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**COMMITTEE ON EMPOWERMENT OF WOMEN  
(2003-2004)**

**(THIRTEENTH LOK SABHA)**

**FUNCTIONING OF SELF-HELP GROUPS FOR ECONOMIC  
EMPOWERMENT OF WOMEN**

**MINISTRY OF FINANCE AND COMPANY AFFAIRS  
(DEPARTMENT OF ECONOMIC AFFAIRS-BANKING DIVISION)**

**MINISTRY OF RURAL DEVELOPMENT  
(DEPARTMENT OF RURAL DEVELOPMENT)  
AND**

**MINISTRY OF HUMAN RESOURCE DEVELOPMENT  
(DEPARTMENT OF WOMEN AND CHILD DEVELOPMENT)**

**EIGHTEENTH REPORT**

**Presented to on Lok Sabha 5 February, 2004**

**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 2004/ Magha, 1925 (Saka)**

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**COMPOSITION OF THE COMMITTEE ON EMPOWERMENT OF WOMEN  
(2003-2004)**

**Smt. Margaret Alva**

- *Chairperson*

MEMBERS

**Lok Sabha**

2. Dr. (Smt.) Anita Arya
3. Smt. Jayashree Banerjee
4. Smt. Krishna Bose
5. Smt. Santosh Chowdhary
6. Smt. Renuka Chowdhury
7. Dr. (Mrs.) Beatrix D'Souza
8. Adv. Suresh Ramrao Jadhav (Patil)
9. Shri Bali Ram Kashyap
10. Smt. Abha Mahato
11. Dr. Ashok Patel
12. Shri E. Ponnuswamy
13. Shri Bishnu Pada Ray
14. Smt. Sushila Saroj
15. Dr. (Smt.) V. Saroja
16. Smt. Minati Sen
17. Smt. Shyama Singh
18. Smt. Jayaben B. Thakkar
19. Dr.(Smt.) Rajeswaramma Vukkala
20. \*Vacant

**Rajya Sabha**

21. Ms. Pramila Bohidar
  22. Smt. Saroj Dubey
  23. Smt. Vanga Geetha
  24. Smt. S.G.Indira
  25. Smt. Sumitra Mahajan
  26. Smt. Chandra Kala Pandey
  27. Smt. Bimba Raikar
  28. Miss Mabel Rebello
  29. Smt. Savita Sharda
  30. Smt. Maya Singh
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\* **Shri Bhan Singh Bhaura expired on 3rd January, 2004 and therefore ceased to be the member of the Committee.**  
SECRETARIAT

1. Shri P.D.T.Achary - Additional Secretary
2. Shri Ashok Sarin - Director
3. Smt. Veena Sharma - Under Secretary

## **INTRODUCTION**

**I, the Chairperson of Committee on Empowerment of Women, having been authorised by the Committee to submit this Report, present the Eighteenth Report of the Committee on the 'Functioning of Self-Help Groups for Economic Empowerment of Women'.**

2. This Report is based on the material received from the Ministry of Finance (Department of Economic Affairs-Banking Division), Ministry of Rural Development (Department of Rural Development), Ministry of Human Resource Development (Department of Women and Child Development), Reserve Bank of India, National Bank for Agriculture and Rural Development (NABARD) and impressions gained by the Committee during visits to some of the States of the Country.

3. The Committee on Empowerment of Women took oral evidence of the representatives of the Ministry of Finance (Department of Economic Affairs-Banking Division), Reserve Bank of India, National Bank for Agriculture and Rural Development (NABARD), Ministry of Rural Development (Department of Rural Development), and Ministry of Human Resource Development (Department of Women and Child Development)) in connection with examination of the subject. The Committee also took oral evidence of the Development Commissioner, Handicrafts and Development Commissioner, Handlooms.

4. The Report was considered and adopted by the Committee on Empowerment of Women (2003-2004) at their sitting held on 3<sup>rd</sup> February, 2004. The Minutes of the sittings form Part II of the Report.

5. The Committee wish to express their thanks to the Ministry of Finance (Department of Economic Affairs-Banking Division), Ministry of Rural Development (Department of Rural Development), and Ministry of Human Resource Development (Department of Women and Child Development) for their help and cooperation in connection with the examination of the subject and for providing evidence, material and information.

6. For facility of reference, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

**NEW DELHI**

**\_\_\_February, 2004**  
**Magha\_\_\_, 1925(Saka)**

**ALVA**

**COMMITTEE ON EMPOWERMENT OF WOMEN**

**MARGARET**

**CHAIRPERSON**

# **FUNCTIONING OF SELF HELP GROUPS FOR ECONOMIC EMPOWERMENT OF WOMEN**

## **REPORT**

### **INTRODUCTION**

Women's empowerment is a global issue and the concept is the outcome of several debates and discussions generated by the women's movement throughout the world. Empowerment is an active, multidimensional process which enables women to achieve their full identity and capacity in all spheres of life. In short, empowerment of women is a process of awareness and capacity building of women, leading to greater participation, in decision-making, power structures and control, leading to transformative action.

1.2 Economic independence or access to an inherited or self-generated income is considered a major means of empowerment of women. This is true to a great extent as economic dependence is perhaps the worst form of subjugation. To enable women to stand on their own feet, economic empowerment of women is necessary and this is attempted and advocated by most governments in the developing countries.

1.3 Significant improvement in women's economic participation is yet to come about and there is a long way to go, because of the continued conservative mindset and societal prejudices that persists regarding women and work. Unemployment and underemployment suffered by women have therefore forced these women to take up self employment individually or through formation of Self Help Groups. According to the Reserve Bank of India and NABARD, Self Help Group has now emerged as a cost effective mechanism for providing financial services to the unreached and undeserved poor and women and therefore, a significant process of economic empowerment of women.

## CONSTITUTION AND FUNCTION OF SELF HELP GROUPS

### **Development of SHGs**

1.4 The Committee are informed that NABARD has been playing a pivotal role in the development of SHGs in India since 1992, when it introduced a pilot project with banks, to encourage thrift and saving among the rural poor and to supplement their credit needs through the banking system. The idea was to revitalize the inactive persons/groups in the villages, by way of reorganizing them as 'Self Help Groups'.

**1.5 The Self Help Groups are small economically homogenous and affinity groups of rural poor, voluntarily coming together to save small amounts regularly, to mutually agree to contribute to a common fund, to have collective decision making and to provide collateral free loans with terms decided by the group at market driven rates.**

1.6 Apart from the thrift and credit activities, the Self Help Groups are also undertaking income-generating activities. For this, in addition to their savings, they secure bank loans and the available amount is spent upon some key activities chosen for the purpose.

**1.7 The Committee have been informed that the Ministry of Rural Development (Department of Rural Development) are also promoting Self Help Groups under the Swarnajayanti Gram Swarozgar Yojana (SGSY) which is being implemented as an integrated programme for self-employment of the rural poor, with effect from 1<sup>st</sup> April 1999. The Objective of the SGSY is to bring the assisted poor families (Swarozgaris) above the poverty line by organizing them into self-help groups, with training and capacity building and provision of income generating assets through a mix of bank credit and government subsidy.**

**1.8 According to the Department of Rural Development, a Self Help Group may consist of 10 to 20 persons. However, in difficult areas like deserts, hills and areas with scattered and sparse population and in case of minor irrigation and disabled persons, this number may be 5-20. All members of the Group should belong to families below the poverty line (BPL). However, upto 30 percent members from such**



**families, which are marginally above the poverty line, can also be members of the Self Help Group. The members from above the poverty line shall not be eligible for subsidy and they should not become office bearers of the group.**

1.9 The various agencies involved in the formation and promotion of Self Help Groups are as under:

- i) Ministry of Finance and other related Ministries like the Ministry of Rural Development (Department of Rural Development) and the Ministry of Human Resource Development (Department of Women and Child Development), Ministry of Small Scale Industries
- ii) Reserve Bank of India
- iii) National Bank for Agriculture and Rural Development (NABARD),
- iv) Public Sector Banks,
- v) Voluntary Agencies, NGOs
- vi) State Government agencies

1.10 In this connection, NABARD has informed the Committee that some of the state agencies such as Women Development Corporations, Literacy Missions, Land Development Corporations, etc. have also played important roles in organising women into SHGs and facilitating their bank linkages. Such initiatives have been supported with technical or/ and financial assistance in the States of Tamil Nadu, Orissa, Karnataka, Rajasthan, Gujarat, Kerala, Maharashtra, Himachal Pradesh, Uttar Pradesh, Chhattisgarh, etc.

**1.11 In view of the role played by the banking sector in development and promotion of Self Help Groups, three different models have emerged for delivery of credit to SHGs by formal credit institutions viz:-**

**Model I- Where the NGO acts as promoter and facilitator in bringing the SHGs to the doorstep of the bank branch, which directly provides loan to the SHGs in proportion to the savings.**

**Model II-** Where the NGO acts as financial intermediary in the sense that it promotes the SHGs , trains them and also provides them loans after availing the same from the bank in proportion to the savings of the SHGs.

**Model III-** Where the banks themselves promote SHGs without any assistance from the NGOs and also provide loan to the SHGs in proportion to the savings of the groups.

**1.12 As per the information furnished by NABARD, the number of Self Help Groups formed in the country under the above three Models and the amount of bank loans disbursed Model-wise as on 31<sup>st</sup> March, 2003 is as under :-**

	Model I	Model II	Model III	Total
<b>No. of SHGs</b>	<b>1,42,667</b>	<b>513,005</b>	<b>61,688</b>	<b>717,360</b>
<b>Bank Loan</b>	<b>334.71</b>	<b>1,597.21</b>	<b>116.76</b>	<b>2,048.68</b>
<b>% to Total No. of SHGs.</b>	<b>20</b>	<b>72</b>	<b>8</b>	<b>100</b>

1.13 It may be seen from the above that as on 31<sup>st</sup> March, 2003, 7,17,360 number of Self Help Groups are linked to Banks and this translates into an estimated 1.16 crores very poor families brought within the fold of formal banking services as on March 31, 2003. More than 90% of the groups linked with banks are exclusively women groups. A Statement indicating the total number (cumulative as at March 2003) of women Self Help Groups in the country being assisted by the banks has been shown in **Annexure I.**

1.14 The Committee desired to know whether there was any difference in the Self Help Groups constituted by the State Government, the Department of Rural Development and the Self Help Groups constituted by National Bank of Agriculture and Rural Development (NABARD) under Model I, II and III. In reply NABARD has stated that there is no difference in the conceptual background in so far as the Self Help Groups promoted by the NGOs/Banks/Government Agencies are concerned. There is a major difference in the motivation to form

Self Help Groups from the view point of the Group members. The motivation in the groups formed by the Department of Rural Development under SGSY are more linked to availability of subsidy. Any element of subsidy is absent in the case of groups promoted under SHG-Bank linkage programme of NABARD.

### **Key Activities of SHGs**

**1.15 The main activity of the Self Help Groups according to NABARD is to get self employment for its individual member(s) or the entire group, (as a whole) by pursuing income generating project(s) / programme(s) by following a holistic approach, covering all aspects such as training, credit requirements, infrastructure and marketing. The SHGs are stated to be engaged in agriculture and allied activities, various activities relating to non-farm sector, trading/marketing of agriculture produce/goods, etc. The activity is pursued based on their skill opportunity and forward/backward linkage available to them.**

**1.16 The Committee are informed that Self Help Groups take up economic activity of their choice for income generation. The selection of activity is solely based on the local resources, marketability of the product to be produced, the aptitude and skill of the group. The selection of activity is a participatory process where all the implementing agencies like Bankers, NGOs, Government Officials alongwith the group members after a detailed discussion identify those activities which would be economically viable and sustainable in respective areas.**

### **Constitution of SHGs by Department of Rural Development under Swarnajayanti Gram Swarozgar Yojana (SGSY)**

**1.17 According to the Department of Rural Development the Swarnajayanti Gram Swarozgar Yojana was launched in April, 1999 following the restructuring of the (erstwhile) Integrated Rural Development Programme (IRDP), which had various components like Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA) etc. The objective of the scheme is to bring the assisted poor families (Swarozgaris) above the poverty line by organising them into Self Help Groups through the process of social mobilisation, their training and capacity building and provision of income generating assets through a mix of Bank credit and Government subsidy.**

**1.18 The SGSY programme consists of generally all members of the group belonging to families Below Poverty Line (BPL). However if necessary, a maximum of 20% and in exceptional cases, where essentially required, upto a maximum of 30% of members in a group may be from families marginally Above the Poverty Line (APL). Within the target group, special safeguards have been provided to vulnerable sections by way of reserving 50% benefits for SCs/STs, 40% for women and 3% for disabled persons. The SGSY is being implemented by the District Rural Development Agencies (DRDAs) with the active involvement of Panchayati Raj Institutions (PRIs), the banks, the line departments and the Non-Government Organisations (NGOs).**

**1.19 According to the Department of Rural Development, the role of State Governments in the implementation of the SGSY scheme is as under:**

- **The department of Rural Development or any department to which the subject of Rural Development has been allocated is responsible for planning implementation, monitoring and evaluation of the programme at the State Level.**
- **The State level SGSY Committee under the chairmanship of Chief Secretary/Department Commissioner has been provided to oversee the functioning in the performance under the SGSY.**
- **The financing of the programme is shared between the Centre and the States in the ratio of 75-25. Therefore, the State should release its matching share within the financial year.**

#### **Role of DRDAs**

- \* **The Scheme is implemented by District Rural Development Agencies through the Panchayat Samitis with active involvement of Banks, Line Departments and NGOs.**
- **The District Rural Development Agencies are expected to co-ordinate the implementation of the programme.**
- **Their role is critical in organization of SHGs, their training and capacity building as well as in terms of co-ordination with technical institutions for technology and training, the banks for planning and credit mobilization, the line departments for infrastructure and technical follow up as well as in co-ordinating the marketing activities.**

**1.20 In this connection, the Department of Rural Development have also stated that for sustainability and success of any self-employment endeavour, a requisite skill is needed to successfully run the proposed enterprise. There is a provision under the SGSY Scheme to impart basic orientation, training and skill upgradation, training in identified training institutions in India to a poor member of the group which proposes to take up such activities. Besides this, the SGSY Guidelines provide support for building of infrastructure, ensuring marketability and disseminating requisite cost effective modern technologies for economic sustainability of the products produced by Swarazgaris.**

**Financial Assistance under SGSY**

**1.21 The financial assistance under the SGSY programme to the individual Swarozgaris or Self Help Groups is given in the form of subsidy by Government and credit by the Banks. Subsidy under the SGSY is uniform at 30% of the project cost subject to a maximum of Rs. 7500. In respect of SCs/STs and disabled persons subsidy is 50% of the project cost subject to a maximum of Rs. 10,000/-. For groups of Swarozgaris the subsidy is 50% of the cost of the scheme subject to per capita subsidy of Rs. 10,000/- or Rs. 1.25 lakh. The Department have further stated that the Swarnjayanti Gram Swarozgar Yojana (SGSY) is financed on 75:25 cost sharing basis between the Centre and the States.**

**1.22 Regarding the number of Self Help Groups formed by the Department of Rural Development, the Committee have been informed that since inception of the SGSY Scheme(1.4.1999) so far (upto Nov., 2003), 17.93 Lakh SHGs have been formed in the country out of which 8.75 lakh groups are exclusively of women. Out of these 11.67 Lakh members of women SHGs have taken up economic activities.**

**1.23 In reply to the query as to the funds sanctioned under the SGSY scheme and the extent of utilization by the Department of Rural Development during the last few years, the Department have stated that during the year i.e 2001-2002 against the total Central allocation of Rs. 700.00 crores, releases to the States/UTs were 536.27 crores. The utilization of funds by the States/UTs was Rs. 969.77 crores against the total available fund of Rs. 1299.01 crores which was 74.66% of the total available fund. The Department have further stated that the utilization was more than 85% in States like Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Haryana, Kerala, Madhya Pradesh, Maharashtra, Mizoram, Nagaland, Orissa, Punjab, Rajasthan, Sikkim, Tamil Nadu and Tripura. It was between 75 and 85% in Jammu Kashmir, Jharkhand, Karnataka and Uttaranchal and less than 75% in Pondicherry, Lakshadweep, Dadra & Nagar haveli, Daman and Diu,**

**Andaman and Nicobar Islands, West Bengal, Uttar Pradesh, Meghalaya, Goa, Bihar, Assam and Arunachal Pradesh.**

**1.24 According to the Department, the reasons for poor utilisation of funds in some of the States could be due to carry over of huge unspent balance from the erstwhile IRDP and allied schemes, lack of cooperation from banks in sanction and disbursement of credit, non-availability of Facilitators/Resource persons for social mobilisation of the rural poor and organising them into SHGs etc.**

**1.25 The Department of Economic Affairs is entrusted with the task of financing women under the SGSY programme. The Department of Economic Affairs when asked to state the basis of selection of beneficiaries for providing income-generating assets, have stated that the basis of selection of beneficiaries is that a list of villages is first finalized by the Block Level SGSY Committee which is intimated to the Sarpanches also. In case of Self Help Groups, the list of below the poverty line (BPL) households identified through below the BPL census, duly approved by the Gram Sabha forms the basis for identification of families for assistance under SGSY and the SHGs would be drawn from the BPL list approved by the Gram Sabha. As per the statement furnished to the Committee by the Reserve Bank of India, the achievement of Public Sector Banks in financing women under the SGSY scheme for the last 3 years is as under:-**

<b>Year</b>	<b>Target</b>	<b>Achievement</b>
<b>1999-2000</b>	<b>40%</b>	<b>20.16%</b>
<b>2000-2001</b>	<b>40%</b>	<b>35.07%</b>
<b>2001-2002</b>	<b>40%</b>	<b>28.61%</b>
<b>2002-2003</b>	<b>40%</b>	<b>23.13 %</b>

### **Special projects being implemented by the Department of Rural Development**

1.26 The Department of Rural Development have stated that under the SGSY Scheme, 134 special projects have been approved by the Department of Rural Development at a total cost of Rs. 388.83 Crores. The objective of each special project is to ensure a time-bound programme for bringing a specific number of Below Poverty Line (BPL) families above the poverty line through self-employment programmes. The projects may involve different strategies to provide long-term sustainable self-employment opportunities either in terms of organization of the rural poor, provision of support infrastructure, technology, marketing, training etc., or a combination of these.

1.27 In this connection, the Secretary, Department of Rural Development explained during oral evidence that

“special projects are basically activity-specific projects or area-specific projects. Proposals are received from the State Government and also from institutions. These projects are aimed to give a total package deal to a particular cluster of artisans, say, weavers, leather workers etc.”

1.28 According to the Department of Women and Child Development, the sanctioned projects include various activities relating to the development of Dairy, Horticulture, Mushroom cultivation, Sericulture, Lift Irrigation, Pisciculture, Handlooms, Marketing etc. The experience of the Ministry regarding implementation of the Projects is as follows:

- (i) About half of the States are yet to submit proposals.
- (ii) State Governments are not releasing the State share within a fortnight of release of Central grants. In some cases, the State share is inordinately delayed.
- (iii) Projects lack a defined implementation schedule. There is need to prepare a PERT chart identifying major milestones and deliverables with target dates for each activity.
- (iv) Major projects, costing more than Rs. 5 crores for development of infrastructure generally require land to be available, approval of design and specifications of building and equipment, necessary approval of competent authority etc. In some cases, these have not been completed, which has resulted in a major constraint in the implementation of these projects.
- (v) Projects sanctioned during 1999-2000, were to be completed by March, 2002. However, most of project authorities have yet to submit proposals for release of second instalment.
- (vi) Lack of coordination between Department of Rural Development/DRDAs and line departments has been noticed.

### **Size of the Project Cost**

1.29 The maximum investment, inclusive of credit and State share, under each Special Project should not exceed Rs. 15.00 crores and the minimum project cost shall not be below Rs. 1.00 crore. Recurring expenditure such as creation of posts or vehicles or maintenance expenditure shall not be admissible in the projects. No cost escalation shall be permitted for the project. Escalations, if any, would be met by the State Government.

### **Funding Pattern**

The total cost of the Project (excluding credit component from bank or any other Agency, beneficiary contribution) shall be shared between centre and state in the Ratio of 75:25.

### **Constitution of SHGs by Department of Women and Child Development**

#### **Rural Women's Development and Empowerment project (*Swa-shakti*)**

1.30 The Department of Women and Child Development have stated that the successful working of SHGs in Andhra Pradesh, Tamil Nadu, Karnataka etc, and successful implementation of Social Development Programmes such as Mahila Samakhya, DWCRA and programmes undertaken by NABARD and RMK for Women's development and empowerment, highlighted the need:

- for a change in women's traditional roles and for organizing them into small, homogenous Self Help Groups
- for training to increase their production skill and productivity; and
- to equip them through skill upgradation, entrepreneurship training, etc. to undertake more remunerative on-farm and off-farm activities.

1.31 As per the Department, thinking and further deliberations in this direction resulted in the culmination of a project *viz.* the Rural Women's Development and Empowerment project also known as the *Swa-shakti* project.



Explaining further in this regard, the Secretary, Department of Women and Child Development stated during evidence that

"*Swa-shakti* is actually a pilot project. It has got a limited number of years. Once it ends, the *Swayam Siddha* takes on. *Swayam Siddha* will continue the work started by *Swa-shakti*. The *Swa-shakti* project was started in 1998. It was meant to be only in limited States. To begin with, it was started only in six States of the country. The States are, Uttar Pradesh, Bihar, Madhya Pradesh, Haryana, Karnataka and Gujarat. Later on, when the three States of Madhya Pradesh, Uttar Pradesh and Bihar were divided further, the three new States were also added. So, now it is operational only in nine States and that too in selected districts. It is implemented in 57 districts of these nine States and in selected blocks and villages. This was a pilot project started based on the success achieved in the Tamil Nadu project assisted by IFAD. That was the basis on which this project was conceived and it was only to be implemented in selected districts and villages.

The *Swayam Siddha* project, looking into the success we got from the *Swa-shakti* project, was started all over the country, in 650 blocks of all the States and Union Territories. So, the reach of *Swayam Siddha* is all over the country whereas the *Swa-shakti* is only in limited blocks and villages."

1.32 The overall objective of the project according to the Department of Women and Child Development is to strengthen the processes, and create an environment, for empowerment of women. Its specific objectives are:

- (i) Establishment of self-reliant women's Self-Help-Groups (SHGs) having 15-20 members each, which will improve the quality of their lives, through greater access to, and control over, resources;
- (ii) Sensitizing and strengthening the institutional capacity of support agencies to pro-actively address women's needs.

- (iii) Developing linkages between SHGs and lending institutions to ensure women's continued access to credit facilities for income generation activities.
- (iv) Enhancing women's access to resources for better quality of life, including those for drudgery reduction and time-saving devices; and
- (v) Increased control for women, particularly poor women, over income and spending, through their involvement in income generation activities, which will indirectly help in poverty alleviation

1.33 According to the Department of Women and Child Development, the following positive results have been achieved during the implementation of the Project for the last 4 years:-

### Economic Empowerment

- (i) More than 1700 Women's groups have been formed and the group members are helped to develop the habit of systematic savings;
- (ii) Women members of these groups are able to open their respective savings bank accounts;
- (iii) Women have developed a "repayment culture", wherever they get chance to take and repay several small, internal loans for a variety of purposes, including consumption loans;
- (iv) The recovery rate of bank loans is excellent, due to extensive support system developed under the project.

## Social Empowerment

- (i) Qualitatively, there is evidence of considerable social impact of the project on women, particularly in the well-functioning , homogenous groups of very poor women, where women exhibited a greater degree of self-confidence, greater mobility and greater ease to visit banks and converse with different officials;
- (ii) In the social area, women are able to get out of their houses, attend group meetings, particularly where considerable opposition from their husbands has been observed;

**1.34 Out of total coverage, the SC/ST/PTG percentage according to the Department, works out to 48%. Some significant achievements in the Project are as under:-**

i)	<b>Self-Help Groups formed and nurtured</b>	<b>17647</b>
ii)	<b>Clusters formed</b>	<b>1062</b>
iii)	<b>Groups Savings (Rs. in Lac)</b>	<b>1607.62</b>
iv)	<b>Inter-loaning within the Groups (Rs. in lac)</b>	<b>3869.51</b>
v)	<b>Amount loaned by Banks to Groups (Rs. in Lac)</b>	<b>1328.27</b>
vi)	<b>No. of training programmes conducted</b>	<b>23342</b>
Vii)	<b>NO. of community assets created</b>	<b>1612</b>
Viii)	<b>No. of Groups linked with other Govt. schemes</b>	<b>12081</b>
ix)	<b>Group members involved in Micro-Ent.Dev.</b>	<b>82765</b>

### Swayam-siddha Scheme

**1.35 According to the Department of Women and Child Development, Swayamsidha is an integrated scheme for women's empowerment. It is based on the formation of women Self-Help Groups and aims at the holistic empowerment of women through awareness generation, economic empowerment and convergence of various schemes. The Project was launched in March – 2001 for a period of 6 years, ending on 31-03-2006. The following are the salient features of the *Swayam-Siddha* scheme:-**

#### **Objectives:**

- **All round empowerment of women , especially social and economical, by ensuring their direct access to , and control over, resources through a sustained process of mobilisation and convergence of all the on-going sectoral programme.**

**Coverage:**

- **33 States/UTs (Goa and Daman & Diu did not show any interest in the scheme and therefore the scheme has been withdrawn form them).**

**Budget:**

- \* **Total Budget: Rs. 116.30 crores for 6 years (2000-2006)**
- \* **Total Expenditure: Rs. 23.90 crores as on date.**

**Physical Prograss:**

- \* **Target: Formation of 65,000 SHG @ 100 SHGs per Block.**
- \* **Achievement: 35,595 SHGs formed.**

**Economic Activity:** The focus of the scheme, at this stage, is on formation of SHGs and providing basic training to them. Economic activity will be initiated by the groups after they become stable.

## Rashtriya Mahila Kosh

**1.36 The Department of Women and Child Development have informed the Committee that the Rashtriya Mahila Kosh was set up by the Government of India in 1993 for the purpose of providing small loans to poor women organised in Self Help Groups through Government and Non-Government organisations. The objective is to help women organise income generating activities such as dairy, agriculture, shop-keeping, vending, handicrafts etc. These small earnings by women help them and their families to improve their socio-economic status.**

**1.37 The Department have stated that the following agencies receive financial assistance from the Rashtriya Mahila Kosh:-**

- **Non-Government Organisations,**
- **Women Development Corporations,**
- **Co-operative Societies – (in which at least 1/3 of the members are women)**
- **Indira Mahila Block Samities,**
- **State Government Agencies like DRDA, Dairy Federation, Municipal Councils etc., Mahila/Urban Co-operative Banks- (Assistance by way of 100% refinance for lending made by them to the poor women)**

**1.38 The Department of Women and Child Development have further stated that as per the salient feature of the financial assistance under the scheme, Rashtriya Mahila Kosh charges interest at the rate of 8% p.a. calculated on reducing balance from their borrowers. The borrowing organisations, in turn, are allowed to charge interest from the Self Help Groups upto a maximum of 18% p.a. calculated on reducing balance.**

**The Committee enquired as to why the borrowing organisations have been allowed to charge interest for SHGs upto a maximum of 18%. In reply, the representative of Rashtriya Mahila Kosh explained during evidence that**

**“What happens is that we are lending at eight percent and then the SHGs are allowed to charge up to 18 per cent, but normally, they are charging about 12 per cent. When you give them eight per cent, the NGO has to incur some administrative cost also. Sometimes, the NGOs have brought up those groups. They help to nurture those groups. They help to train them. All those costs are built into whatever they charge”.**

### Concentration of Self Help Groups in Southern States

**1.39 According to a statement furnished by NABARAD (Annexure-II) it is seen that there is a regional concentration of these Self Help Groups in the Southern States in comparison to the other regions of the country. This is evident from the following figures indicating the Cumulative number of SHGs provided with bank loans in different regions of the country, upto 31<sup>st</sup> March, 2002:-**

<u>Region</u>	<u>Cumulative Number of SHGs provided with Bank loan (upto 31<sup>st</sup> March, 2002)</u>	<u>(Rs. crores) Cumulative Bank loan upto 31<sup>st</sup> March, 2002@</u>
Southern region	3,58,689	831.31
Northern region	19,321	37.31
North-Eastern region	1,490	2.54
Eastern region	45,892	46.75
Central region	48,181	56.91
Western region	29,318	51.51

1.40 In reply to a query regarding the steps taken by NABARD for promoting more Self Help Groups in other parts of the country, NABARD has replied that for the last three years intensive focus has been placed on scaling up the programme in 13 priority states viz, Rajasthan, Madhya Pradesh, Chattisgarh, Uttar Pradesh, Uttaranchal, Himachal Pradesh, Bihar, Jharkhand, West Bengal, Assam, Orissa, Gujarat Maharashtra, which account for nearly 70% of the poor. NABARAD has submitted a statement indicating the growth of SHGs in these 13 States in the last three years which is given at **Annexure III**.

1.41 Explaining further the position in this regard, NABARAD has stated in a note that out of the 2.53 lakh SHGs financed by banks during the year 2002-03, 1.08 lakhs Self Help Groups (42.5%) were credit linked in the non-southern

States. From the table given at Annexure II showing the SHG Bank Linkage Program in 13 Priority States in the last three years, it is evident that while the percentage of growth of SHGs as on 31<sup>st</sup> March, 2003, has been commendable in some States like Assam (239.55%), Bihar (106.24%), Orissa (105.67%), Madhya Pradesh (91.34%), the progress in some other States has not been encouraging as in Gujarat (46.11%), Maharashtra (43.05%), Uttar Pradesh (62.15%), Himachal Pradesh (75.08%).

1.42 As regards the steps taken by the Reserve Bank of India for promotion of Self Help Groups in the other parts of the country, the representative of the Reserve Bank of India explained during evidence as under:

“An issue was raised about the self-help groups being very effective in the Southern parts of the country and not so effective in northern parts of the country. We are making efforts to popularise this in other parts of the country also. As a matter of fact, in northeastern regions we are monitoring the position every six months. Our Deputy-Governor is holding meeting every six months in that areas to see how the flow of credit is moving, what are the problems coming and we have also created a monitoring cell in the Reserve Bank of India in Guwahati office which is also looking after the northeastern regions and seeing whatever decisions are taken are being implemented there or not.”

### **ROLE OF PARTNER AGENCIES**

1.43 As regards the role played by the various agencies involved in the Self Help Group programme, the Department of Economic Affairs have stated that while the banks attend to credit dispensation, the Government draws the policy relating to extending the credit. The Reserve Bank of India, NABARD play the developmental/monitoring role.

#### **Role of Banks:**

1.44 According to NABARD, Banks under the scheme of things envisaged for organizing of SHGs are expected to play their conventional role of credit delivery through Self Help Groups. For this, they may avail appropriate assistance or facilitation from NGOS/Self Help Promoting Institutions. In some cases, they may also enter into strategic alliance with such institutions for channelising their loan funds in bulk for onlending to the Self Help Groups promoted by them. Further, a few banks have themselves donned the role of Self Help Promoting Institution particularly in areas where NGO presence is minimal. In other words, they play a dual role of Self Help Promoting Institution as also Credit Supplier.

**1.45 The Committee have been informed that the following criteria is adopted by Banks for selecting the Self Help Groups:-**

- i) The group should have been in active existence for at least a period of 6 months.**
- ii) The groups should have been successfully undertaking savings and credit operations from its own resources.**
- iii) Democratic working of the group wherein all members feel that they have a say, should be evident.**
- iv) The group is maintaining proper accounts and records.**
- v) The bankers should be convinced that the group has not come into existence only for the sake of participation in the project and availing benefits thereunder**
- vi) There should be a genuine need to help each other and work together among the members.**
- vii) The Self Help Groups members should preferably have homogenous background and interest.**

**1.46 The Self Help Groups are operating mainly in rural areas and the rural women who are mostly poor and illiterate are not conversant with Bank procedures and formalities and are hesitant to approach the concerned officials directly. It is also learnt that it takes considerable time before the requisite loans are granted to the Self Help Groups. In this context, the Department of Economic Affairs have stated that the RBI/NABARD has already advised the banks to remove all operational irritants and make arrangements to expeditiously sanction and disburse micro credit by delegating adequate sanctioning powers to branch managers. They have advised the banks to make the loan application forms, procedures and documents simple. That would help in providing prompt and hassle-free micro credit. In fact, banks have been asked to make all-out efforts to cut down the cost of financial inter-mediation and reduce disbursement lags.**

Role of NABARD in promotion of SHGs



**1.47 The Department of Economic Affairs have stated that NABARD provides credit support in the form of refinance assistance to the banking system in respect of their advances for agricultural, allied sectoral, rural, cottage and village industries activities. These groups normally received bank finance in proportion to the saving mobilized by them. For the purpose of promotion of Self Help Groups, NABARD provided 100% refinance assistance to bank/NGOs.**

**1.48 According to NABARD, the number of Self Help Promoting Institutions (SHPs)/NGOs participating in the SHG promotion and linkage with micro-credit from banks has increased from 2,100 by end of March, 2002 to around 2,800 as at the end of March, 2003. The NGOs are involved either as facilitator, playing a catalytic role in formation of SHGs and nurturing them in the initial period or as financial intermediary i.e. providing loan assistance (micro credit) to SHGs/individuals till they are formally linked with banks. NABARD, as a strategy, is encouraging small NGOs to take SHG promotion and linkage as an add-on activity. Technical support is extended in the form of quality training and capacity building to these NGOs. NABARD also supports conduct of various types of exposure and awareness programmes for CEOs and field level functionaries of these NGOs. NABARD also provides small financial assistance to NGOs for taking up promotion of SHGs as 'add-on' activity.**

**1.49 When enquired about the impact of the initiatives by NABARD on the Self Help Groups, the Committee have been informed that the concept of SHGs is quite successful and has now become an effective instrument of reorganising rural poor in the form of effective Self Help Groups through the intermediation/facilitation by VAs/NGOs/other Self Help Promotional Institutions (SHPIs)/banks.**

### **Credit to women and SHGs by Banks**

1.50 The Committee desired to know the steps or initiatives taken by the Reserve Bank of India in recent years for economic empowerment of women, with particular reference to the Self Help Groups. In reply, the Reserve Bank of India have *inter-alia* stated that recognising the problems women in India face in reaching out to the formal banking system, the Reserve Bank of India (RBI) had vide its circular RPCD/PLNS/BC.No. 11/06.02.79/2001-02 dated July 26, 2001 asked banks to earmark 5% of their net bank credit (NBC) for lending to women within 3years, viz, by March 2004.

**1.51 During their visit to various States, the Committee saw the functioning of SHGs, interacted with women members of SHGs and also held informal discussion with the Chairmen and Managing Directors of some lead banks. The Committee were given to understand that Banks were taking steps to increase the percentage of Net Bank Credit to women. The percentage of Net Bank Credit for lending to women in some of the Banks visited by the Committee as on March 2003 is as under:-**

Name of Bank	% of NBC (As in March, 2003)
<b>State Bank of India</b>	<b>2.55%</b>
<b>UCO Bank</b>	<b>2.57%</b>
<b>State Bank of Bikaner and Jaipur</b>	<b>2.89%</b>
<b>Bank of Baroda</b>	<b>4.29%</b>
<b>Vijaya Bank</b>	<b>4.48%</b>
<b>Indian Overseas Bank</b>	<b>5.45%</b>
<b>State Bank of Hyderabad</b>	<b>5.75%</b>
<b>Andhra bank</b>	<b>6.14%</b>
<b>Indian Bank</b>	<b>7.03%</b>

**In respect of the other Banks, the position as seen from a note submitted subsequently by RBI in this regard is as under :**

<b>Central Bank of India</b>	<b>2.56%</b>
<b>Bank of India</b>	<b>2.68%</b>
<b>Corporation Bank</b>	<b>2.84%</b>
<b>Dena Bank</b>	<b>2.88%</b>
<b>Allahabad Bank</b>	<b>3.47%</b>
<b>Punjab and Sind Bank</b>	<b>4.16%</b>
<b>Punjab National Bank</b>	<b>4.44%</b>
<b>Bank of Maharashtra</b>	<b>4.77%</b>
<b>Canara Bank</b>	<b>6.04%</b>

1.52 While furnishing the latest position regarding the percentage of Net Bank Credit by banks, the Reserve Bank of India has stated that the outstanding level of credit to women which stood at Rs. 10736.75 crores as on September 2001 (2.36% of NBC) has gone up to Rs. 18428.45 crores as on March 2003 (3.90% of NBC), registering a growth of 71.6%. As on March 2003, seven public sector banks (Andhra Bank, Canara Bank, Indian Bank, Indian Overseas bank, State bank of Hyderabad, State bank of Mysore and State bank of Travancore) have already achieved the prescribed target (5% of NBC by March, 2004). Another six banks ( bank of Baroda, Bank of Maharashtra, Punjab National bank, Punjab & Sind bank, Syndicate bank, Vijaya bank) are marginally below the prescribed target for extending credit to women.

1.53 The Committee desired to know as to what was being done to ensure that all the banks adhere to the target of earmarking 5% of their NBC for lending to women by March, 2004. In reply, RBI has stated that all the Public Sector banks have been furnishing the above data to them on quarterly basis. After consolidation, besides monitoring at their end, they have been forwarding a copy of the statement to the Banking Division, Ministry of Finance for monitoring at their end. The RBI is pursuing the matter with banks who are lagging in this regard. The flow of credit to women is reviewed in DCC/DLRC/SLBC meetings as one of the segments of priority sector advances. Further, all SLBC Convenor banks have been advised to review the position of credit delivery to women as one of the agenda items for discussion in SLBC meetings and initiate necessary measures in this regard. They have also advised Regional Officers of RBI to ensure discussion on credit delivery to women in SLBC meetings and report to them the development in this regard.

1.54 It is learnt that despite the initiatives by the Reserve Bank of India, NABARD and other banks, the average amount of loans to members of Self Help Groups is still very low. In this regard, the representative of the Reserve Bank of India stated during oral evidence,

“Yes, I entirely agree that the size of the loan, on an average, comes to Rs. 1,200 per member of the Self-Help Groups. There is a need for increasing the size of the loan. Various programmes are being undertaken by NABARD, SIDBI and through the NGOs. NABARD, as a matter of fact, has got a Micro Financing Development Fund through which they are funding these programmes. They are relating to increasing the capacity or building the capacity of the Self-Help Groups by providing them skills, training and marketing facilities. Once this capacity is set and once the skill base is improved, I am sure this average loan size will definitely go up. But, it is a process which takes a little time. Through this capacity-building exercise, the loan absorption capacities will go up.”

1.55 In this connection, the Department of Economic Affairs have stated that several cross country reports have also highlighted the fact that bank loans for women's micro enterprises have been to the extent of less than 15%.

### **Interest rate structure for lending to SHGs**

1.56 The Committee during their tour to various States while interacting with the members of Self Help Groups were informed that the banks and the financial institutions are giving only 3.5% interest to the Self Help Groups on the money deposited by them but are charging around 12% interest on loans taken by them. The Committee desired to know whether it was not desirable that loans on much easier terms and low rate of interest are extended to women entrepreneurs and Self Help Groups. In reply, the Department of Economic Affairs have stated that as per extant guidelines the banks are required to fix their own prime lending rate (PLRs) and the maximum band over the PLR. The interest rates on loans up to Rs. 2 lakhs is left to the discretion of the banks subject to PLR and the maximum bands. The banks have been advised to accord SSI units with a good track record the benefit of lower spreads over the PLR. However, the lending rates have come down considerably in recent times as a result of RBI following the policy of softer interest rate bias.

1.57 On pointing out that the rate of interest on loans to Self Help Groups is high despite the fact that the recovery on their loans is easy and almost full, the representative of the Reserve Bank of India stated during evidence as under:-

“When we talk at the level of self-help groups, it is really a remarkable thing. Even 98 per cent to 99 per cent recoveries are reported there. That is exactly what has encouraged the banks to go in for more and more lending through self-help groups. It has now become the major, say, policy instrument for development in the rural areas.”

**“As far as non-performing assets in respect of loans given to women beneficiaries, our data shows that it is about 9 per cent or so, which is not very high.”**

**1.58 The representative of the Reserve Bank of India further added:-**

“As far as the rate of interest is concerned, our broad policy is that we have categorised the rates into two slabs. One is, loans up to two lakh rupees are charged interest not exceeding the prime lending rate of the banks, and on loans beyond two lakh rupees, the banks are free to set their interest rates. These are the two broad categories. Our of that also, in our various credit policies which come out every six months, we have given the signal, an indication to the banks that there is a low interest rate regime, the rates of interest are coming down- and these rates of interest should be reflected in the lending rates also.”

“When the banks fix their rates of interest, they look at the general cost of funds which they have to pick up. It is not that one specific type of deposit is taken into account. What we have seen is that the average cost of funds for the banks comes to about five to nine per cent or so. If you take all the types of deposits that are there, they keep about two to two-and-a-half per cent as their administrative cost. We have been insisting on the banks that they must bring it down. This administrative cost of two to two-and-a-half percent is very high. Internationally it is not more than one percent.”

Training facilities for SHGs

**1.59 The Committee during their tour to various States gained the impression that the members of the Self Help Groups did not have sufficient guidance about the selection of key activities to be undertaken, availability of raw materials at reasonable prices as also about the product design and other aspects relating to their activities. The Committee desired to know the steps taken by the Department of Economic Affairs in coordination with the banks in recent years to organize training programmes or entrepreneurship development programmes for women entrepreneurs and members of self help groups, especially in the semi-urban and rural areas. In reply, the Department of Economic Affairs have stated that NABARD is implementing the following programmes, which address the training needs of rural women:**

REDP: Develop entrepreneurial and activity oriented skills among unemployed rural youth including women.

ARWIND: NABARD assistance is provided for conducting skill or EDP type of training for women, establishment of production units at the sponsoring agencies level or to set up household units with loan assistance from banks.

DEWTA: The programme addresses various needs of women identified by women through their capacity building, networking and convergence of services to have a focused implementation and visible impacts.

1.60 As regards the training facilities provided to the SHGs under the SGSY programme, the Department of Economic Affairs have stated that Skill upgradation of the Swarozgaris has been provided for under the scheme to ensure that the swarozgaris possess the minimum skill requirement in undertaking various income generating activities. The State Governments provide funds and infrastructure wherever required and coordinate with voluntary organisations and NGOs in imparting training to the Swarozgaris by acting as facilitators.

1.61 The Department of Economic Affairs have further stated that the training programmes for the Self Help Groups are designed after consultation with the stakeholders of the programme. Training programmes are organised suiting the requirements of NGOs and SHGs. They range from how to promote and nurture quality SHGs to monitoring of SHGs, leadership development training among the women members and book writing by SHGs.

1.62 During their tour to Hyderabad, the Committee on Empowerment of Women held interaction with the representatives of Andhra Bank on the subject of training for women entrepreneurs. The Committee were informed that the Andhra Bank had set up Rural Development Institutes for conducting training programmes to women among others, for self employment and increased incomes. The Committee desired to know from the Reserve Bank of India

whether such training institutes have been set up by other banks and the activities thereof. In reply, RBI has stated that in recognition of the importance of training and sensitisation programmes, RBI has advised all their Regional Offices to take up the matter relating to setting up of training institutes on the lines of RUDSETI with the SLBC convener banks. Syndicate Bank, Canara Bank and Sri Dharmasthala Manjunatheswara Education (SDME) Trust has set up 19 RUDSETIs in 11 States so far. They have set up a Central Secretariat of RUDSETI at Ujire through which they have extended guidance to several public/private sector banks *viz.* Bank of Baroda, Dena Bank, UCO Bank, Andhra Bank, Vijaya Bank, State Bank of Saurashtra etc., officials from State Government of Gujarat and Chattisgarh and NGOs, in setting up training institutes on the lines of RUDSETI.

### **Marketing facilities for SHGs**

1.63 During interaction with the members of Self Help Groups during tour to various States, the Committee learnt that while it was easy for the members of the SHGs to produce various items, it was difficult for them to market their products. In this regard the Committee desired to know the provisions available and the steps taken for marketing the products of the self help groups. In reply, the Department of Economic Affairs have stated that NABARD has an exclusive scheme for marketing the products of rural women called 'MAHIMA'. It is stated that the following initiatives are supported by NABARD for promotion of marketing of products produced by women under its 'MAHIMA' scheme:

- Market survey
- Capacity building including training programmes on marketing
- Quality control
- Technology upgradation

- Design development
- Branding, labeling, preparation of catalogues
- Packaging design
- Publicity including data building and documentation
- Common marketing facilities
- Setting up of showrooms, sales outlets, mobile vans
- Organisation/participation in exhibition and melas etc.

1.64 On being asked about the marketing facilities available under the SGSY programme, the Department have stated that the SGSY guidelines also envisage creation of infrastructure fund, which could be used for strengthening marketing, infrastructure and related activities. Marketing outlets like Khadi and Village Industries Commission (KVIC), Khadi and Village Industries Board (KVIB) could be used for marketing of SGSY products, organising periodic exhibitions for sale of goods made by Swarozgaris.

#### Role of NGOs

**1.65 According to the Department of Economic Affairs, the NGOs are involved in setting up, formation and other activities relating to Self Help Groups of micro entrepreneurs and entrusting them to banks for credit linkage or financial intermediation like borrowing bulk funds from banks for on-lending to Self Help Groups. They are extremely important links in the micro finance chain and play a catalytic role in formation of Self Help Groups as well as their capacity building, training assistance and post-project monitoring. The NGOs/Voluntary Agencies and other implementing agencies in the development/organisation of the Self Help Groups maintain close rapport with all the members of the 'Group' from its very inception and thereafter.**

**1.66 Describing the role of NGOs in setting up and formation of Self Help Groups, their capacity building and training assistance to acquire bank finance, the Department of Rural Development have stated that the involvement of NGOs under the Self Help Group Programme is as follows:**

- i) **Involvement of NGOs or Community Based Organisers (CBOs) /Individuals as Self Help Promoting Institutions (SHPIs)/Animators by the DRDAs in formation, development and training of Self Help Groups**



- ii) **Training infrastructure available with NGOs could be used for imparting basic orientation and skill development training to Swarozgaris.**
- iii) **NGOs have been given representation in Block Level SGSY Committee, District Level SGSY Committee and the Central Level Co-ordination Committee for monitoring of the Scheme.**
- iv) **Banks may engage the services of NGOs as monitor-cum-recovery facilitators on payment of incentive as applicable.**
- v) **NGOs/ other independent institutions could be involved in the marketing of products from rural artisans / craftsmen.**

1.67 The Committee desired to know the criteria of selection of NGOs and as to how it is ensured that only competent and reliable NGOs are selected. In reply, the representative of NABARD stated during evidence as under:

**"There can be fraudulent NGOs also. At the beginning we thought that banks will give loans to the NGOs and the NGOs would do the retailing because they are closer the people. But very soon the bankers found out, our research studies found out that NGOs are poor financial managers themselves. They are not able to manage their finances properly. Although we started with this logic, but today if we see that of Rs. 2000 crore that has been given by the banks, only nine per cent goes through the financial intermediaries of the NGOs and the rest 91 per cent is through direct financing to SHGs.**

**When it comes to the selection of the NGOs, there are certain basic criteria that have been given to the banks for identifying good NGOs. Firstly, one must be registered for at least three years; one must have a balance sheet for three years. They must have audited accounts for three years and also the reputation of the NGO would have to be ascertained."**

**"So, the financial management and governance capacity of the NGO has to be studied carefully by the bankers. Unless they do it, we request the bankers not to give loans through the NGOs."**

## **PROBLEMS FACED BY SELF HELP GROUPS**

1.68 The Committee on Empowerment of Women organised a Seminar in collaboration with the Confederation of Indian Industry on the subject 'Economic Empowerment of Women' wherein the participants comprising of women Members of Parliament, Experts from Banking and Funding Agencies, NGOs and

representatives of National Commission for Women focused among other issues on the various problems being faced by the Self Help Groups. Further, in order to have first hand knowledge of the problems/constraints being faced by the SHGs, the Committee undertook on-the-spot Study visits to various parts of the country and visited a number of Self Help Group projects and interacted with members of Self Help Groups regarding their activities and problems being faced by them. The impressions gained by the Committee during tours and the main points which emerged from the above Seminar are as under:-

- i) The Self Help Groups have helped women to shed their natural inhibitions and given them ample opportunity to join the mainstream and participate in income generating activities leading to 'economic independence' to a considerable extent.
- ii) The members of the Groups pool their savings and re-lend within the group on rotational or on need-basis.
- iii) The Self Help Groups are functioning satisfactorily and at places doing commendable jobs. For instance, near Bhubaneswar a Self Help Group is engaged in manufacturing plates out of tree leaves after obtaining necessary training and infrastructure. Another Self Help Group in Orissa was successfully collecting milk from villagers and selling to Dairy Cooperatives, thereby earning good profit for the Self Help Group and its members.
- iv) A Self Help Group in Chattisgarh has ventured to take up the traditional activity of Pisces culture with the help of the Gram Panchayat which initially allotted a pond to the Group. The Group at present has four ponds (10 acres) as resource rearing division, and has made Rs. 50,000 as profit in the last three years. It has helped in improvement of quality of life of the members of the Groups and boosted their confidence and sustainability.

### Problems/Constraints/Suggestions of Self Help Groups:

- i) There is cumbersome and time-consuming documentation and procedures of the banks and funding agencies in processing of loans to SHGs
- ii) Low rate of interest is given by banks on deposits of the SHGs while at the same time high rate of interest is charged on the loans extended to them.
- iii) Despite proliferation of Self-Help Groups in various States, the number of SHGs formed are still quite insignificant. There is greater concentration of SHGs in southern States in comparison with the rest of the country.
- iv) There is much pressure from the banks and financial institutions on the women borrowers to repay the loan. So, they borrow from other sources at exorbitant rates to repay the loan to the banks which is leading the women into a debt trap.
- v) Many of the commercial banks insist on collateral security for extending loans to women entrepreneurs/SHGs.
- vi) The poor, especially women need hassle-free financial services. They cannot cope with systems and procedures, rules and regulations, lots of paper work etc. They need a mechanism to safely keep their thrift collections and surpluses. They also need credit to meet emergencies.
- vii) **There are inadequate training facilities for the members of SHGs who do not possess sufficient knowledge about the selection of key activities, raw materials, product design, quality control etc.**
- viii) **SHGs face problems in marketing their products due to lack of adequate marketing facilities. Support of NGOs, State Governments and Central Government was needed in marketing the products of Self Help Groups.**

## **Observations/Recommendations**

1.69 The empowerment of women has of late become a global issue and there is widespread unanimity, generated by the women's movement to achieve this multi-dimensional goal which would enable the women to realise their identity and potential. For empowerment of women, it is essential that they become economically independent. However, significant improvement in women's economic participation is yet to come about due to the conservative mindset and societal prejudices in the country. Consequently, gross unemployment and underemployment of women have led them to take up self employment in the unorganised sector as also through formation of Self Help Groups which have now emerged as a cost effective mechanism for providing financial services, especially to rural women.

**1.70 In 1992, NABARD had introduced a pilot project with banks to encourage thrift and saving among the rural poor and to supplement their credit needs with a view to revitalising the inactive persons/Groups in the villages by reorganising them as Self Help Groups. The Self Help Groups, about 90% of which are women's groups, are small economically homogenous and affinity groups of the rural poor, voluntarily coming together to save small amounts regularly, to mutually agree to contribute to a common fund, to have collective decision making, to provide collateral free loan and to work on income-generating activities. Most of the members of the Group belong to families below the poverty line (BPL). The Committee are informed that there is no difference in the conceptual background in the SHGs promoted by NGOs/Banks/Government Departments. There is major difference in motivation to form Self Help Groups from the view point of the Group members. While the motivation in the Groups formed by Department of Rural Development under SGSY are more**

linked to availability of subsidy, the element of subsidy is absent in case of Groups promoted under the SHG-Bank Linkage Programme.

**1.71** The first and foremost benefit a SHG extends to its members, is to create critical self awareness and give a feeling of self confidence, solidarity and social security which are necessary preconditions for a process leading to the comprehensive socio-economic empowerment of their members who mostly comprise women. There is a need not only to set up more and more such SHGs but also to strengthen the existing ones which would result in economic independence of poor rural women. For this, a conducive policy or strategy should be evolved to encourage the formation, growth and spread of more Self Help Groups in the country by taking into account the requirements of Self Help Groups in a focused and integrated manner.

**1.72** The Committee note that a number of agencies are involved in the formation and promotion of Self Help Groups such as public sector banks, National Bank for Agriculture and Rural Development (NABARD), NGOs, Voluntary Agencies, State Government Agencies and concerned Central Government Departments like Ministry of Finance (Department of Economic Affairs – Banking Division), Ministry of Rural Development (Department of Rural Development) and Ministry of Human Resource Development (Department of Women and Child Development). The Committee are of the view that as multiple agencies are involved in the promotion and credit delivery to SHGs, suitable mechanism should be evolved so as to avoid duplication of the effort in formation and promotion of Self Help Groups and lending to them. The Committee would like to emphasise that effective steps are needed to ensure that there is convergence of the efforts made or measures undertaken by these various agencies. Efforts should be

made to provide and adopt a single window system to take care of the credit and promotional needs of SHGs, especially in the rural areas for undertaking individual or group activity, so that the SHGs are able to avail easy credit from a single agency. The Committee desire that at the District level also there should be coordination amongst various agencies such as anganwadi workers, District Rural Development agencies, Zila Parishads etc which are disbursing subsidies, imparting training, helping in selecting key activities and marketing of their products.

**1.73** From the information furnished to the Committee by NABARD on the regional spread of physical and financial progress of the Self Help Groups – Bank Linkage upto 31<sup>st</sup> March, 2002, it is seen that 3,58,689 SHGs have been provided with Bank loan in the Southern region, 19,321 in Northern region, 1490 in North-Eastern region, 45,892 in the Eastern region, 48,181 in the Central region and 29,318 in the Western region. The Committee are, thus, inclined to conclude that there is a regional concentration of these groups in the Southern States in comparison to the other regions of the country. The regional imbalance in formation and promotion of Self Help Groups also resulted in substantial disbursement of bank loans in the Southern region. This is evident from the figures for the cumulative bank loan disbursed to the States/UTs upto 31<sup>st</sup> March 2002 which indicate that out of total bank loans amounting to Rs. 1026.3 crores, the cumulative bank loans to Self Help Groups is Rs. 831.31 crores in the Southern region, Rs. 37.31 crores in the Northern region, Rs. 2.54 crores in the North-Eastern region, Rs. 46.75 crores in the Eastern region, Rs. 56.91 crores in the Central region and Rs. 51.51 crores in the Western region.

**1.74 NABARD is stated to have taken steps in which intensive focus has been placed on scaling up the SHG programme in non-Southern regions especially in 13 priority States viz, Rajasthan, Madhya Pradesh, Chattisgarh, Uttar Pradesh, Uttaranchal, Himachal Pradesh, Bihar, Jharkhand, West bengal, Assam, Orissa, Gujarat Maharashtra, which account for nearly 70% of the poor. The Committee have further been informed by NABARD that out of the 2.53 lakh SHGs financed by banks during the year 2002-03, 1.08 lakh Self Help Groups (42.5%) were credit linked in the non-southern States. However, the Committee note that the growth in the SHG Bank Linkage Program in 13 Priority States in the last three years indicate that while the percentage of growth as on 31<sup>st</sup> March, 2003, has been commendable in some States like Assam (239.55%), Bihar (106.24%), Orissa (105.67%), Madhya Pradesh (91.34%), the progress in some other States such as in Gujarat (46.11%), Maharashtra (43.05%), Uttar Pradesh (62.15%), Himachal Pradesh (75.08%) has not been encouraging. The Committee, therefore, desire that in order to popularise the concept of SHGs in the States which are lagging behind in the SHG movement, effective steps need to be taken by the Reserve Bank of India, NABARD, Public Sector Banks in consultation and coordination with concerned State Governments, Local Bodies and NGOs. In this regard, some of the State agencies such as Women Development Corporations, literacy missions, Land Development Corporations, etc should also be involved in a bigger way in organising women into SHGs.**

**1.75 Banks play a vital role in credit delivery to the Self Help Groups. For this, they either avail appropriate assistance or facilitation from NGOs or/and enter into strategic alliance with such institutions for channelising their loan funds in bulk for lending to the Self Help Groups promoted by them. A few banks themselves promote SHGs without**

any assistance from the NGOs and also provide loan to the SHGs in proportion to the savings of the groups and play the dual role of Credit Suppliers as also NGOs. The Committee have been informed by the NABARD that as per the cumulative figures as on March 2003, while 20% SHGs are formed and financed by banks, 72% SHGs are formed by NGOs and formal agencies and directly financed by banks and 8% SHGs are financed by banks using NGOs as financial intermediaries. The Committee would, however, like to point out that despite the steps taken by the banking sector, the average amount of loan to members of Self Help Groups is still very low. The Department of Economic Affairs (Banking Division) in a note, have admitted that several cross country reports have highlighted the fact that bank loans for women's micro enterprises have been to the extent of less than 15%. The representative of the Reserve Bank of India also conceded during evidence that "Yes, I entirely agree that the size of the loan, on an average, comes to Rs. 1,200 per member of the Self-Help Groups. There is a need for increasing the size of the loan."

1.76 It is pertinent to note that recognising the problems being faced by women in reaching out to the formal banking system, the Reserve Bank of India issued instructions on July, 26, 2001 to all banks to earmark 5% of their Net Bank Credit (NBC) for lending to women within 3 years, viz. by March, 2004. Consequently, the outstanding level of credit to women which stood at 2.36% of Net Bank Credit as on September, 2001 has gone upto 3.90% of Net Bank Credit as on March, 2003. However, the Committee find that the percentage of Net Bank Credit for lending to women by some Banks as on March, 2003 was far below the average figure of 3.90% of Net Bank Credit and they may not achieve the modest target of 5% by March, 2004. The banks which are lagging behind are State Bank of India (2.55%),



Central Bank of India (2.56%), UCO Bank (2.57%), Bank of India (2.68%), Corporation Bank (2.84%), Dena Bank (2.88%), State Bank of Bikaner and Jaipur(2.89%) etc. What has surprised the Committee is the fact that the biggest and most prestigious bank *viz.* State Bank of India is at the bottom in the ranking for lending Net Bank Credit to women. The Committee feel that not only the target of 5% should be achieved by all the banks by the stipulated date, but it should also be increased beyond that as has been done by some banks *viz.* Andhra Bank (6.14%), Indian Bank (7.03%) and Canara Bank (6.04%). The Committee, therefore, recommend that the Department of Economic Affairs (Banking Division)/Reserve Bank of India should impress upon the Banks which are lagging behind to take suitable remedial steps to enhance Net Bank Credit for lending to women.

1.77 Needless to say that as Net Bank Credit of some Banks for lending to women is far behind the average figure, the quantum of financial assistance to Self Help Groups which comprise mainly women is also very low. The Committee are of the view that if the requisite credit needs of Self Help Groups are not adequately met, it will hamper their smooth functioning and they may not achieve their desired objectives. The Committee, therefore, feel that efforts are required at the level of Government and the banking sector to help overcome the financial hurdles being faced by SHGs for availing hassle-free and adequate credit. The Committee, therefore, suggest that the strategy for increasing access of SHGs to the formal financial sector should be a long term goal with flexibility to adapt to local needs and situations. Yearly targets should be fixed for credit to self help groups and regular monitoring must be done on the credit flow to women entrepreneurs. The Committee also desire that positive steps should be taken by the government agencies and the banking sector for linking

women self help groups with the formal banking channel, ensuring an effective credit delivery system. This will help build up an effective and efficient financial intervention for economic empowerment of SHGs.

**1.78** The Committee undertook study tours to various States and visited a number of Self Help Groups and interacted with the women members about the functioning of SHGs. The various problems/constraints such as non-availability of raw materials, inadequate training, inability to select key activities, lack of adequate facilities for marketing their products, high rate of interest on loans to SHGs, etc. were put forth before the Committee. The Committee on Empowerment of Women also organised a Seminar on the subject 'Economic Empowerment of Women' wherein the participants comprising of women Members of Parliament, Experts from Banking and Funding Agencies, and NGOs focussed among other issues, on the problems being faced by Self Help Groups. The various issues/problems/constraints of the Self Help Groups have been discussed in the succeeding paragraphs.

**1.79** An aspect which came to the notice of the Committee is that the members of the Self Help Groups, especially women, do not have sufficient expertise about the selection of key activities to be undertaken, availability of raw materials at reasonable prices, product design, quality control and upgradation, market needs and other connected issues relating to their activities for which they needed to be imparted suitable training. Though NABARD is stated to be implementing various programmes to address the training needs of rural women and members of Self Help Groups through their capacity building, networking and convergence of services, these are inadequate and have not met the training requirements of the

**members of the Self Help Groups. In view of the critical importance of training and skill upgradation for the members of the Self Help Groups, the Committee recommend that the Department of Economic Affairs (Banking Division), the Department of Rural Development and the Department of Women and Child Development should rope in Banks and various NGOs to organise training and entrepreneurship development programmes in coordination with various training institutes for the members of the Self Help Groups, especially women, in accordance with the latest technological advances and market requirements. It cannot be left to the Anganwadi workers to help and train the members of the Self Help Groups as they themselves are not qualified trainers for the activities of the Self Help Groups. The Committee would also like to point out that during their tour to Hyderabad they found that the Andhra Bank had set up Rural Development Institutes for conducting training programmes for self employment for the women. The Committee, therefore, desire that the Reserve Bank of India, NABARD and the Department of Economic Affairs (Banking Division) should take effective steps for setting up of more such training Institutes at block levels on the lines of Rural Development Institutes in other parts of the country.**

The Committee would also like to emphasise that all the training programmes should as far as possible be organised at block level rather than in far away cities and towns, as women members of the Self Help Groups due to obvious family compulsions, find it difficult to leave their homes and face enormous difficulties for attending the training programmes held in cities such as accommodation and additional expenditure.

**1.80 A significant problem being faced by SHGs is the fact that while it was easy for them to produce various items, it was difficult to market their products due to lack of adequate marketing facilities. In this regard, the Committee have been informed that under the (MAHIMA) Scheme for marketing being implemented by NABARD, various**

initiatives are being taken for promotion of marketing of products produced by women SHGs. Also, the SGSY Guidelines envisage creation of an infrastructure fund, which could be used for strengthening marketing infrastructure and related activities. The Committee would, however, like to point out that although these schemes have been evolved, the coverage and facilities under them is not adequate. In fact inadequate marketing facilities was voiced as the main difficulty in the operation of SHGs by the members of various SHGs when the Committee visited various States and interacted with them. It came to the notice of the Committee that most of the Self Help Groups produced only 3-4 items such as pickles, agarbathis, soaps etc according to the availability of local raw materials, without any value addition or quality upgradation for which they find few buyers. The Committee recommend that the Department of Economic Affairs (Banking Division), Department of Rural Development and the Department of Women and Child Development should impress upon the concerned State Governments to take suitable steps for extending marketing support to the SHGs including marketing outlets, design support, and support and assistance in maintaining quality control of the products. Common marketing facilities through women cooperatives and Khadi and Village Industries Commission should be ensured which will assist in enlarging the operation of SHGs and improving their profits. The Committee desire that a district-wise profile should be made for identification of materials locally available. For this, there should be a nodal agency having the expertise to identify and develop viable projects at the local level which will provide economic support to the Self Help Groups. Some of the items which can easily be produced and marketed by Self Help Groups are:-

- i) Chalk for the rural schools;

- ii) **Food supplied by Anganwadi workers in rural schools under the ICDS projects;**
- iii) **Exercise books for rural children;**
- iv) **Uniforms for schools, police and safai karamcharis;**
- v) **Rolling of bandages for medical Centres;**
- vi) **Aromatic candle making;**
- vii) **Paper-carry-bag making;**
- viii) **Herbal cosmetics;**
- ix) **Ubtan powder;**
- x) **Jasmine oil extraction;**

**The Committee recommend that the State Government Departments/Organisations should be instructed to give preference to purchase of aforesaid items from Self Help Groups.**

1.81 It has also been brought to the notice of the Committee that the Banks are giving only 3.5% interest to the Self Help Groups on the money deposited by them but are charging upto 12% interest on loans to them. In this connection, the representative of the Reserve Bank of India stated during evidence that, “in our various credit policies which come out every six months, we have given the signal, an indication to the Banks that there is a low interest rate regime, the rates of interest are coming down - and these rates of interest should be reflected in the lending rates also.” The Committee regret to point out that the rate of interest on loans to Self Help Groups is high despite easy and almost full recovery of their loans. Further, existence of low interest rate regime at present strengthens the case for reducing the rate of interest on loans to Self Help Groups. The Committee therefore, recommend that the interest rate on loans extended to Self Help Groups should be reduced substantially in order to bridge the gap between the low rate of interest given by banks on deposits of the SHGs and the higher rate of interest charged on the loans extended to them.

1.82 The Committee note that the non-governmental organisations are playing a crucial role in setting up, formation and other activities relating to Self Help Groups. They are extremely important links in the micro finance chain and play a catalytic role in formation of Self Help Groups, as well as their capacity building, training, assistance and post-project monitoring. The Committee are of the opinion that as the NGOs are in close contact with the women members of Self Help Groups, at the grassroot level,

greater attention needs to be paid by the Banks to utilize the services of the NGOs in reaching out to the women, especially in rural areas. Banks should step up their efforts to encourage the NGOs to coordinate with the Self Help Groups through appropriate linkages to identify the needs of these groups and give them credit related information and guidance services.

**1.83 The Committee also feel that keeping in view the important role played by NGOs in the Self Help Groups' movement they should be carefully selected for delivery and implementation of the programmes for SHGs. However, according to NABARD, some of the NGOs have been found to be poor financial managers themselves, unable to manage their finances properly. In this regard, NABARD is stated to have given certain basic criteria to the banks for identifying good NGOs which are that an NGO must be registered for at least three years to be eligible and also that the banks should ascertain the reputation of the NGO. The Committee feel that the financial management and governance capacity of the NGO should be studied carefully by the bankers before extending loans through the NGOs. Also, the criteria given by NABARD should be compulsorily applied by all the public sector banks while selecting NGOs under the self help group programme.**

**Further, the Committee desire that as is done in the State of Tamil Nadu, accounts of NGOs involved in Self Help Groups activities should be got audited every six months by reputed/recognised Auditors who may send the reports to the Government in order to closely monitor the quality and quantity of the work done by NGOs.**

1.84 The Committee are of the view that the following suggestions, if implemented would go a long way in strengthening the SHGs and enable them to achieve the avowed objective of making women, especially from rural areas, economically independent:-

- a) Measures should be taken for Strengthening the SHG movement with focused efforts on capacity building of Self Help Groups, especially in the areas of self management, leadership development, financial management, etc.**

- b) The capacities of NGOs and Government Organisations should be built and enhanced for forming, managing and developing SHGs in a sustainable manner.**
- c) Pamphlets/posters on various credit facilities of the Banks should be distributed among the self help groups to create awareness about credit facilities of the Bank.**
- d) In order to focus special attention on the needs of women entrepreneurs, banks need to have separate women's cells for counseling/guiding women on self employment opportunities etc.**
- e) Suitable mechanism should be put in place for monitoring the schemes being implemented for credit flow to women entrepreneurs and self Help groups. The Reserve Bank of India should also monitor and give suitable directions to banks from time to time.**
- f) State Governments should take steps to make available more land to the women Self Help Groups for their economic empowerment.**
- g) There should be provision for a Credit Card for the Self Help Groups like the Kisan Credit Card.**
- h) Under the grading system being implemented by the Banks to assess the credit worthiness of the Self Help Groups, the grading period should be reduced from six months to three months.**
- i) Effective steps should be taken for providing adequate forward and backward linkages to the Self Help Groups to enable them to undertake viable economic activities.**
- j) Rural and cooperative banks, in addition to big nationalised banks should also be made the financing agencies for women Self help Groups because they are available in the rural areas.**

- k) To expand the activities of women Self Help Groups in tribal areas, exploitation, utilisation and marketing of minor forest produce like leaves, roots, resin, honey, broom stick, tamarind, etc should be assigned to women Self Help Groups.**

**1.85 The Committee also note that to bring the assisted poor families (Swarozgaris) above the poverty line by organising them into Self Help Groups, the Department of Rural Development launched in April, 1999 the Swarnajayanti Gram Swarnajayanti Gram Swarozgar Yojana (SGSY) by restructuring the erstwhile IRDP and allied Schemes. This objective was to be achieved through the process of social mobilisation, training and capacity building and provision of income generating assets through a mix of Bank credit and Government subsidy. As per the guidelines of the SGSY programme, special safeguards have been provided by way of reserving 40% benefits within the target group for women. The Committee are dismayed to note that in reality, the achievement has fallen far short of the targets laid and the actual benefits have not reached the women in the same proportion. The achievement of the Public sector banks in financing women under the SGSY Scheme shows that against the target of 40% reservation for women , the actual achievements yearwise from 1999-2000 to 2002-2003 have been 20.16%, 35.07%, 28.61% and 23.13% respectively. The Committee feel that there is need for better targeting of the schemes under this poverty alleviation programmes. The Committee, therefore, desire that the Department of Economic Affairs (Banking Division) and the Department of Rural Development as well as the banks should ensure that the targets laid down for extending the requisite benefits to women under the above programme are achieved. The Committee would like to emphasise the**



**need for suitable steps to see that the women beneficiaries, majority of whom are poor, are identified properly. It should also be ensured that allocation earmarked for women under the aforesaid programmes are not diverted to other programmes.**

**1.86 The Committee also understand that the SGSY Scheme is financed on 75:25 cost sharing basis between the Centre and the States. The Committee are constrained to note that during 2001-2002, the utilization of funds by the States/UTs was Rs. 969.77 crores against the total available fund of Rs. 1299.01 crores which was 74.66% of the total available fund. The Committee further note that while the utilization was more than 85% in some States, it was less than 75% in States/UTs like Pondicherry, Lakshadweep, Dadra & Nagar Haveli, Daman and Diu, Andaman and Nicobar Islands, West Bengal, Uttar Pradesh, Meghalaya, Goa, Bihar, Assam and Arunachal Pradesh. According to the Department of Rural Development the reasons for poor utilisation of funds in some of the States could be due to carry over of huge unspent balances from the erstwhile IRDP and allied schemes, lack of cooperation from banks in sanction and disbursement of credit, non-availability of Facilitators/Resource persons for social mobilisation of the rural poor and organising them into SHGs.**

1.87 As the underlined idea behind the implementation of the SGSY Scheme is to bring the assisted poor families above the poverty line by organising them into SHGs, the funds allocated need to be fully utilised as this will ultimately benefit the Self Help Groups. The Committee cannot but emphasise the need for monitoring and periodically reviewing the implementation of the scheme with special reference to the utilization of funds. The Committee, therefore, desire that the Department of Rural Development and the Department of Economic Affairs (Banking Division) should take

steps to not only ensure that allocated funds under the programme are released to the States but also impress upon the State Governments the need for optimal and proper utilisation of the allocated funds.

**1.88 The Committee note that 134 Special Projects under SGSY are in various stages of implementation by the Department of Rural Development at the total cost of Rs. 388.83 crores. These Special Projects are stated to be basically activity specific projects or area specific projects. The proposals in this regard are received from the State Government and also from institutions. According to the Department, the objective of each Special Project is to ensure a time-bound programme for bringing a specific number of Below Poverty Line (BPL) families above the poverty line through self-employment programmes. The projects may involve different strategies to provide long-term sustainable self-employment opportunities either in terms of organization of the rural poor, provision of support infrastructure, technology, marketing, training etc., or a combination of these.**

The Committee have been given to understand that the Ministry is facing difficulties in the implementation of these Projects due to reasons such as - non-receipt of proposals from about half of the States, inordinate delay in release of State share by State Governments etc. In major Projects, requisite land, approval of design and specifications of building and equipment, necessary approval of competent authority etc. have not been completed resulting in a major constraint in the implementation of these Projects. The Committee desire that urgent necessary steps are taken by the Department of Rural Development to ensure that the concerned State Governments remove these bottlenecks. The Committee would like to be informed as to when these Projects would be completed and what perceptible improvement in the economic conditions of the women would be brought out by the implementation of such Projects. The Committee feel that wide publicity should be given to these Special Projects and area representatives or the Members of Legislative Assemblies and Members of Parliament should be involved in the implementation of the Special Projects.

1.89 The Committee note that the successful working of the Self Help Group projects in Southern regions prompted the Department of Women and Child Development to take a pilot project *viz. Swa-shakti* Project in October, 1999 for implementation in nine States. This project, according to the Secretary, Department of Women and Child

Development was a pilot project which was implemented in the areas having high percentage of population below poverty line as well as high percentage of SC/ST population. Under this project 17647 Self Help Groups are stated to be formed and nurtured. Based on the success of the *Swa-shakti*, the Department of Women and Child Development is stated to have launched another project viz. *Swayam Siddha* in 650 blocks of the States and Union Territories in March, 2001. Whereas *Swa-shakti* was only limited to certain blocks and villages, the reach of *Swayam Siddha* is all over the country. The Committee desire that the *Swa-shakti* Project needs to be evaluated by a thorough study with a view to finding out any shortcomings/lacunae so as to take prompt remedial measures and ensure that *Swayam Siddha* Scheme is free from such deficiencies/loopholes. The Committee, however, are constrained to point out that there is little or no awareness about the '*Swayam Siddha*' scheme not only among the general public at the grassroot level but also among the area/local representatives as was evident from the impressions gained by the Committee during interactions with the officials and members of Self Help Groups while on tour to various States. The Committee, therefore, desire that wide coverage should be given to this scheme to ensure that the targeted beneficiaries are able to take advantage thereof. The Committee also recommend that adequate and effective steps be taken by the Department of Women and Child Development to ensure that the *Swayam Siddha* scheme which takes on from the *Swa-shakti* project, is completed as a time bound programme.

**1.90 The Committee note that Rashtriya Mahila Kosh was set up by the Government in 1993 for the purpose of providing small loans to poor women organised into Self Help Groups through Government and Non-Government Organisations. The objective of the scheme is to help women organise into income-generating activities. One of the features of the financial assistance provided under the scheme is that RMK charges interest at the rate of 8% per annum calculated on reducing balance from their borrowers. The borrowing organisations, in turn, are allowed to charge interest from the Self Help Groups upto a maximum of 18% per annum calculated on reducing balance. The**

**Committee are not convinced by the reason advanced by the representatives of the Department of Women and Child Development that although there is a provision for rate of interest upto 18% to be charged by borrowers from Self Help Groups, in practice they only charge about 12%, which is slightly higher, to allow them to meet their administrative cost etc. The Committee feel that the guidelines give the borrowers undue leeway to charge exorbitant rate of interest, which in fact, is much more than that charged by Public Sector Banks. Thus , by allowing the borrowers to charge high rates of interest from the Self Help Groups, the desired objective of the scheme i.e. to improve their socio-economic status can hardly be achieved. The Committee, therefore, recommend that Rashtriya Mahila Kosh should charge interest at the rate of 5-6% from the borrowers who in turn should be allowed to charge interest from the Self Help Groups at the rate of 8 to 9% per annum, only. The Committee desire early action in this regard and would like to be apprised of the same within three months of the presentation of this Report.**

**NEW DELHI  
FEBURARY, 2004  
MAGHA, 1925 (SAKA)**

**MARGARET ALVA,  
CHAIRPERSON,  
COMMITTEE ON EMPOWERMENT OF WOMEN**

**ANNEXURE I**

**Number of SHGs (Cumulative as at March 2003) in the country being assisted by the banks.**

Sl. No.	Item	Cumulative as at March 2001	Cumulative as at March 2002	Cumulative as at March 2003
1.	No. of SHGs linked	263,825	461,478	717,360
2.	% of women groups	90%	90%	90%
3.	No. of participating banks:	314	444	504
	i) Commercial Banks	43	44	48
	ii) RRBs	17	191	192
	iii) Cooperative Banks	94	209	264
4.	Bank Branches participating	NA	17,085	30,942
5.	No. of States/UTs	27	29	30
6.	No. of districts covered	412	488	523
7.	No. of NGOs	1,030	2,155	2,800
8.	Bank loan (Rs. in crores)	481	1,026	2,049
9.	NABARD Refinance (Rs. in cores)	401	796	1,419
10.	No. of families assisted (in lakhs)	45	78	116
11.	Model Wise Linkage - %	13%	16%	20%
	i) SHGs formed and financed by Banks			
	ii) SHGs formed by formal agencies and NGOs but directly financed by banks	76%	75%	72%
	iii) SHGs financed by banks using NGOs as financial intermediaries	11%	9%	8%

## ANNEXURE II

(Rs. million)

### **SHG – Bank Linkage – Regional Spread of Physical and Financial Progress upto 31 March, 2002**

Sl. No.	Region/State	Comulative No. of SHGs provided with Bank Loan upto 31 March, 2001	No. of SHGs provided with Bank Loan during 2001-2002	Comulative No. of SHGs provided with Bank Loan upto 31 March, 2002	Comulative Bank Loan upto 31 March, 2001	Bank Loan during 2001-2002@	Comulative Bank Loan upto 31 March, 2002 @
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#### **A. Northern Region**

1.	Himachal Pradesh	2545	2524	5069	31.90	48.60	80.50
2.	Rajasthan	5616	6948	12564	111.74	120.24	231.98
3.	Haryana	537	433	970	15.57	21.72	37.29
4.	Punjab	111	296	407	2.68	16.37	19.05
5.	Jammu & Kashmir	203	97	300	1.82	1.90	3.72
6.	New Delhi		11	11	0.00	0.57	0.57
	<b>Total (A)</b>	<b>9012</b>	<b>10309</b>	<b>19321</b>	<b>163.71</b>	<b>209.40</b>	<b>373.11</b>

#### **B. North Eastern Region**

7.	Assam	276	748	1024	3.99	9.66	13.65
8.	Meghalaya	160	19	179	4.06	1.73	5.79
9.	Tripura	5	2	7	0.32	0.01	0.33
10.	Sikkim	5	18	23	0.11	0.33	0.44
11.	Manipur	31	103	134	0.51	2.10	2.61
12.	Arunachal Pradesh	-	108	108	0.00	2.00	2.00
13.	Nagaland		15	15		0.58	0.58
	<b>Total (B)</b>	<b>477</b>	<b>1013</b>	<b>1490</b>	<b>8.99</b>	<b>16.41</b>	<b>25.40</b>

#### **C Eastern Region**

14.	Orissa	8888	11665	20553	80.76	125.96	206.72
15.	Bihar	2675	1282	3957	10.06	19.09	38.15
16.	Jharkhand	1917	2281	4198	31.00	63.15	94.15
17.	West Bengal	8739	8404	17143	58.43	68.75	127.19
18.	UT of A&N Islands	33	8	41	0.90	0.40	1.30
	<b>Total (c)</b>	<b>22252</b>	<b>23640</b>	<b>45892</b>	<b>190.15</b>	<b>277.35</b>	<b>467.51</b>

(Rs. million)

Sl. No.	Region/State	Comulative No. of SHGs provided with Bank Loan upto 31 March, 2001	No. of SHGs provided with Bank Loan during 2001-2002	Comulative No. of SHGs provided with Bank Loan upto 31 March, 2002	Comulative Bank Loan upto 31 March, 2001	Bank Loan during 2001-2002@	Comulative Bank Loan upto 31 March, 2002 @
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### D. Central Region

19.	Madhya Pradesh	3912	4069	7981	87.61	68.31	155.92
20.	Chhatisgarh	1787	1976	3763	13.65	11.85	25.50
21.	Uttar Pradesh	21624	11490	33114	84.93	170.51	255.44
22.	Uttaranchal	1528	1795	3323	70.99	61.26	132.25
	Total (D)	28851	19330	48181	257.18	311.93	569.11

### E. Western Region

23.	Gujarat	4929	4567	9496	63.91	21.00	84.91
24.	Maharashtra	10468	9151	19619	179.71	243.31	423.02
25.	Goa	146	57	203	2.76	4.43	7.19
	Total (E)	15543	13775	29318	2541.65	2670.92	5212.57

### F. Southern Region

26.	Andhra Pradesh	126362	117352	243714	2541.65	2670.92	5212.57
27.	Karnataka	18619	18413	37032	367.65	347.54	715.19
28.	Kerala	9625	5134	14759	191.72	148.30	340.02
29.	Tamil Nadu	32766	29943	62709	827.62	1199.09	2026.71
30.	UT of Pondicherry	318	157	475	13.74	4.91	18.65
	Total (F)	187690	170999	358689	3942.38	4370.76	8313.14
	Grand Total	263825	239066	*461478	4808.79	5454.59	10263.39

@ Includes repeat bank loans.

\* As disaggregated data was not available for repeat finance SHGs at the time of printing, the grand total may not tally with disaggregated totals.

### ANNEXURE - III

The growth in the SHG Bank Linkage Programme in 13 Priority states in the last three years

State	SHGs linked During 2001-02		SHG linked During 2002-03		Growth%	
	During the Year	Cumulative	During 2002-03	Cumulative	During 2002-03	Cumulative as on 31.03.03
Assam	748	1,024	2,453	3,477	227.94%	239.55%
Bihar	1,282	3,957	4,204	8,161	227.93%	106.24%
Chhattisgarh	1,976	3,763	3,000	6,763	51.82%	79.72%
Gujarat	4,567	9,496	4,379	13,875	-4.12%	46.11%
Himachal Pradesh	2,524	5,069	3,806	8,875	50.79%	75.08%
Jharkhand	2,281	4,198	3,567	7,765	56.38%	84.97%
Maharashtra	9,151	19,619	8,446	28,065	-7.70%	43.05%
Madhya Pradesh	4,069	7,981	7,290	15,271	79.16%	91.34%
Orissa	11,665	20,553	21,719	42,272	86.19%	105.67%
Rajasthan	6,948	12,564	10,178	22,742	46.49%	81.01%
Uttar Pradesh	11,490	33,114	20,582	53,696	79.13%	62.15%
Uttaranchal	1,765	3,323	2,530	5,853	40.95%	76.14%
West Bengal	8,404	17,143	15,504	32,647	84.48%	90.44%
<b>Total</b>	<b>66,900</b>	<b>141,804</b>	<b>107,658</b>	<b>249,462</b>	<b>60.92%</b>	<b>75.92%</b>



## OBSERVATIONS/RECOMMENDATIONS

Sl No.	Para No.	Ministry/ Department	Observations/Recommendations
1.	1.69	<p>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</p> <p>ii) Ministry of Rural Development (Department of Rural Development)</p> <p>iii) Ministry of Human Resource Development (Department of Women and Child Development)</p>	<p>The empowerment of women has of late become a global issue and there is widespread unanimity, generated by the women's movement to achieve this multi-dimensional goal which would enable the women to realise their identity and potential. For empowerment of women, it is essential that they become economically independent. However, significant improvement in women's economic participation is yet to come about due to the conservative mindset and societal prejudices in the country. Consequently, gross unemployment and underemployment of women have led them to take up self employment in the unorganised sector as also through formation of Self Help Groups which have now emerged as a cost effective mechanism for providing financial services, especially to rural women.</p>
2	1.70	<p>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</p> <p>ii) Ministry of Rural Development (Department of Rural Development)</p> <p>iii) Ministry of Human Resource Development (Department of Women and Child Development)</p>	<p>In 1992, NABARD had introduced a pilot project with banks to encourage thrift and saving among the rural poor and to supplement their credit needs with a view to revitalising the inactive persons/Groups in the villages by reorganising them as Self Help Groups. The Self Help Groups, about 90% of which are women's groups, are small economically homogenous and affinity groups of the rural poor, voluntarily coming together to save small amounts regularly, to mutually agree to contribute to a common fund, to have collective decision making, to provide collateral free loan and to work on income-generating activities. Most of the members of the Group belong to families below the poverty line (BPL). The Committee are informed that there is no difference in the conceptual background in the SHGs promoted by NGOs/Banks/Government Departments. There is major difference in motivation to form Self Help Groups from the view point of the Group members. While the motivation in the Groups formed by Department of Rural Development under SGSY are more linked to availability of subsidy, the element of subsidy is absent in case of Groups promoted under the</p>

SHG-Bank Linkage Programme.

3. 1.71
- i) Ministry of Finance and Company Affairs (Department of Economic Affairs - Banking Division)**
  - ii) Ministry of Rural Development (Department of Rural Development)**
  - iii) Ministry of Human Resource Development (Department of Women and Child Development)**
- The first and foremost benefit a SHG extends to its members, is to create critical self awareness and give a feeling of self confidence, solidarity and social security which are necessary preconditions for a process leading to the comprehensive socio-economic empowerment of their members who mostly comprise women. There is a need not only to set up more and more such SHGs but also to strengthen the existing ones which would result in economic independence of poor rural women. For this, a conducive policy or strategy should be evolved to encourage the formation, growth and spread of more Self Help Groups in the country by taking into account the requirements of Self Help Groups in a focused and integrated manner.
4. 1.72
- i) Ministry of Finance and Company Affairs (Department of Economic Affairs - Banking Division)**
  - ii) Ministry of Rural Development (Department of Rural Development)**
  - iii) Ministry of Human Resource Development (Department of Women and Child Development)**
- The Committee note that a number of agencies are involved in the formation and promotion of Self Help Groups such as public sector banks, National Bank for Agriculture and Rural Development (NABARD), NGOs, Voluntary Agencies, State Government Agencies and concerned Central Government Departments like Ministry of Finance (Department of Economic Affairs – Banking Division), Ministry of Rural Development (Department of Rural Development) and Ministry of Human Resource Development (Department of Women and Child Development). The Committee are of the view that as multiple agencies are involved in the promotion and credit delivery to SHGs, suitable mechanism should be evolved so as to avoid duplication of the effort in formation and promotion of Self Help Groups and lending to them. The Committee would like to emphasise that effective steps are needed to ensure that there is convergence of the efforts made or measures undertaken by these various agencies. Efforts should be made to provide and adopt a single window system to take care of the credit and promotional needs of SHGs, especially in the rural areas for undertaking individual or group activity, so that the SHGs are able to avail easy credit from a single agency. The Committee desire that at the District level also there should be coordination amongst various agencies such as anganwadi workers, District Rural

Development agencies, Zila Parishads etc which are disbursing subsidies, imparting training, helping in selecting key activities and marketing of their products.

5. 1.73
- i) **Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)**
  - ii) **Ministry of Rural Development (Department of Rural Development)**
  - iii) **Ministry of Human Resource Development (Department of Women and Child Development)**
- From the information furnished to the Committee by NABARD on the regional spread of physical and financial progress of the Self Help Groups – Bank Linkage upto 31<sup>st</sup> March, 2002, it is seen that 3,58,689 SHGs have been provided with Bank loan in the Southern region, 19,321 in Northern region, 1490 in North-Eastern region, 45,892 in the Eastern region, 48,181 in the Central region and 29,318 in the Western region. The Committee are, thus, inclined to conclude that there is a regional concentration of these groups in the Southern States in comparison to the other regions of the country. The regional imbalance in formation and promotion of Self Help Groups also resulted in substantial disbursement of bank loans in the Southern region. This is evident from the figures for the cumulative bank loan disbursed to the States/UTs upto 31<sup>st</sup> March 2002 which indicate that out of total bank loans amounting to Rs. 1026.3 crores, the cumulative bank loans to Self Help Groups is Rs. 831.31 crores in the Southern region, Rs. 37.31 crores in the Northern region, Rs. 2.54 crores in the North-Eastern region, Rs. 46.75 crores in the Eastern region, Rs. 56.91 crores in the Central region and Rs. 51.51 crores in the Western region.
6. 1.74
- i) **Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)**
  - ii) **Ministry of Rural Development (Department of Rural Development)**
  - iii) **Ministry of Human Resource Development (Department of Women and Child Development)**
- NABARD is stated to have taken steps in which intensive focus has been placed on scaling up the SHG programme in non-Southern regions especially in 13 priority States viz, Rajasthan, Madhya Pradesh, Chattisgarh, Uttar Pradesh, Uttaranchal, Himachal Pradesh, Bihar, Jharkhand, West bengal, Assam, Orissa, Gujarat Maharashtra, which account for nearly 70% of the poor. The Committee have further been informed by NABARD that out of the 2.53 lakh SHGs financed by banks during the year 2002-03, 1.08 lakh Self Help Groups (42.5%) were credit linked in the non-southern States. However, the Committee note that the growth in the SHG Bank Linkage Program in 13 Priority States in the last three years indicate that while the percentage of growth as on 31<sup>st</sup> March, 2003, has been

commendable in some States like Assam (239.55%), Bihar (106.24%), Orissa (105.67%), Madhya Pradesh (91.34%), the progress in some other States such as in Gujarat (46.11%), Maharashtra (43.05%), Uttar Pradesh (62.15%), Himachal Pradesh (75.08%) has not been encouraging. The Committee, therefore, desire that in order to popularise the concept of SHGs in the States which are lagging behind in the SHG movement, effective steps need to be taken by the Reserve Bank of India, NABARD, Public Sector Banks in consultation and coordination with concerned State Governments, Local Bodies and NGOs. In this regard, some of the State agencies such as Women Development Corporations, literacy missions, Land Development Corporations, etc should also be involved in a bigger way in organising women into SHGs.

7      1.75      **i) Ministry of Finance and Company Affairs (Department of Economic Affairs - Banking Division)**

**ii) Ministry of Rural Development (Department of Rural Development)**

**iii) Ministry of Human Resource Development (Department of Women and Child Development)**

Banks play a vital role in credit delivery to the Self Help Groups. For this, they either avail appropriate assistance or facilitation from NGOs or/and enter into strategic alliance with such institutions for channelising their loan funds in bulk for lending to the Self Help Groups promoted by them. A few banks themselves promote SHGs without any assistance from the NGOs and also provide loan to the SHGs in proportion to the savings of the groups and play the dual role of Credit Suppliers as also NGOs. The Committee have been informed by the NABARD that as per the cumulative figures as on March 2003, while 20% SHGs are formed and financed by banks, 72% SHGs are formed by NGOs and formal agencies and directly financed by banks and 8% SHGs are financed by banks using NGOs as financial intermediaries. The Committee would, however, like to point out that despite the steps taken by the banking sector, the average amount of loan to members of Self Help Groups is still very low. The Department of Economic Affairs (Banking Division) in a note, have admitted that several cross country reports have highlighted the fact that bank loans for women's micro enterprises have been to the extent of less than 15%. The representative of the Reserve Bank of India also conceded during evidence that "Yes, I entirely agree that the size of the loan, on an average, comes to Rs. 1,200 per member of the

Self-Help Groups. There is a need for increasing the size of the loan.”

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| 8 | 1.76 | <p><b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b></p> <p><b>ii) Ministry of Rural Development (Department of Rural Development)</b></p> <p><b>iii) Ministry of Human Resource Development (Department of Women and Child Development)</b></p> | <p>It is pertinent to note that recognising the problems being faced by women in reaching out to the formal banking system, the Reserve Bank of India issued instructions on July, 26, 2001 to all banks to earmark 5% of their Net Bank Credit (NBC) for lending to women within 3 years, viz. by March, 2004. Consequently, the outstanding level of credit to women which stood at 2.36% of Net Bank Credit as on September, 2001 has gone upto 3.90% of Net Bank Credit as on March, 2003. However, the Committee find that the percentage of Net Bank Credit for lending to women by some Banks as on March, 2003 was far below the average figure of 3.90% of Net Bank Credit and they may not achieve the modest target of 5% by March, 2004. The banks which are lagging behind are State Bank of India (2.55%), Central Bank of India (2.56%), UCO Bank (2.57%), Bank of India (2.68%), Corporation Bank (2.84%), Dena Bank (2.88%), State Bank of Bikaner and Jaipur(2.89%) etc. What has surprised the Committee is the fact that the biggest and most prestigious bank viz. State Bank of India is at the bottom in the ranking for lending Net Bank Credit to women. The Committee feel that not only the target of 5% should be achieved by all the banks by the stipulated date, but it should also be increased beyond that as has been done by some banks viz. Andhra Bank (6.14%), Indian Bank (7.03%) and Canara Bank (6.04%). The Committee, therefore, recommend that the Department of Economic Affairs (Banking Division)/Reserve Bank of India should impress upon the Banks which are lagging behind to take suitable remedial steps to enhance Net Bank Credit for lending to women.</p> |
| 9 | 1.77 | <p><b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b></p> <p><b>ii) Ministry of Rural Development (Department of Rural Development)</b></p>   | <p>Needless to say that as Net Bank Credit of some Banks for lending to women is far behind the average figure, the quantum of financial assistance to Self Help Groups which comprise mainly women is also very low. The Committee are of the view that if the requisite credit needs of Self Help Groups are not adequately met, it will hamper their smooth functioning and they may not achieve their desired objectives. The Committee,</p>   |

		<b>Development)</b>	therefore, feel that efforts are required at the level of Government and the banking sector to help overcome the financial hurdles being faced by SHGs for availing hassle-free and adequate credit. The Committee, therefore, suggest that the strategy for increasing access of SHGs to the formal financial sector should be a long term goal with flexibility to adapt to local needs and situations. Yearly targets should be fixed for credit to self help groups and regular monitoring must be done on the credit flow to women entrepreneurs. The Committee also desire that positive steps should be taken by the government agencies and the banking sector for linking women self help groups with the formal banking channel, ensuring an effective credit delivery system. This will help build up an effective and efficient financial intervention for economic empowerment of SHGs.
		<b>iii) Ministry of Human Resource Development (Department of Women and Child Development)</b>	
<b>10</b>	<b>1.78</b>	<b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b>	The Committee undertook study tours to various States and visited a number of Self Help Groups and interacted with the women members about the functioning of SHGs. The various problems/constraints such as non-availability of raw materials, inadequate training, inability to select key activities, lack of adequate facilities for marketing their products, high rate of interest on loans to SHGs, etc. were put forth before the Committee. The Committee on Empowerment of Women also organised a Seminar on the subject 'Economic Empowerment of Women' wherein the participants comprising of women Members of Parliament, Experts from Banking and Funding Agencies, and NGOs focussed among other issues, on the problems being faced by Self Help Groups. The various issues/problems/constraints of the Self Help Groups have been discussed in the succeeding paragraphs.
		<b>ii) Ministry of Rural Development (Department of Rural Development)</b>	
		<b>iii) Ministry of Human Resource Development (Department of Women and Child Development)</b>	
<b>11</b>	<b>1.79</b>	<b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b>	An aspect which came to the notice of the Committee is that the members of the Self Help Groups, especially women, do not have sufficient expertise about the selection of key activities to be undertaken, availability of raw materials at reasonable prices, product design, quality control and upgradation, market needs and other connected issues relating to their activities for which they needed to be imparted suitable training. Though NABARD is stated to be
		<b>ii) Ministry of Rural Development (Department of Rural Development)</b>	

**iii) Ministry of Human Resource Development (Department of Women and Child Development)**

implementing various programmes to address the training needs of rural women and members of Self Help Groups through their capacity building, networking and convergence of services, these are inadequate and have not met the training requirements of the members of the Self Help Groups. In view of the critical importance of training and skill upgradation for the members of the Self Help Groups, the Committee recommend that the Department of Economic Affairs (Banking Division), the Department of Rural Development and the Department of Women and Child Development should rope in Banks and various NGOs to organise training and entrepreneurship development programmes in coordination with various training institutes for the members of the Self Help Groups, especially women, in accordance with the latest technological advances and market requirements. It cannot be left to the Anganwadi workers to help and train the members of the Self Help Groups as they themselves are not qualified trainers for the activities of the Self Help Groups. The Committee would also like to point out that during their tour to Hyderabad they found that the Andhra Bank had set up Rural Development Institutes for conducting training programmes for self employment for the women. The Committee, therefore, desire that the Reserve Bank of India, NABARD and the Department of Economic Affairs (Banking Division) should take effective steps for setting up of more such training Institutes at block levels on the lines of Rural Development Institutes in other parts of the country.

**The Committee would also like to emphasise that all the training programmes should as far as possible be organised at block level rather than in far away cities and towns, as women members of the Self Help Groups due to obvious family compulsions, find it difficult to leave their homes and face enormous difficulties for attending the training programmes held in cities such as accommodation and additional expenditure.**

**12 1.80 i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)**

A significant problem being faced by SHGs is the fact that while it was easy for them to produce various items, it was difficult to market their products due to lack of adequate marketing facilities. In this regard, the Committee have been

**ii) Ministry of Rural Development  
(Department of Rural Development)**

**iii) Ministry of Human Resource Development  
(Department of Women and Child Development)**

informed that under the (MAHIMA) Scheme for marketing being implemented by NABARD, various initiatives are being taken for promotion of marketing of products produced by women SHGs. Also, the SGSY Guidelines envisage creation of an infrastructure fund, which could be used for strengthening marketing infrastructure and related activities. The Committee would, however, like to point out that although these schemes have been evolved, the coverage and facilities under them is not adequate. In fact inadequate marketing facilities was voiced as the main difficulty in the operation of SHGs by the members of various SHGs when the Committee visited various States and interacted with them. It came to the notice of the Committee that most of the Self Help Groups produced only 3-4 items such as pickles, agarbathis, soaps etc according to the availability of local raw materials, without any value addition or quality upgradation for which they find few buyers. The Committee recommend that the Department of Economic Affairs (Banking Division), Department of Rural Development and the Department of Women and Child Development should impress upon the concerned State Governments to take suitable steps for extending marketing support to the SHGs including marketing outlets, design support, and support and assistance in maintaining quality control of the products. Common marketing facilities through women cooperatives and Khadi and Village Industries Commission should be ensured which will assist in enlarging the operation of SHGs and improving their profits. The Committee desire that a district-wise profile should be made for identification of materials locally available. For this, there should be a nodal agency having the expertise to identify and develop viable projects at the local level which will provide economic support to the Self Help Groups. Some of the items which can easily be produced and marketed by Self Help Groups are:-

- xi) Chalk for the rural schools;
- xii) Food supplied by Anganwadi workers in rural schools under the ICDS projects;
- xiii) Exercise books for rural children;
- xiv) Uniforms for schools, police and safai karamcharis;
- xv) Rolling of bandages for medical Centres;
- xvi) Aromatic candle making;



- xvii) Paper-carry-bag making;
- xviii) Herbal cosmetics;
- xix) Ubtan powder;
- xx) Jasmine oil extraction;

**The Committee recommend that the State Government Departments/Organisations should be instructed to give preference to purchase of aforesaid items from Self Help Groups.**

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| 13 | 1.81 | <p><b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b></p> <p><b>ii) Ministry of Rural Development (Department of Rural Development)</b></p> <p><b>iii) Ministry of Human Resource Development (Department of Women and Child Development)</b></p> | <p><b>It has also been brought to the notice of the Committee that the Banks are giving only 3.5% interest to the Self Help Groups on the money deposited by them but are charging upto 12% interest on loans to them. In this connection, the representative of the Reserve Bank of India stated during evidence that, “in our various credit policies which come out every six months, we have given the signal, an indication to the Banks that there is a low interest rate regime, the rates of interest are coming down - and these rates of interest should be reflected in the lending rates also.” The Committee regret to point out that the rate of interest on loans to Self Help Groups is high despite easy and almost full recovery of their loans. Further, existence of low interest rate regime at present strengthens the case for reducing the rate of interest on loans to Self Help Groups. The Committee therefore, recommend that the interest rate on loans extended to Self Help Groups should be reduced substantially in order to bridge the gap between the low rate of interest given by banks on deposits of the SHGs and the higher rate of interest charged on the loans extended to them.</b></p> |
| 14 | 1.82 | <p><b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b></p> <p><b>ii) Ministry of Rural Development (Department of Rural Development)</b></p>   | <p><b>The Committee note that the non-governmental organisations are playing a crucial role in setting up, formation and other activities relating to Self Help Groups. They are extremely important links in the micro finance chain and play a catalytic role in formation of Self Help Groups, as well as their capacity building, training, assistance and post-project monitoring. The Committee are of the opinion that as the NGOs are in close contact with the women members of Self Help</b></p>  |

		<p>iii) Ministry of Human Resource Development (Department of Women and Child Development)</p>	<p>Groups, at the grassroot level, greater attention needs to be paid by the Banks to utilize the services of the NGOs in reaching out to the women, especially in rural areas. Banks should step up their efforts to encourage the NGOs to coordinate with the Self Help Groups through appropriate linkages to identify the needs of these groups and give them credit related information and guidance services.</p>
15	1.83	<p>i) Ministry of Finance and Company Affairs (Department of Economic Affairs - Banking Division)</p> <p>ii) Ministry of Rural Development (Department of Rural Development)</p> <p>iii) Ministry of Human Resource Development (Department of Women and Child Development)</p>	<p>The Committee also feel that keeping in view the important role played by NGOs in the Self Help Groups' movement they should be carefully selected for delivery and implementation of the programmes for SHGs. However, according to NABARD, some of the NGOs have been found to be poor financial managers themselves, unable to manage their finances properly. In this regard, NABARD is stated to have given certain basic criteria to the banks for identifying good NGOs which are that an NGO must be registered for at least three years to be eligible and also that the banks should ascertain the reputation of the NGO. The Committee feel that the financial management and governance capacity of the NGO should be studied carefully by the bankers before extending loans through the NGOs. Also, the criteria given by NABARD should be compulsorily applied by all the public sector banks while selecting NGOs under the self help group programme.</p> <p><b>Further, the Committee desire that as is done in the State of Tamil Nadu, accounts of NGOs involved in Self Help Groups activities should be got audited every six months by reputed/recognised Auditors who may send the reports to the Government in order to closely monitor the quality and quantity of the work done by NGOs.</b></p>
16	1.84	<p>i) Ministry of Finance and Company Affairs (Department of Economic Affairs - Banking Division)</p> <p>ii) Ministry of Rural Development</p>	<p>The Committee are of the view that the following suggestions, if implemented would go a long way in strengthening the SHGs and enable them to achieve the avowed objective of making women, especially from rural areas, economically independent:-</p> <p>a) Measures should be taken for Strengthening the SHG movement with focused efforts on capacity</p>

**(Department of Rural Development)**

**iii) Ministry of Human Resource Development  
(Department of Women and Child Development)**

building of Self Help Groups, especially in the areas of self management, leadership development, financial management, etc.

b) The capacities of NGOs and Government Organisations should be built and enhanced for forming, managing and developing SHGs in a sustainable manner.

c) Pamphlets/posters on various credit facilities of the Banks should be distributed among the self help groups to create awareness about credit facilities of the Bank.

e) In order to focus special attention on the needs of women entrepreneurs, banks need to have separate women's cells for counseling/guiding women on self employment opportunities etc.

e) Suitable mechanism should be put in place for monitoring the schemes being implemented for credit flow to women entrepreneurs and self Help groups. The Reserve Bank of India should also monitor and give suitable directions to banks from time to time.

f) State Governments should take steps to make available more land to the women Self Help Groups for their economic empowerment.

l) There should be provision for a Credit Card for the Self Help Groups like the Kisan Credit Card.

h) Under the grading system being implemented by the Banks to assess the credit worthiness of the Self Help Groups, the grading period should be reduced from six months to three months.

i) Effective steps should be taken for providing adequate forward and backward linkages to the Self Help Groups to enable them to undertake viable economic activities.

j) Rural and cooperative banks, in addition to big nationalised banks should also be made the financing agencies for women Self help Groups because they are available in the rural areas.

k) To expand the activities of women Self Help Groups in tribal areas, exploitation, utilisation

and marketing of minor forest produce like leaves, roots, resin, honey, broom stick, tamarind, etc should be assigned to women Self Help Groups.

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| <b>17</b> | <b>1.85</b> | <p><b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b></p> <p><b>ii) Ministry of Rural Development (Department of Rural Development)</b></p> <p><b>iii) Ministry of Human Resource Development (Department of Women and Child Development)</b></p> | <p>The Committee also note that to bring the assisted poor families (Swarozgaris) above the poverty line by organising them into Self Help Groups, the Department of Rural Development launched in April, 1999 the Swarnajayanti Gram Swarnajayanti Gram Swarozgar Yojana (SGSY) by restructuring the erstwhile IRDP and allied Schemes. This objective was to be achieved through the process of social mobilisation, training and capacity building and provision of income generating assets through a mix of Bank credit and Government subsidy. As per the guidelines of the SGSY programme, special safeguards have been provided by way of reserving 40% benefits within the target group for women. The Committee are dismayed to note that in reality, the achievement has fallen far short of the targets laid and the actual benefits have not reached the women in the same proportion. The achievement of the Public sector banks in financing women under the SGSY Scheme shows that against the target of 40% reservation for women , the actual achievements yearwise from 1999-2000 to 2002-2003 have been 20.16%, 35.07%, 28.61% and 23.13% respectively. The Committee feel that there is need for better targeting of the schemes under this poverty alleviation programmes. The Committee, therefore, desire that the Department of Economic Affairs (Banking Division) and the Department of Rural Development as well as the banks should ensure that the targets laid down for extending the requisite benefits to women under the above programme are achieved. The Committee would like to emphasise the need for suitable steps to see that the women beneficiaries, majority of whom are poor, are identified properly. It should also be ensured that allocation earmarked for women under the aforesaid programmes are not diverted to other programmes.</p> |
| <b>18</b> | <b>1.86</b> | <p><b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs -</b></p>   | <p>The Committee also understand that the SGSY Scheme is financed on 75:25 cost sharing basis between the Centre and the States. The Committee are constrained to note that</p>  |

		<b>Banking Division)</b>	during 2001-2002, the utilization of funds by the States/UTs was Rs. 969.77 crores against the total available fund of Rs. 1299.01 crores which was 74.66% of the total available fund. The Committee further note that while the utilization was more than 85% in some States, it was less than 75% in States/UTs like Pondicherry, Lakshadweep, Dadra & Nagar Haveli, Daman and Diu, Andaman and Nicobar Islands, West Bengal, Uttar Pradesh, Meghalaya, Goa, Bihar, Assam and Arunachal Pradesh. According to the Department of Rural Development the reasons for poor utilisation of funds in some of the States could be due to carry over of huge unspent balances from the erstwhile IRDP and allied schemes, lack of cooperation from banks in sanction and disbursement of credit, non-availability of Facilitators/Resource persons for social mobilisation of the rural poor and organising them into SHGs.
		<b>ii) Ministry of Rural Development (Department of Rural Development)</b>	
		<b>iii) Ministry of Human Resource Development (Department of Women and Child Development)</b>	
<b>19</b>	<b>1.87</b>	<b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b>	<b>As the underlined idea behind the implementation of the SGSY Scheme is to bring the assisted poor families above the poverty line by organising them into SHGs, the funds allocated need to be fully utilised as this will ultimately benefit the Self Help Groups. The Committee cannot but emphasise the need for monitoring and periodically reviewing the implementation of the scheme with special reference to the utilization of funds. The Committee, therefore, desire that the Department of Rural Development and the Department of Economic Affairs (Banking Division) should take steps to not only ensure that allocated funds under the programme are released to the States but also impress upon the State Governments the need for optimal and proper utilisation of the allocated funds.</b>
		<b>ii) Ministry of Rural Development (Department of Rural Development)</b>	
		<b>iii) Ministry of Human Resource Development (Department of Women and Child Development)</b>	
<b>20</b>	<b>1.88</b>	<b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b>	The Committee note that 134 Special Projects under SGSY are in various stages of implementation by the Department of Rural Development at the total cost of Rs. 388.83 crores. These Special Projects are stated to be basically activity specific projects or area specific projects. The proposals in this regard are received from the State Government and also from institutions. According to the Department, the objective of each Special Project is to ensure a time-bound programme for bringing a specific
		<b>ii) Ministry of Rural Development (Department of Rural Development)</b>	

**iii) Ministry of Human Resource Development (Department of Women and Child Development)**

number of Below Poverty Line (BPL) families above the poverty line through self-employment programmes. The projects may involve different strategies to provide long-term sustainable self-employment opportunities either in terms of organization of the rural poor, provision of support infrastructure, technology, marketing, training etc., or a combination of these.

The Committee have been given to understand that the Ministry is facing difficulties in the implementation of these Projects due to reasons such as - non-receipt of proposals from about half of the States, inordinate delay in release of State share by State Governments etc. In major Projects, requisite land, approval of design and specifications of building and equipment, necessary approval of competent authority etc. have not been completed resulting in a major constraint in the implementation of these Projects. The Committee desire that urgent necessary steps are taken by the Department of Rural Development to ensure that the concerned State Governments remove these bottlenecks. The Committee would like to be informed as to when these Projects would be completed and what perceptible improvement in the economic conditions of the women would be brought out by the implementation of such Projects. The Committee feel that wide publicity should be given to these Special Projects and area representatives or the Members of Legislative Assemblies and Members of Parliament should be involved in the implementation of the Special Projects.

21      1.89

**The Committee note that the successful working of the Self Help Group projects in Southern regions prompted the Department of Women and Child Development to take a pilot project viz. *Swa-shakti* Project in October, 1999 for implementation in nine States. This project, according to the Secretary, Department of Women and Child Development was a pilot project which was implemented in the areas having high percentage of population below poverty line as well as high percentage of SC/ST population. Under this project 17647 Self Help Groups are stated to be formed and nurtured. Based on the success of the *Swa-shakti*, the Department of Women and Child Development is stated to**

have launched another project viz. *Swayam Siddha* in 650 blocks of the States and Union Territories in March, 2001. Whereas *Swa-shakti* was only limited to certain blocks and villages, the reach of *Swayam Siddha* is all over the country. The Committee desire that the *Swa-shakti* Project needs to be evaluated by a thorough study with a view to finding out any shortcomings/lacunae so as to take prompt remedial measures and ensure that *Swayam Siddha* Scheme is free from such deficiencies/loopholes. The Committee, however, are constrained to point out that there is little or no awareness about the '*Swayam Siddha*' scheme not only among the general public at the grassroot level but also among the area/local representatives as was evident from the impressions gained by the Committee during interactions with the officials and members of Self Help Groups while on tour to various States. The Committee, therefore, desire that wide coverage should be given to this scheme to ensure that the targeted beneficiaries are able to take advantage thereof. The Committee also recommend that adequate and effective steps be taken by the Department of Women and Child Development to ensure that the *Swayam Siddha* scheme which takes on from the *Swa-shakti* project, is completed as a time bound programme.

22	1.90	<p><b>i) Ministry of Finance and Company Affairs(Department of Economic Affairs - Banking Division)</b></p> <p><b>ii) Ministry of Rural Development (Department of Rural Development)</b></p> <p><b>iii) Ministry of Human Resource Development (Department of Women and Child Development)</b></p>	<p>The Committee note that Rashtriya Mahila Kosh was set up by the Government in 1993 for the purpose of providing small loans to poor women organised into Self Help Groups through Government and Non-Government Organisations. The objective of the scheme is to help women organise into income-generating activities. One of the features of the financial assistance provided under the scheme is that RMK charges interest at the rate of 8% per annum calculated on reducing balance from their borrowers. The borrowing organisations, in turn, are allowed to charge interest from the Self Help Groups upto a maximum of 18% per annum calculated on reducing balance. The Committee are not convinced by the reason advanced by the representatives of the Department of Women and Child Development that although there is a provision for rate of interest upto 18% to be</p>
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charged by borrowers from Self Help Groups, in practice they only charge about 12%, which is slightly higher, to allow them to meet their administrative cost etc. The Committee feel that the guidelines give the borrowers undue leeway to charge exorbitant rate of interest, which in fact, is much more than that charged by Public Sector Banks. Thus , by allowing the borrowers to charge high rates of interest from the Self Help Groups, the desired objective of the scheme i.e. to improve their socio-economic status can hardly be achieved. The Committee, therefore, recommend that Rashtriya Mahila Kosh should charge interest at the rate of 5-6% from the borrowers who in turn should be allowed to charge interest from the Self Help Groups at the rate of 8 to 9% per annum, only. The Committee desire early action in this regard and would like to be apprised of the same within three months of the presentation of this Report.



## **PART – II**

**MINUTES OF THE FOURTH SITTING OF THE  
COMMITTEE ON EMPOWERMENT OF WOMEN (2003-2004).**

The Committee sat on Monday, 8<sup>th</sup> September, 2003 from 1500 hours to 1750 hours in Committee Room `D', Parliament House Annexe, New Delhi.

**In Chair**

**CHAIRPERSON**

**Smt. Margaret Alva**

**MEMBERS**

**LOK SABHA**

2. Smt. Jayashree Banerjee
3. Shri Bhan Singh Bhaura
4. Smt. Renuka Chowdhury
5. Dr. (Smt.) Beatrix D'Souza
6. Adv. Suresh Ramrao Jadhav (Patil)
7. Shri Bali Ram Kashyap
8. Smt. Abha Mahato
9. Dr. Ashok Patel
10. Shri E. Ponnuswamy
11. Dr. (Smt.) V. Saroja
12. Smt. Shyama Singh
13. Dr.(Smt.) Rajeswaramma Vukkala

**RAJYA SABHA**

13. Dr.(Smt.) Rajeswaramma Vukkala
14. Smt. Saroj Dubey
15. Smt. Vanga Geetha
16. Smt. S.G.Indira
17. Smt. Sumitra Mahajan
18. Smt. Chandra Kala Pandey
19. Smt. Bimba Raikar
  
20. Miss Mabel Rebello
  
21. Smt. Savita Sharda

I. Ministry of Finance and Company Affairs  
(Department of Economic Affairs – Banking Division)

1. Shri N. S. Sisodhia Secretary (Financial Sector)
2. Shri Alok Bhatnagar Director ( Development)

## **II. Reserve Bank of India**

1. Shri A.V.Sardesai Executive Director
2. Shri S. Karuppasamy Chief General Manager-in-charge, UBD
3. Shri Varughese John Chief General Manager, RPCD
4. Shri G.P. Borah Deputy General Manager, RPCD

## **III. NABARD**

1. Shri Prakash Bakshi Chief General Manager

## **IV. SIDBI**

1. Shri Dharam Dev Chief General Manager
2. Shri Madan Deputy General Manager

## **V. Office of the Development Commissioner for Handlooms**

1. Dr. Subas Chandra Pani Additional Secretary & DC (Handlooms)
2. Ms. S.Aparna ADC (Handlooms)
3. Shri T.P.A. Narayanan Assistant Director

## **VI. Office of the Development Commissioner for Handicrafts**

1. Smt. Tinoo Joshi Development Commissioner (Handicrafts)

## **SECRETARIAT**

1. **Shri Ashok Sarin** - **Director**
2. Smt. Veena Sharma - Under Secretary

**The Committee on Empowerment of Women took oral evidence of the representatives of Ministry of Finance and Company Affairs (Department of Economic Affairs – Banking Division), Officials in the Reserve Bank of India, heading the Department looking after the Programmes for Economic Empowerment of Women, the Development Commissioner for Handicrafts and the Development Commissioner for Handlooms in three groups in the following order:-**

1. **Representatives of Reserve Bank of India**
2. **Representatives of Department of Economic Affairs (Banking Division)**

**3. Development Commissioner for Handicrafts and Development Commissioner for Handlooms.**

**2. At the outset, the Chairperson welcomed the Members and Officials to the Sitting of the Committee. The Chairperson then informed that the Committee on Empowerment of Women Committee have selected the subject 'Economic Empowerment of Women' for detailed examination and Report. She further stated that for this purpose the Committee undertook on-the-spot Study Visits to various parts of the Country and interacted with the members of Self Help Groups and also held informal discussion with the Chairmen and senior officials of some lead banks regarding the problems being faced by women entrepreneurs and Self Help Groups. viz. high rate of interest on loans, low interest paid by Banks on their deposits, cumbersome bank procedures, problems of marketing of their products etc.**

**3. The representatives of the Reserve Bank of India/Department of Economic Affairs (Banking Division) gave a brief account of the steps taken/being taken for economic empowerment of women and explained the various measures undertaken by them for credit delivery to Self Help Groups. They also replied to the various queries raised by the Members of the Committee on the subject.**

**4. The Development Commissioner for Handicrafts and the Development Commissioner for Handlooms also explained briefly the Schemes/Programmes being implemented by them for economic empowerment of women in the handloom and handicrafts sectors.**

**A verbatim recording of the proceedings has been kept.**

**5. Thereafter, the Committee decided to undertake tour to some States to visit handicrafts and handlooms sectors.**

**The Committee then adjourned.**

**MINUTES OF THE SEVENTH SITTING OF THE  
COMMITTEE ON EMPOWERMENT OF WOMEN (2003-2004).**

The Committee sat on Wednesday, 28<sup>th</sup> January, 2004 from 1400 hours to 1645 hours in Committee Room `B', Parliament House Annexe, New Delhi.

**In Chair**

**CHAIRPERSON**

**Smt. Margaret Alva**

**MEMBERS**

**LOK SABHA**

2. Smt. Jayashree Banerjee
3. Smt. Renuka Chowdhury
4. Shri Bali Ram Kashyap
5. Dr. Ashok Patel
6. Dr. (Smt.) V. Saroja
7. Smt. Jayaben B. Thakkar

***RAJYA SABHA***

8. Smt. Saroj Dubey
9. Smt. Vanga Geetha
10. Smt. Sumitra Mahajan
11. Smt. Chandra Kala Pandey
12. Smt. Bimba Raikar
  
13. Miss Mabel Rebello
  
14. Smt. Savita Sharda

**I Ministry of Rural Development**

1. Shri M. Shankar Secretary
2. Smt. Asha Swarup Joint Secretary (SGSY)

**II Ministry of Human Resource Development**

**(Department of Women and Child Development)**

1. Smt. Kasturi Gupta Menon Secretary
2. Smt. Veena S. Rao Joint Secretary

3. Ms. Parul Debi Das Joint Secretary

### **III Rashtriya Mahila Kosh**

1. Dr. Sudarshan Syngal Executive Director

### **IV Swa-shakti**

1. Shri B.K.Tripathi Executive Director

### **SECRETARIAT**

1. **Shri P.D. T. Achary - Additional Secretary**
2. **Shri Ashok Sarin - Director**
3. Smt. Veena Sharma - Under Secretary

At the outset, the Chairperson mentioned about the passing away of Shri Bhan Singh Bhaura, MP and Member of the Committee on Empowerment of Women on 3<sup>rd</sup> January, 2004. She mentioned that Shri Bhaura was elected to the Lok Sabha for the second term and was also a great writer and poet. In his death the Committee had lost a great politician who struggled for the welfare of the workers and agriculturists at large. Thereafter, the Committee placed on record their profound grief and sorrow over the sad demise of Shri Bhaura and adopted the following Resolution:-

“The Committee on Empowerment of Women place on record their profound grief and sorrow over the sad demise of Shri Bhan Singh Bhaura, a distinguished Member of the Committee, on 3<sup>rd</sup> January, 2004.

Shri Bhan Singh Bhaura represented Bhatinda Parliamentary Constituency of Punjab and was elected to the Lok Sabha for the second term. He was also a great writer and poet. In his death, we have lost a great politician who struggled for the welfare of the workers and agriculturists at large. He took keen interest in the working of the Committee and raised important issues relating to empowerment of women.

**We deeply mourn the sad demise of our esteemed colleague and pray for the repose of the departed soul, and convey our heartfelt condolences to his wife Smt. Kaushalya and the members of the bereaved family”.**

2. The Committee then stood in silence for a while as a mark of respect to the departed soul and decided that a copy of the Resolution might be forwarded to the wife of Late Shri Bhan Singh Bhaura.

3. The Chairperson then mentioned that the Committee had selected the subject 'Economic Empowerment of Women' for detailed examination and Report. As Self-Help Groups had emerged as a significant process of economic empowerment of women, and an important and vital aspect of the subject 'Economic Empowerment of Women', the Committee had decided to first examine in detail the 'Functioning of Self-Help Groups for economic empowerment of women'. She pointed out that during their study visits, the various difficulties/constraints being faced by women members of Self-Help Groups brought out before the Committee included high rate of interest on loans to them, delay in availing bank credit, procedural formalities, non-availability of proper and timely skill training, problems of marketing of their products etc. She stated that the Committee would hear the views of the representatives of the Ministry of Rural Development (Department of Rural Development) and Ministry of Human Resource Development (Department of Women and Child Development) on these points.

**4. Chairperson then requested the representatives of Ministry of Rural Development (Department of Rural Development) to elaborate on these points and also the steps taken by the Department for constitution, promotion and functioning of the Self Help Groups, road blocks to the success of Self Help Groups, the remedial steps taken by them to overcome these difficulties/constraints.**

5. The Secretary of the Ministry of Rural Development (Department of Rural Development) gave a brief account of the various schemes/programmes being implemented by the Department in coordination with the State Governments, Banks and NGOs for strengthening of Self-Help Groups, particularly women Self-Help Groups and replied to the various queries of the Members on the subject. The representatives of the Department of Rural Development then withdrew.

6. Thereafter, the Committee heard the representatives of the Ministry of Human Resource Development (Department of Women and Child Development) who gave in brief the overview about the Schemes of the Department in Self-Help Groups sector and the resultant improvements in the functioning of Self-Help Groups, specially those comprising of women. They also replied to the various queries of the Members on the subject.

7. A verbatim record of the proceedings has been kept.
8. The Committee decided to meet again on 3<sup>rd</sup> February, 2004 to consider and adopt the draft Report on the subject 'Functioning of Self-Help Groups for Economic Empowerment of Women'.

The Committee then adjourned.



**MINUTES OF THE EIGHTH SITTING OF THE  
COMMITTEE ON EMPOWERMENT OF WOMEN (2003-2004)**

The Committee sat on Tuesday, 3<sup>rd</sup> February, 2004 from 1600 hours to 1640 hours in Committee Room `C', Parliament House Annexe, New Delhi.

**In Chair**

Smt. Margaret Alva - Chairperson

**PRESENT**

**LOK SABHA**

2. Smt. Krishna Bose
3. Smt. Santosh Chowdhary
4. Dr.(Smt.) Beatrix D'Souza
5. Dr. (Smt.) V. Saroja
6. Smt. Abha Mahato

**RAJYA SABHA**

7. Ms. Pramila Bohidar
8. Smt. Vanga Geetha
9. Smt. Sumitra Mahajan
10. Smt. Maya Singh

**LOK SABHA SECRETARIAT**

1. Shri P.D.T. Achary - Additional Secretary
2. Shri Ashok Sarin - Director
3. Smt. Veena Sharma - Under Secretary

**At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. She then mentioned that the Committee would take up for consideration the draft Report on the subject 'Functioning of Self Help Groups for Economic Empowerment of Women' for adoption. She pointed out that all the relevant issues pertaining to the subject which came to their notice while on-the-spot study visits to various States and during oral examination of the**

**concerned Ministries had been incorporated meticulously in the Report at the appropriate places and suitably commented upon. She appreciated the work done by the Committee Secretariat and stated that the Report on the subject had been very well drafted. Members concurred with the views expressed by the Hon'ble Chairperson.**

**After some deliberations, the Committee adopted the Draft Report and authorised the Chairperson to finalise the Draft Report and present the same to Parliament in the current Session.**

**The Committee then adjourned.**