHGs by the members, use it for consumption, income generation activities, and asset creation. The data shows that of the total 219 SHG members only 17% have purchased livestock such as milk animals, sheep and goat. Little more than 7% of SHG

members built new house or repaired their old house. Another 7% of SHG members purchased household gadgets. Very few or less than 5% of SHG members started savings in banks and post offices, purchased recreational items such as television or radio. Besides, more than one quarter of SHG members have reported about improvement in their current occupational activities or business. The above discussions clearly reveal that the SHG members have created limited assets directly or indirectly with the credit from SHGs.

Conclusions

In conclusion, most of the poorest & poor tribal women organized into SHGs by the maiden efforts of NGOs, government and banks. Many tribal households are accessed to banking services due to women SHGs. Majority of the sample SHG members are small and marginal farmers whose primary occupation is agriculture and agriculture labour. All are come under BPL category. Group size varies from 8 to 16 with an average of 12 members. Half of the sample SHGs is less than 5 years old. Most of the SHGs, except 8 % by DRDA, were promoted by IKP. Majority SHGs have SB account with commercial banks, and the distance from bank to habitation varies from 1 to 30 Kms.

Most SHGs don't know about the grading of SHGs and CRI tool used for grading. SHG grading shows majority SHGs are B-grade followed by C-grade. Book keeping is very poor. More than one-third SHGs don't have prescribed books, except 'minutes book' and 'member pass books'.

We found only compulsory monthly savings with an average of Rs. 37. Little more than half of SHGs have distributed their cumulative savings from 1 to 7 times due to functional and operational reasons of SHG. SHG have received funds from various external sources, includes DRADA, VO and bank, in various forms such as subsidies- pavalavaddi, subsidy loans, grant- revolving fund, and loans. SHG members are being accessed to multiple credit sources. Majority SHG members have borrowed 3 to 4 loans with an average cumulative loan of Rs. 10,000.

Majority of SHGs (60%) have repeat finance, and most of the linkages are in the past 2-3 years. Many SHGs have reported large amount of savings in SB account, good book keeping and internal lending and good repayment track record of earlier loans as pre-requisites for credit linkage with banks. Good repayment and cumulative savings are the determining factors of loan volume in the subsequent linkages. Equal distribution is common in the disbursement of bank loan. Repayment rate of internal funds is low compared to CIF and Bank loans. Portfolio at Risk is high in case of internal funds compared to external funds such as loans from VO-CIF and bank. It means, there is a less security or threat to members' savings or group funds.

Majority SHGs have reported noticeable improvement to significant improvement regarding availability of credit, access to formal institutions and pro-poor programmes. However, majority SHGs have reported no change to insignificant improvement regarding from money lenders, indebtedness, health status and leadership qualities. No SHG has reported

change for worse. Less percentage of SHG members have procured assets such as livestock, savings in formal institutions, household gadgets, ornaments, occupational tools etc. However, more than a quarter have improved their present business by availing credit facility from SHGs.

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