



Are the Poor Marginalized in Self Help Groups?

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I INTRODUCTION

The women self help movement in Andhra Pradesh which was started in '80s has been reached to the greatest heights with the maiden efforts of the Government, NGOs and Banks by promoting 20.83 percent of SHGS and 30.32 percent of SHG bank credit linkages with 41.87 percent of bank loans outstanding against SHGs in the country (Nabard 2010). There are 109.78 crore SHG members in 9.75 lakh SHGs federated as 38,334 Village Organizations (VOs), 1281 Mandal Samakhya (MSs) and 22 Zilla Samakhya (ZSs). To encourage the poor including disadvantaged groups and communities to access the credit facility services seamlessly Community Investment Fund (CIF) from project side, and linkages from bank side are provided to the poor women SHG members to improve their livelihoods. The cumulative CIF expenditure up to December 2010 is Rs.928.24 crores for 25.83 lakh beneficiaries (SERP 2010).

In September 2010, a team of APMAS staff happened to visit Adavisatyawar village in Maganoor Mandal of Mahaboobnagar district of Andhra Pradesh. During interaction, the SHG members have reported that majority PoP and poor members are not or less accessed to loans from internal funds of SHGs and Community Investment Fund (CIF) from Village Organization. Further, they also mentioned that the leaders and dominant members in SHGs have borrowed large volume of loans.

Women from different social and economic levels are joining SHGs, including the poor and very poor. However, the barriers to entry for the poor are high - not only do they have lower incomes (by definition), but their incomes are usually more varied. To reduce barriers for the poor means allowing more flexibility to cater to varying and seasonal cash flows, for example allowing varying deposit amounts and frequency, perhaps with a specified annual minimum. The same principle applies to access to credit and repayment, again within specified minimum norms (Frances et al. 2010).

It was observed that large volume of loans, especially more than a lakh, sanctioned mostly to SHGs formed with other than SC/ST members (APMAS 2006). According to APMAS study in 2007, while almost all members accessed bank loans, only around 60 per cent of members accessed loans from internal funds. The higher rate of interest on internal loans proved to be a disincentive for borrowing from internal funds. While loan sizes increased for all social categories of members, SHGs with SC/ST membership appeared to have significantly small loans. If this difference was based on their lower resource base, the resource base will first need to be enlarged, before they can absorb more credit. Majority of the SCs borrowed loans for agriculture inputs and livestock (K. Raja Reddy & CS Reddy 2010).

2 Objectives and methodology

a) Objectives: In the above milieu, the present paper aims to i) to know how far the socially and economically vulnerable households joined SHGs and iv) to know how

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far the vulnerable members are accessed to credit from internal and external sources of funds.

a) Sample village & SHGs: All the SHGs in Adavisatyawar village were selected purposively for the present study. It is an interior village, located 15 Kms away from mandal headquarters and 5 km from road point. It is a multi caste village. Data were collected from both primary and secondary sources. Primary sources include SHGs and their members, and the secondary sources are Census reports, Village Organization (VO) and Mandal Mahila Samakhya (MMS) Progress Reports of Indira Kranthi Patham (IKP), etc. A structured interview schedule was administered to collect data from the SHGs and their members. Besides individual interviews, focus group discussions were conducted with SHGs. Fieldwork was carried out between July and October 2010.

c) Data Analysis and Reporting: The data entered into computer were edited. The data were analyzed and prepared tables by applying simple statistical tools for drawing meaningful inferences. The units of analysis are SHGs and their members. The findings of the study are presented as i) outreach, ii) socio-economic profile of SHG members, iii) SHG functioning, iv) access to credit, v) issues and vi) conclusions.

II FINDINGS OF THE STUDY

1 Outreach- Inclusion and exclusion

a) Who promoted SHGs? Prior to Velugu/Indira Kranthi Patham (IKP) programme, the District Rural Development Agency (DRDA) has formed SHGs under SGSY and DWCRA programmes. Since 2001, Velugu/ IKP has been formed and providing handholding support to SHGs in the village.

b) Why did they join into groups? During discussions with SHGs, the members have reported the purpose of forming into groups as i) to avail credit, ii) to take up income generation activities, iii) to avail credit without collateral, on low interest rate, flexible lending norms etc. iv) to access and benefit with government programme channeled through SHGs, v) to promote savings for future needs, and vi) to acquire knowledge and vii) to know about what is happening outside the village. Though there are diverse reasons for forming into a group, most of the members joined SHGs to avail credit and benefit from government programmes.

c) Criteria for inclusion or exclusion of members: Following table gives the criteria followed for the selection or the rejection of members to form a group.

<u>Criteria</u>	<u>Inclusion</u>	<u>Exclusion</u>
1. <i>Locality</i>	Same village and locality	Other village and locality
2. <i>Occupation</i>	Preference to same occupation households; Preference to who can regularly save; regular income sources	Not excluded members on occupation; those who will not save regularly
3. <i>Social</i>	Preference to non-migrant households; Preference to same caste and relatives and known each other	Exclude the households who migrates frequently; Members not excluded on caste basis
4. <i>Personal aspects</i>	Preference to the persons	Avoid the women who are

	who are literates with good character and friendly	quarrelsome, unfriendly
5. <i>Group norms</i>	Can attend meetings and will respect group norms and procedures	Unwilling to attend meetings and not willing to respect group norms and procedures

The above criteria reveal that the groups have taken care while including or avoiding persons as members, that is required for the smooth functioning and sustainability of the group. Though there is a preference for some category of members, there are no instances of avoidance of members on social and poverty levels. However, some members self excluded because as they migrate for work much time in the year, fear of regularity of savings & attending meetings and support from the household members. As most of the OC members took lead while forming the groups, who are well aware of the benefits of SHGs, included many members from their own castes; however, included some members belong to low social and economic levels to access government programmes meant for poorest of the poor and poor channeled through SHGs

Table-1: Households Covered Under SHGs						
Category	Households		Joined in SHGs		Not joined	
	Total	%	Total	%	Total	%
1. SC	20	12.35	12	7.41	8	4.94
2. BC	80	49.38	59	36.42	21	12.96
3. OC	50	30.86	42	25.92	8	4.94
4. Min	12	7.41	8	4.94	4	2.47
Total	162	100.00	121	74.69	41	25.31

d) *No. of households in the village:* There are 162 households in Adavisatyawar village in Maganoor Mandal of Mahabubnagar district in Andhra Pradesh. Of the total 162 households, nearly one half of the households belong to BC category (49.38%) and the other belongs to OC (30.86%), SC (12.34%) and Minorities (7.4%) categories. Of the 162 households in the village, 141 households joined SHGs (87.03%). The data shows that the percentage of household joined SHGs among OCs is high with 84% and low among SCs with 60% compared to BCs (74%) and Minorities (67%). In other words, more percentage of SC and Minority category households are outside SHGs. During discussions, the SHG members and villagers have reported that migration and old-age are the two main reasons for exclusion or not joined in SHGs.

2 Composition of SHGs

a) *Age:* The age of SHGs varies from 2.6 years to 8.8 years with an average of six years. Krishnaveni SHGs is the first self help group in the village which was formed on 7th August 2001. From the past three years no self help group was formed in the village, though there are many PoP and poor households are outside SHGs.

b) *Homogeneity and heterogeneity:* No group was formed with a single caste. All SHGs formed with members of different ethnic groups. However, either the BCs or the OCs are numerically more or less equal or dominant in most of the SHGs. Among poverty categories, no group was formed exclusively with a single category like social categories. The group leaders mostly selected from subjugated social categories like BCs and OCs and poverty categories like not so poor than from the

poorest of the poor and poor who are far away to the leadership positions. It could be because of non observance of homogeneity of social and economic categories while forming groups.

c) Group size: It varies from 10 to 14 members with an average of 12 members. Out of 10, 4 SHGs formed with 10 members, 2 SHGs formed with 12 members, 2 SHGs formed with 14 members, and another 2 SHGs formed with 11 and 18 members one each. The no. of members in SHGs at present is low compared to at the time of formation. There are 162 members in groups at the time of formation of groups, where as now there are 121 members. About 41 members were dropped from the groups because of diverse reasons.

d) Credit linkage to banks: All the 10 SHGs in the village are credit linked to bank. One half of SHGs borrowed loans twice from bank and the other only once. However, even the SHGs more than five year old are also credit linked to bank only twice. Both the SHGs and banks are responsible for it. During interaction, the members have reported the reasons as i) delay in getting bank linkage, ii) delay in sanctioning loans by banks, iii) defaulting or de-functioning of groups, iv) less cumulative amount of savings etc.

e) Credit linkage to Village Organization: All the SHGs in the village borrowed a total of 34 loans, one to five times with an average of 3.4 loans from the village organizations. No. of times that the group credit linked to bank or village organization depends on age, quality and loan repayment rate of an SHGs besides, the attitude of the bankers and availability of funds in the village organization and loan availability from other credit sources. For instance though the krishnaveni SHG and Sri Raghavendra SHG are in same age, the former one has borrowed loans five times from VO, where as the later has only once.

3 SHG Functioning

a) Savings: The SHGs are doing only compulsory savings. All the members in a group save equally irrespective of their socio-economic conditions. The amount of savings varies between Rs. 30 and Rs. 100 per month and member. On an average the SHG and the member have a cumulative savings of Rs. 50,000 and Rs. 3000 respectively. The SHGs use savings for i) on lending to their members, ii) made as fixed deposits to get large volume of loans, iii) to repay installments of loans borrowed from banks etc.

b) Meetings: Monthly meetings are common. The members meet mostly at one of its leader's house. Though the IKP introduced weekly meetings in place of monthly meetings, all groups have been practicing monthly meetings instead of weekly meetings. The members' attendance in meeting is low as it is between 50 and 60 percent as many households migrate for work within and outside the state of AP.

c) Booking keeping: No SHGs has engaged book keeper for writing SHG books. One of the members of SHG has been writing the accounts. The books are not up to date. Only one SHG has been maintained Standard Accounting Package (SAP) books promoted by Society for Elimination of Rural Poverty (SERP). Except leaders, most of the members don't know the financial aspects of SHG.

d) Leadership: At the beginning, most of the SHGs selected OCs and BCs as leaders based on caste, economic status, education and the kind of role played in group formation and amount of influence that the member has in the village. Out of 20

leaders of 10 SHGs, no SC and Minority member has been selected as leader to any SHG.

e) *Lending norms:*

<u>Norms</u>	<u>SHG</u>	<u>VO</u>	<u>Bank</u>
5. <i>Loan term</i>	12-60 months depend on loan size	10-20 months depends on loan size	12-60 months depend on loan size
6. <i>Loan volume</i>	Loan size varies from Rs.500 to Rs.20000 per member depends on need/purpose	Loan size varies Rs. Rs. 10,000 to Rs. 20,000 depends on IGA proposed	Depends on loan cycles; loan size varies from Rs. 1000 to Rs.20000 per member.
7. <i>Installments</i>	Monthly installments	Monthly installments	Monthly installments
8. <i>Rate of Interest</i>	12 to 24 per cent per annum; diminishing rate of interest	12 percent per annum; diminishing rate of interest	9 to 12 per cent per annum; diminishing rate of interest; entitle for interest subsidies
9. <i>Mode of repayment</i>	Mostly principle at the end and interest every month	Both principle and interest every month	Mostly fixed amount includes both principle and interest
10. <i>Collateral</i>	No collateral; mostly promissory note	No collateral: mostly promissory note	No collateral; inter-se-agreement between bank and groups; large funds in SB account.
11. <i>Penalties</i>	Rarely penalties	No penalties	Compound interest every 3 months

f) *Defunct SHGs:* Two out of 12 SHGs became dormant or defunct in the village. Of these two SHGs, one group which was exclusively formed with 10 SC members has been not functioning from the past one year. Some members joined other SHGs as they know the benefits of SHGs. During interactions, the members have reported the reasons for de-functioning as i) migration, ii) delay in getting bank linkage, iii) not sanctioned revolving fund, iv) no SGSY /subsidy loan etc.

g) *Membership in Federations:* All the SHGs have enrolled their membership both in Mahila Samakhya and Village Organization by paying membership fee and share capital. All the SHGs availed credit services from MMS through VO.

4 Socio-economic Profile of SHG members

a) *Social and poverty categories:* Of the total 121 SHG members, 48.8 percent are backward category (BC), 36.4 percent are open category (OC), 9.9 percent are scheduled castes (SCs) and the remaining are minorities (5%) See table-2. The data shows that majority of the SHGs members belong to BC and OCs among whom the percentage of poor households is low. The data in table on poverty categories of SHG members shows that many SHG members belong to poor category followed by not so poor (NSP) and poorest of the poor (PoP) 29.8%).

b) *Leadership position:* Of the 121 members 16.5 percent of the members were selected for leadership position in the groups. Of the 20 members in leadership positions, majority belong to BCs (55%) followed by OCs (8%). Only one SC members is selected as a leader. Among the leaders, majority belong to NSP

category followed by PoP and poor categories. It shows that while selecting leaders, groups were given importance to economically better off members than to the poorest of the poor and poor categories.

Table-2: Social & Poverty Category Wise SHG Members					
Poverty Category	Social Category				Total (N=121)
	SC (N=12)	BC (N=59)	Min (N=6)	OC (N=44)	
1. PoP	91.7	33.9	33.3	6.8	29.8
2. Poor	8.3	64.4	66.7	13.6	40.5
3. NSP	--	1.7	--	79.5	29.8
Total	100.0	100.0	100.0	100.0	100.0

5 Access to credit

The SHGs mobilize funds from internal and external sources. Of the internal sources savings from members is the most important source of funds. The external sources include funds from Village Organizations in the form of Community Investment Funds (CIF) and loan from banks under SHG-BL programme. All the 121 members of SHGs have availed a total of 470 loans of Rs. 16.76 lakh with an average of Rs. 13848 per member. Of the total loan amount of Rs. 16.75 lakh, three quarters are from external sources (75.88%) and one quarter is from internal sources (24.12%). Of the external sources major portion is from banks (53.05%) followed by VO (22.83%). The following discussion focuses on members access to loans from various sources of funds.

5.1 Internal Funds

a) No. of loans: The SHGs in the village have disbursed 141 loans with an average of 1.17 to 83 members (68.6%) since their inception. However, nearly one-third of SHG members not accessed any loans from their group funds. During group discussions members have reported the reasons as i) absence of lending from internal funds, ii) leaders borrowed large volume of loans from groups funds, iii) no funds, iv) bankers not allowing withdrawal of savings for on lending v) high rate of interest (24%) on loans from internal funds etc. The data in table-3 shows that of all the social categories, large no. of loans from internal funds was borrowed by OCs followed by BCs. The SC and Minority SHG members borrowed a maximum of two loans, where as BCs and OCs borrowed up to 4 loans from internal funds. The percentage of leaders not accessed loans from group funds is very low (10%) when compared to the regular members (35.6%). The average no. of loans borrowed by the leaders is more when compared to the regular members. It Shows that the SHGs members who belong to higher social order, and in leadership position, not so poor have accessed more no. of loans from internal funds than the Pop and Poor, lower social and economic categories depend on money lenders.

b) Amount of loan: The data in table-3 shows that of the 121 SHG members, 68.59 percent of members have borrowed a total loan of Rs. 4.04 lakh from internal funds since inception of the group. The loan varies from Rs. 400 to Rs. 18000 with an average of Rs. 4870. There is a disparity in the average loan volume borrowed by the leaders (Rs. 5811) and members (Rs. 4609). Of all the social categories, the average volume of loan borrowed from internal funds is high among OC (Rs. 5717) and low among Minorities (Rs. 2620) compared to SCs (Rs. 4875) and BC (Rs. 4543). It shows that OCs borrowed large volume of loans. Further, among the

poverty categories, the average loan volume is high among the NSP category (Rs. 6408) compared with the poorest of the poor (Rs. 4584) and poor categories (Rs. 3994). It shows that the leaders, OCs, and NSP categories have borrowed large volume of loans from internal funds. In other words, the lower social and economic categories and the people who are not in leadership position were accessed to less volume of loans from group funds. The reasons could be as the loans from internal funds are sanctioned on loan repaying capacity. The other reason is that most of the leaders borrowed large loan and not repaid. Hence, there is no large amount of lending from internal funds.

Category	Members		Accessed		Loans		Amount in Rs.	
	Total	%	Total	%	Sum	Mean	Sum	Mean
1. SC	12	9.9	8	6.6	12	1.5	39000	4875
2. BC	59	48.8	41	33.9	66	1.6	186300	4544
3. Min	6	5.0	5	4.1	7	1.4	13100	2620
4. OC	44	36.4	29	24.0	56	1.9	165800	5717
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>83</i>	<i>68.6</i>	<i>141</i>	<i>1.7</i>	<i>404200</i>	<i>4870</i>
1. PoP	36	29.8	25	20.7	39	1.6	114600	4584
2. Poor	49	40.5	34	28.1	51	1.5	135800	3994
3. NSP	36	29.8	24	19.8	51	2.1	153800	6408
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>83</i>	<i>68.6</i>	<i>141</i>	<i>1.7</i>	<i>404200</i>	<i>4870</i>
1. Leaders	20	16.5	18	14.9	39	2.2	104600	5811
2. Members	101	83.5	65	53.7	102	1.6	299600	4609
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>83</i>	<i>68.6</i>	<i>141</i>	<i>1.7</i>	<i>404200</i>	<i>4870</i>

5.2 Access to loans from external funds

5.2.1 Village Organization

a) *No. of loans*: Of the 121 members of 10 SHGs, 74.38 percent of members have borrowed 137 loans with an average of 1.52 from Village Organizations. However, majority members have borrowed one loan (55.6%) followed by two (36.7%) and three (7.8%). Between leaders and member, leaders have borrowed more average no. of loans (1.89) compared to regular members (1.43). Among social categories, SCs have accessed more no. of average loans (1.78) followed by OCs (1.54), BCs (1.47) and Minorities (1.33) as 50% of the loans should be to SCs as per Community Investment Fund (CIF) guide lines. However, more no. of loans was sanctioned to OCs. Among poverty categories, the NSP category has borrowed more no. of average loans (1.63) when compared to poor (1.5) and PoP (1.42) categories. It shows that leaders of SHGs and NSP categories have accessed large no. of loans from VO funds.

b) *Amount of loan*: Nearly three-fourth of members have borrowed a loan of Rs.3.83 lakh with an average of Rs. 4251. However, 10 out of 90 have borrowed more than Rs. 10000. The leaders have borrowed large volume of loans (Rs. 8650), 2.74 times more, compared to members (Rs.3151). Of all the social categories, OCs have borrowed more or less double the average (Rs. 5994) amount of loan compared to SCs (Rs. 2511), BC (Rs. 3341) and Minorities (Rs. 2166) categories. It is evident that though CIF loans are mostly for SC and ST categories, major portion of loan amount has sanctioned to OC members (78.32%), those are not eligible for it. Of all the poverty categories, NSP members have borrowed large average volume of loan (Rs. 6543), more or less double the volume size compared with poor (Rs.3426) and poorest of the poor (Rs. 2685). The above discussion is evidence that other

than the leaders and lower socially and economically lower category members in the group have less access to loans from VO funds.

Table-4: Category-wise Access to Funds from VO								
Category	Members		Accessed		Loans		Amount in Rs.	
	Total	%	Total	%	Sum	Mean	Sum	Mean
1. SC	12	9.9	9	7.4	16	1.8	22600	2511
2. BC	59	48.8	43	35.5	63	1.5	143700	3342
3. Min	6	5.0	3	2.5	4	1.3	6500	2167
4. OC	44	36.4	35	28.9	54	1.5	209800	5994
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>90</i>	<i>74.4</i>	<i>137</i>	<i>1.5</i>	<i>382600</i>	<i>4251</i>
1. PoP	36	29.8	26	21.5	37	1.4	69800	2685
2. Poor	49	40.5	34	28.1	51	1.5	116500	3426
3. NSP	36	29.8	30	24.8	49	1.6	196300	6543
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>90</i>	<i>74.4</i>	<i>137</i>	<i>1.5</i>	<i>382600</i>	<i>4251</i>
1. Leaders	20	16.5	18	14.9	34	1.9	155700	8650
2. Members	101	83.5	72	59.5	103	1.4	226900	3151
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>90</i>	<i>74.4</i>	<i>137</i>	<i>1.5</i>	<i>382600</i>	<i>4251</i>

5.2.2 SHG-Bank Linkage

a) *No. of loans:* All the 121 members of 10 SHGs have borrowed 192 loans with an average of 1.59 loans. Majority SHG members have borrowed one loan (75.9%) followed by two (25.6%) and three (16.5%). Regarding SHG-Bank linkage, all the members have accessed the no. of loans and amount equally unlike group funds irrespective of social and economic categories and position in SHGs. However, there is a difference in average loan volume due to difference in loan volume in each linkage and the no. of members in the group. Though promoters encourage need based lending most groups go for equal distribution because of various reasons-. However, the practice of equal distribution providing equal credit opportunities to the poorest of the poor and poor on par with NSP in mixed groups where the leaders, and social and economically better of members dominates the group lending activities.

Table-5: Category-wise Access to Funds under SHG-BL Programme								
Category	Members		Accessed		Loans		Amount in Rs.	
	Total	%	Total	%	Sum	Mean	Sum	Mean
1. SC	12	9.9	12	9.9	16	1.3	48000	4000
2. BC	59	48.8	59	48.8	102	1.7	488270	8276
3. Min	6	5.0	6	5.0	12	2.0	68010	11335
4. OC	44	36.4	44	36.4	62	1.4	284480	6465
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>121</i>	<i>100.0</i>	<i>192</i>	<i>1.6</i>	<i>888760</i>	<i>7345</i>
1. PoP	36	29.8	36	29.8	60	1.7	287220	7978
2. Poor	49	40.5	49	40.5	81	1.7	372660	7605
3. NSP	36	29.8	36	29.8	51	1.4	228880	6358
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>121</i>	<i>100.0</i>	<i>192</i>	<i>1.6</i>	<i>888760</i>	<i>7345</i>
1. Leaders	20	16.5	20	16.5	34	1.7	168440	8422
2. Members	101	83.5	101	83.5	158	1.6	720320	7132
<i>Total</i>	<i>121</i>	<i>100.0</i>	<i>121</i>	<i>100.0</i>	<i>192</i>	<i>1.6</i>	<i>888760</i>	<i>7345</i>

b) *Amount of loan:* Since inception all the 121 members have borrowed a total loan of Rs. 8.89 lakh. The loan size varies from Rs. 1000 to Rs. 19660 with an average of

Rs. 7345 depends on the no. of times groups credit linked to bank. If the no. of credit linkages to bank increases, members access to loans and amount also increases. The average total loan amount of two loans (Rs. 7952) and three loans (Rs. 19648) is more than double to its previous loans as in each repeat bank linkage the loan amount will be doubled to its earlier loan.

c) Loan outstanding: Out of 121, little more than half of the members (53.72%) have loans outstanding to banks of Rs. 1.44 lakh with an average of Rs. 2216. Of the 65 SHG members having loan outstanding, large percentage of BC (47.69%) and OC (40%) members have loan outstanding. Only very few percentage of SCs, two out of 12, have loan outstanding to banks. The amount of loan outstanding is also associated to social categories i.e. higher the social category higher the amount of loan outstanding. Among the poverty categories, many members ((43.07%) have low loan outstanding compared to OCs (29.23%) and PoP (27.69%). The average amount of loan outstanding of NSP is more compared to PoP and poor. It shows that the lower social and poverty categories are less accessed to bank.

6 Issues & Problems

During focus group discussions, the members have reported the problems with the study team as:

- *Too much delay in repeat SHG-bank linkage:* Though SHGs have repaid bank loans very long back, 6 out 12 SHGs have been waiting for subsequent linkages for the past one to one and half years. As a result dependency on traditional credit sources has been increased.
- *Dominance of socially dominant groups in decision making:* The SHG members belong to lower social strata have reported that many at times the numerically and socially dominant members take decisions as they are dominant in SHGs.
- *De-functioning of SHGs:* Two out of twelve SHGs in the village were become defunct because of too much delay in getting bank loan and revolving fund.
- *Lending norms:* Some members have reported that the lending norms like repayment of loan by monthly installments are not suitable as many households migrate for work much of the time in a year
- *Less access to VO loans:* Most loans from VO and SHG funds are mostly to leaders and influenced members in the group.
- *Large amounts in SHG SB accounts:* To get large amount of loan from bank, many SHGs have been maintaining large amounts of savings in SB account. As banks delayed the loans and not withdrawing for internal lending there are large amount of idle funds in SHG SB accounts.

7. Conclusion

From the past one decade most of the households in the village formed as SHGs irrespective of their socio economic categories. However, the PoP and the poor withdrawn their membership or the whole group became defunct due to group norms and members access to SHG services. Most of the groups are heterogeneous in composition. The members belong to high social and economic levels were selected as leaders. There are good norms and system at SHG level but not in practice. Most of the groups are leader centered. SHGs have mobilized funds from multiple sources such as internal funds, VO and banks for lending to members. The lower social and economic categories have less accessed to SHG and VO funds. However, in case of loan from bank funds they too accessed credit on par with other social and economic categories because of the practice of equal distribution of

loan to members. But many SHGs don't have loan outstanding with the bank. In conclusion, though the poor and the poorest of the poor accessed to credit, there is a wide disparity in loan sizes between members and leaders, social and economic categories.

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