

STREE SHAKTHI PROGRAM IN KARNATAKA- A CASE STUDY OF DAVANGERE DISTRICT

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ABSTRACT

This article examines the impact of Stree Shakti program in Davangere district of Karnataka. Stree Shakti program was introduced by the Government of Karnataka in the year 2000 with the intent of socio-economic upliftment of poor rural and urban women. Government of Karnataka has given this responsibility to the Department of Women and Child Development (CDPO) to monitor performance of the Self-Help Groups (SHG). We have collected information from CDPO on various action taken by the Government of Karnataka to protect Karnataka SHG and analysis has been done for the SHG performance in the district of Davnagere. A case study of Davangere district reveals that, day by day the SHG is losing its credence and effectiveness due to constraints of various features which could not be incorporated in Stree Shakthi program. The study also formulates certain recommendations that the Government of Karnataka ought to follow for revitalizing the scheme through reworking on SHG features and adding other financial benefits.

Keywords: Credit rationing, Self-Help Group (SHG), Stree Shakthi, Swarnna Jayanthi Gram Swarojgar Yojana (SGSY)

INTRODUCTION

According to the Census 2011, female population comprises 586.5 million in India and more than 17% of world's women population. Women population in India is characterized by massive provincial difference and variety of different cultures. But, social discrimination and economic deprivation based on gender still exists, irrespective of any caste, community, religion and region. Empowerment of women has become serious issue to protect interest of women. In the Indian scenario, patriarchal mindset remains rampant. Women are dominated by men in every sphere of life. In this precarious condition, safeguarding women is necessary and the government has taken many initiatives to empower women socio-economically. Status of women in India is not up to the desired level and it has become necessary for successive incumbent governments to devise novel ways to uplift half of the population gradually and later their condition for better. Among such schemes, micro finance is one of the most drumbeated program. Micro finance is nothing but small loan facility given to the needy poor people.

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It is given to farmers, small scale industries, sick units, SHGs (Self-Help Groups) and other priority sectors. In this study, researchers have made an attempt to know how SHG program really helped poor people socio economically through micro finance. SHG can be formed by many ways in India. It can be connected through NGO's (Non-government organization), SGSY(Swarnna Jayanthi Gram Swarojgar Yojana), micro finance institutions or the CDPO (Department of Women and Child development office). In this study, we have undertaken study of SHGs which have been connected through CDPO and conducted the study how SHGs have been performing in Davangere district of Karnataka by collecting information from CDPO.

Brief profile of Davangere District

According to the 2011 census, Davangere district has a population of 1,946,905 with a ranking of 241 amongst a total of 640 districts in India. The district has a population density of 329 inhabitants per square kilometre (850 /sq mi). Its population growth rate over the decade 2001-2011 was 8.71 %. Davangere has a sex ratio of 967 females for every 1000 males. Davangere district is the 7th most literate districts in Karnataka with a literacy rate of 67.67% as against state literacy rate of 67.04%. The district covers a total geographical area of 5975.97 Sq km. Davangere district has 6 taluk panchayats, 24 hoblies, 230 gram panchayats, 803 villages, 1334 habitations, and 2 city municipal councils and one City Corporation. Following are the names of the taluks that come under Davangere district : Channagiri, Jagalur, Harapanahalli, Honnali and Harihara. The district is primarily agrarian in character consisting of 2,43,747 farm households. Majority of the farm households belong to marginal (43%) and small size (30%) category. The normal rainfall of the district is 644mm. Canals account for 53 per cent of total net area irrigated. It is one of the districts of the state where large number of farmers' suicide have been reported in recent years. Though Davangere district is serviced with many public, private, commercial and regional rural banks, many poor people are still poor and have no access to these banks and facilities given by the government of Karnataka.

Self Help Groups(SHG): Source of Power

A SHG is a cluster of 10 to 20 people, usually poor women, from a similar class and province who come together to improve their socio-economic status. Group members are making fixed savings weekly, fortnightly or monthly basis for wealth creation. Accumulated savings is given to the needy members of the group as loan. Any income that is earned is distributed among the members. This process promotes an ethics that focuses on savings first and loan next. The setting of terms and conditions and accounting of the financial transactions (savings, internal loan and repayment, bank loan and repayment) are done in the group by nominated members. Usually SHGs are monitored by the entity with which SHG is registered. It can be NGO, CDPO, SGSY or any micro finance institution. These SHGs report to the concerned authority within a given period. Based on the performance appraisal only, SHGs are provided with further financial support in the form of loan from banks, revolving fund, subsidized loan and award etc.

Uniqueness of SHGs

SHG concept is unique because of several aspects:

- Firstly, it is built around both formal and informal way.
- Secondly, it helps in socio and economic development of each member through one group that leads to meaningful development.
- Thirdly, it allows flexibility in financial aspects like rate of interest, tenure of repayment, quantum of repayment, etc., at the time of emergency on certain ground rules.
- Fourthly, it allows interaction between SHG members and outside world. Earlier, women were

restricted only within the four walls of their house. But now, she has to interact with bankers to avail loan, talk to experts to gain wisdom and training on certain economic activities.

Features of SHGs

The product design features combine the collective wisdom of the poor, the organizational capabilities of the social intermediary and the financial strength of the banks. Its features are as follow:

- Small and fixed savings at frequent intervals

The basic rule of the SHG is to make members do small fixed savings at regular intervals. In the case of regular default, the defaulting member is eliminated and new member joins in the place of defaulters. In the case of occasional default, penalty or warning will be issued.

- Obeying the rules and regulations

Each SHG should follow certain rules and regulations while doing operational activity. They should maintain books of account of each activity like savings, meeting conducted, decisions taken on internal loan and repayment, bank loan and repayment, and other activities done by the members. Everything has to be recorded in the books of account and it is monitored by supervisors and anganwadi workers deputed by the CDPO.

- Self-selection

Group members will have all rights to choose their own members. Usually they will choose their neighbors and their community people for better cooperation. If any members leaves SHG, in their place their own chosen member may join in.

- Savings first and credit later

Until and unless good amount of saving is done, credit cannot be given. Members have to understand importance of savings and how the same is recycled during dire needs. They can avail internal loan as well as bank loan only after optimal amount of saving. Even banks pitch in with support by giving loan only to those SHGs which have got a good savings. Saving is the mirror to analyze performance of SHGs.

- Intra -group appraisal systems and prioritization

Credit management is one of the major challenges for SHG leader. Because all members join SHG to get financial help. Everybody wants to get loan since it is available easily at lower rate of interest and members feel that getting loan is their basic right. When many members seek loan simultaneously, SHG leader has to take decision on the priority basis; need basis and member involvement in SHG activities. Crisis management without harming anybody's interest in the SHG is the biggest asset of a SHG.

- Credit rationing

In the SHG, credit is given on need basis and in the sequence. Everybody can get financial benefit of SHG. Many a times, it may vary with approval of all members. But leaders will make sure that all members are getting equal benefit of the SHG. Sometimes, leader can take collateral security for the amount which has been lent on conditional basis so that in the case of default that burden will not be shifted on remaining members.

- Shorter repayment terms

Smaller and shorter repayment schedule ensures faster recycling of funds, so that all members can get loan facility with shortest duration. Usually, time given to repay the loan amount varies from 6 to 12 months. Only in the exceptional cases, long duration are provided.

- Rates of Interest

Rate of interest is decided by the members. They are the participants to take loan. Usually rate of interest for loan is lesser than market rate of interest. Most of the SHGs maintain the rate of 12% interest per annum.

- Progressive lending

Repetitive loan is given only to those who do prompt repayment within the time given and without any warnings. Only record reveals who deserve progressive lending.

- A multiple-eyed operation

The operations of the SHG are transacted in group meetings thus enabling high trust levels and openness in the SHG system. SHG members facilitating openness and freedom from unfair practices generally conduct the banking transactions.

Table 1: Check list to assess the performance of SHG

S. No.	Factors to be checked	Very good	Good	Unsatisfactory
1	Group size	15-20	10-15	Less than 10
2	Type of members	Only very poor members	2 or 3 ,not very poor members	Many, not poor members
3	Number of Meetings	4 meetings in a month	2 meetings in a month	Less than 2 meetings in a month
4	Timings of meetings	Night or after 6 p.m.	Morning. Between 7 and 9 a.m.	Other timings
5	Attendance of members	More than 90%	70 to 90%	Less than 70%
6	Participation of members	Very high level of participation	Medium level of participation	Low level of participation
7	Savings and collection within the group	Four times a month	Three times a month	Less than three times a month
8	Amount to be saved	Fixed amount	Varying amounts	-
9	Interest on internal loan	Depending upon the purpose	24 to 36%	More than 36%
10	Utilization of savings amount by SHG	Fully used for loaning to members	Partly used for loaning	Poor utilization
11	Loan recoveries	More than 90%	70—90%	Less than 70%
12	Maintenance of books	All books regularly maintained and updated	Most important registers (minutes, savings, loans etc., are upgraded)	Irregular in maintaining and updating books
13	Accumulated savings	More than Rs.5000	Rs.3000-5000	Less than Rs 3000
14	Knowledge of the rules of the SHG	Known to all	-----	Not known to all
15	Education level	More than 20 % of members can read and write	---	Less than 20% know to read and write
16	Knowledge of Govt. programs	All are aware of Govt. programs	Most of the members aware about Govt prog.	None aware

Stree Shakthi Program in State of Karnataka

To strengthen SHGs at the national level, many programs have been floated. Some of these are Swarnajayanti Gram Swarozgar Yojana (SGSY), DRDA Administration (District Rural Development Agency), NSAP (National Social Assistance Program), Micro Finance Program introduced under NABARD (National Bank for Agricultural and Rural Development). In Karnataka, many SHG development programs have cropped up. Those are Stree Shakthi Program, Shri Kshethra Dharmasthala Rural Development project. SHG under SGSY and many other NGO's are working to improve SHG socio-economically.

Different Programs by Government of Karnataka under Department Of Women and Child Development to protect interest of women¹

The issue of empowerment of women as an objective has moved the center stage, with the global paradigm shift, from growth-centrism to human- development approach. In recent years, the empowerment of women has been recognized as the central issue in determining the status of women. Due to this realization, different programs have come up under Karnataka Government to develop poor women socio-economically. Some of the programs that have been introduced by Karnataka government through Department of Women and Child Development is listed below:

- Stree Shakthi – This program is introduced by the Karnataka government in the year of 2000 to empower poor women socio- economically by working through Self-Help Groups.
- Santhwana – This has been introduced to protect victims of domestic violence, rape and dowry harassment
- Karnataka Mahila Abhivudhi Yojane (KMAY) has been launched to ensure gender equality and to integrate women in the mainstream of development
- Working Women's Hostels - This initiative provides safe and affordable accommodation to working women
- Financial Assistance to Women Law Graduates
- Special Cell For Eradication of Social Evils
- Implementation of Protection Of Women from Domestic Violence Act,2005
- Legal Literacy
- Implementation of Karnataka Marriage Act, 1976
- Financial Assistance for the Remarriage of Destitute Widows and Marriages of Devadasis
- Swadhar – A scheme for women in difficult circumstances
- Scheme for Prevention of Alcoholism and Substance (Drugs) Abuse

Stree Shakthi is one of the most ambitious program introduced by the Department of Women and Child Development to improve socio-economic condition of the women who belong to the category of below poverty line(BPL).

Recent highlights of Stree Shakthi program:

- Savings and loans: As on 30th June 2012, Stree Shakthi group members have saved Rs.1118.05 crores since inception. 1,20,155 groups have taken bank loans of Rs.1305.97 crores and Rs.3215.88 crore of internal loan has been disbursed to commence income generating activities.
- Revolving fund: Those SHGs who have completed one year of tenure with the satisfactory result are eligible to get revolving fund of Rs.5,000 and it is a kind of seed money to SHG with no repayment

and interest. Till June 2012, about 1, 32,659 SHGs have got total revolving fund of Rs.66.33 crores.

- Kit materials: Department has issued 840.00 lakhs of kit material to 1,40,000 SHGs.
- Per kit material value is Rs.600. The kit helps in proper maintenance of books of accounts
- Incentives to SHGs for extra savings: Savings helps to streamline internal loan system and bank loan. Each member has to save a minimum of Rs.20 per week. There is no maximum limit for the saving. Incentive is given to those SHGs who do excess savings. An incentive of Rs.15,000 and Rs.20,000 is given to those groups who have saved excess of Rs.75,000-Rs.1,00,000 and more than 1,00,000 respectively. So far 6,212 SHGs have been given 1054.40 lakh of incentive for their excess savings.
- Economic activities: Main objective of formation of SHG is to encourage economic activities so that women members can gain economically. To encourage the enterprise, Rs.5,000 is given to those SHGs who are doing income generating activity. Till June 2012, almost 19,601 SHGs have been disbursed an amount of Rs. 980.10 lakh.
- Subsidized loan: Those SHGs which take loan of Rs.1.00 lakh to do economic activity is given 6% of subsidized loan to encourage SHGs. Till June 2012, almost 5,763 SHGs have received 581.86 of subsidized loan.
- Block- level societies: To fortify SHG, 175 Block- level societies have been registered under the Karnataka Societies' Registration Act, 1960 in each taluks. These Block -level societies have been given Rs.30,000 of financial assistance to strengthen SHGs. An amount of Rs. 369.90 lakhs has been provided to 175 Block- level societies up to March 31, 2012.
- Training: Training is very important aspect to build courage and confidence among women. Various kinds of socio-economic trainings are provided by CDPO to SHG members to develop self-reliance and independence among members. The training involves sensitization with regards to gender issues, SHG management (book keeping, credit management), social issues (health issues, social evil eradication) and natural environment. An amount of Rs. 641.74 lakhs has been spent for the training of SHG members up to Mar 31, 2012.
- Marketing complex: SHGs are encouraged to do income generating activities. At the same time, SHGs are facing many marketing problems to sell their products in market due to various limitations like, transportation problem, involvement of intermediaries. To avoid it, the department has come up with constructing 183 buildings in different districts and taluks at a cost of Rs. 2651.94 lakhs. Many SHGs have occupied the shops which are given by the department at the reasonable rent.
- Exhibitions: Apart from marketing complex, another marketing support given by the department is to organize the exhibitions to sell SHGs products. District and taluk level exhibitions are conducted. Rs. 168.75 lakhs has been spent till June 2012 towards this goal. At least Rs. 75,000 has been released to organize exhibition in district level.
- Award for the best groups: Those SHGs which have done outstanding performance are offered 3 cash awards on the occasion of International Women's Day. It is state level award and all 30 districts and 175 taluks are considered for this award. First, second and third best SHGs get Rs. 50,000, Rs.30,000 and Rs.20,000, respectively. At the district and taluk level, Rs.5000 and Rs.2000 is given as cash award for the best groups.
- Award for the best Block- level societies: Under this category, 3 awards are given depending upon their revenue generation. First three revenue generating block- level societies gets cash award of

Rs.80,000, Rs, 70,000 and Rs.60,000 respectively. At the District level, the best Taluk Block Society is awarded Rs.10,000 in cash. Till June 30, 2012, 54.80 lakhs has been disbursed to give award for the best SHGs and best Block- level societies.

- Mobile van: Apart from marketing complex and exhibition, another facility provided to market products of SHG in the 2012-13 is mobile van facility. This help to timely transport products of SHGs to the destined areas of Karnataka. Karnataka government has spent Rs.48.00 lakh and 8 districts have been identified in Karnataka to implement this program. Those are Davangere, Tumkur, Mysore, Dakshina Kannada, Belgaum, Dharwad, Gulbarga and Bidar.

Table 2: Taluk-wise SHGs (Rural and Urban) in Davangere district under Stree Shakthi till 2010-11

Sl. No.	District /taluk	Number of SHGs (Rural)	Number of SHGs (Urban)
		2010-11	2010-11
1	Channagiri	851	10
2	Davangere	853	180
3	Harapanahalli	376	30
4	Harihara	686	30
5	Honnalli	759	10
6	Jagaluru	635	14
	Total	4160	274

Source: Survey data

Davangere District is having cumulatively 4,434 SHGs including rural and urban SHGs till 2010-11. Rural Davangere is having 4,160 SHGs and urban Davangere is having 274 SHGs. It has been observed that rural counterparts have taken more advantage of the program than their urban counterparts since; this program is mainly introduced to uplift rural women socio-economically.

Table 3: Taluk-wise total number of SHGs in Davangere District under Stree Shakthi till 2010-11

Sl.No.	District /taluk	Total number of SHGs
1	Channagiri	861
2	Davangere	1033
3	Harapanahalli	406
4	Harihara	716
5	Honnalli	769
6	Jagaluru	649
	Total	4434

Source: Survey data

Chart 1: Taluk wise total number of SHGs in Davangere district under Stree Shakthi between 2008-11

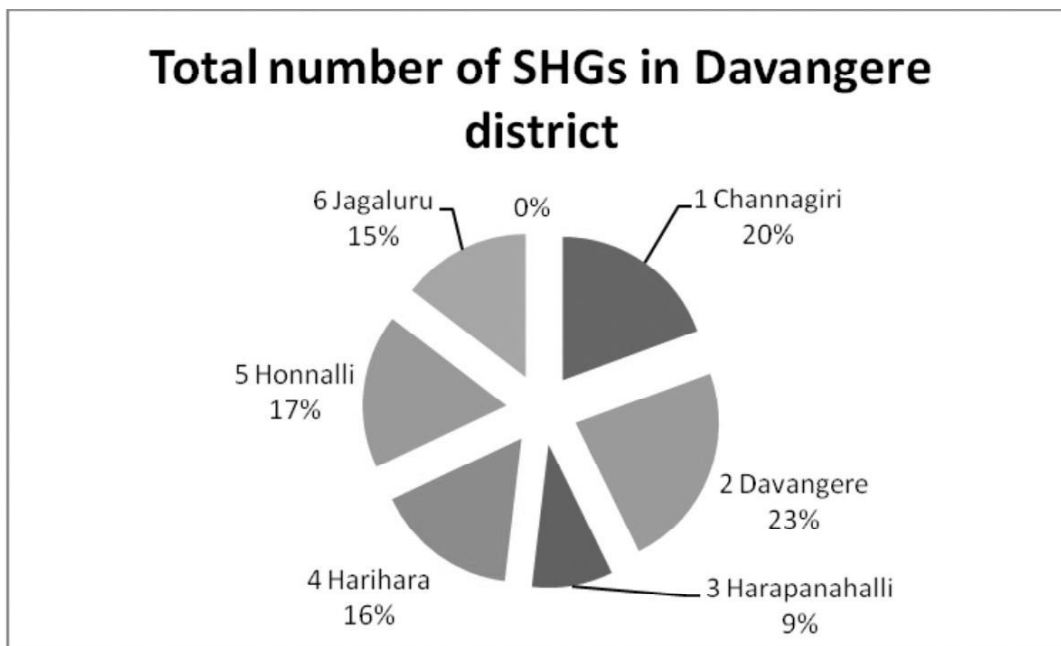


Chart 1 shows the composition of SHGs in Davangere district. Davangere has got maximum number of SHGs by having 23% of the chunk, Channagiri is having 20% of the total and Honnalli, Harihara, Jagaluru and Harpanhalli in declining order. The chart amply demonstrate that awareness level in Harapanahalli taluk is very low in comparison with other taluks of Davangere district.

Table 4: Taluk wise member of SHGs (Rural and urban) in Davangere district under Stree Shakthi between the year 2008-11

Sl.No.	District /taluk	No of members(Rural)			No of members (urban)		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Channagiri	14467	14467	14467	150	167	188
2	Davangere	11114	12021	11695	3562	3022	2030
3	Harapanahalli	8325	8325	8325	389	340	389
4	Harihara	10718	10700	10718	580	580	567
5	Honnalli	11143	11189	11189	156	156	121
6	Jagaluru	6410	6410	6210	246	246	230
	Total	62177	63112	62604	5083	4511	3525

Source: Survey data

Member of SHG indicates strength of SHG penetration. For all financial proceeding (savings, internal lending, external lending), number of SHG is very crucial. To be considered as SHG, minimum number required should be 10 and maximum should not exceed 20. If a SHG gets good number, this deflects financial crisis in SHG since all SHG members are required to do minimum savings. This automatically entails higher group savings and further helps in lending and recovery. If the membership number comes down, remaining

members have to suffer for the same reason since liability of the group goes up. If any debt turns out to be bad, remaining people have to share huge burden on behalf of the defaulters.

Rural counterparts of SHG members have realized importance of SHG in comparison with their urban members. Above data clearly articulates there is a lot of reduction in urban counterpart of Davngere district. Especially in Davangere, 20% of reduction has taken place. In Honnalli, Harihara and Jagluru there is a fall of 22%, 3% and 6% respectively.

Above table explains about total number of SHG members in Davangere district. As a whole too much volatility can be seen in the Davangere district. In year of 2009-10 total number of members has gone up by 3% and in the year of 2010-11 it has come down by 6%. In the year of 2010 -11, numbers of members have come down drastically. When researcher tried to find out the reasons many reasons have cropped up.

These are as follow:

1. Recently Dharmastahala based NGO has started. This program started to gain lot of attention because of many SHG friendly features it has got which is not there in Stree Shakthi program like insurance facility, health care card facility, education loan and scholarship for the SHG members kids, etc. Many Stree Shakthi SHG members started to move from Stree Shakthi program to Dharmasthalal based NGO.
2. Poor management of SHG due to lack of coordination among the members. Due to this, many members leave SHG
3. Non-cooperation of the bankers to provide loan. To sanction the same collateral security is asked. Therefore members are hesitant to take and they feel there is no benefit out of it.

Table 4 clearly indicates that only in Channagiri taluk, there has been a positive growth between 1% and 3%, respectively in the year of 2009-10 & 2010-11 and in all other taluks, number of members is showing a declining trend.

Table 5: Taluk-wise Annual Savings of SHGs in Davangere district under Stree Shakthi between the year of 2008 - 2011.

		(amount in lakhs)					
Sl.No	District /Taluk	Annual savings (Rural)			Annual savings (Urban)		
		2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
1	Channagiri	81.17	82.12	79.12	0.75	0.31	0.13
2	Davangere	98.52	87.48	96.12	29.64	25.75	34.16
3	Harapanahalli	67.37	61.7	55.34	2.58	4.61	4.81
4	Harihara	60.86	70.73	72.34	2	2.76	3.63
5	Honnalli	125.05	126.64	127.55	1.6	1.36	1.39
6	Jagaluru	74.17	81.21	42.77	0.59	0.61	0.53
	Total	507.14	509.88	473.24	37.16	35.4	44.65

Source: Survey data

Savings is the main mantra of all SHG. This is the ground rule for smooth functioning of all SHGs. Financial capability of the SHG is measured through their savings. Higher accumulation of savings helps to disburse more and more internal loan at lowers cost and also avoids taking loan from outside lender.

Above table indicates about the SHG savings pattern of Davangere district. One can notice lot of variation in the savings of SHG in the year of 2008-09, 2009-2010 and 2010-11. In the rural part of Davangere, savings has gone up by 5% in the year of 2009-10 and again came down by 7% in the following year of 2010-11. At the same time, in the urban area, there is a decline of 5% in the year of 2009-10 followed by tremendous increase of 20% in savings for the year of 2010-11. This also outlines lack of stability in the growth. As per the records, Honnalli taluk has done a tremendous savings. Though, it is in the third place in the form of number of SHGs, only Harihara has done a good savings with consistent growth. Other taluks are having variation in their savings with a swinging pattern.

Above Table reveals year-wise total savings status of SHGs including rural and urban part. Overall savings is not up to the mark. There is no fixed pattern. In the year 2009-10, saving has gone up by 0.18% and again fluctuated back by 5% in the year of 2010-11. It indicates SHG members soon started to lose their interest in creating savings.

Internal loan and repayment

Internal loan is disbursed from recycling of whatever savings is done by SHGs. This is the main source of fund for all SHG members to avail loan. It helps SHG members to get liberal loan with the hassle-free repayment scheme. Tables below indicates status of internal loan and repayment in Davngere district.

Table 6: Taluk-wise Internal Lending and Repayment of Rural SHGs in Davangere District under Stree Shakthi program between the year 2008 - 2011.

		(Amounts in lakhs)					
Sl. No	District / taluk	Internal lending and repayment details of SHGs (Rural)					
		2008-09 (lending)	2008-09 (Repayment)	2009-2010 (lending)	2009-2010 (Repayment)	2010-11 (lending)	2010-11 (Repayment)
1	Channagiri	7.5	3.9	7.8	4.1	8.26	4.73
2	Davangere	280.8	199.2	188.4	130.8	206.4	158.4
3	Harapanahalli	49.9	41.75	57.84	40.59	51.9	53.15
4	Harihara	NA	NA	149.81	69.75	186.92	82.83
5	Honnalli	168.48	157.56	156.88	165.85	107.59	122.43
6	Jagaluru	73.76	71.12	63.38	61.99	89.87	72.99
	Total	580.44	473.53	624.11	473.08	650.94	494.53

Source: Survey data

In Harihara, internal lending has gone up by 24% and repayment has come down by 2% in the year 2010-11. Channagiri's lending has gone up by 4% and 10%, respectively during the same time. Repayment also went up by 2% and 7%, respectively in the year 2009-10 and 2010-11. All other taluks' internal lending and repayment status is not up to mark and consistency is not maintained.

Rural SHG internal lending has gone up by 8% and 12% in the year of 2009-10 and 2010-11. Repayment also is at substantial level with 82%, 76% and 85% respectively in 2008-09, 2009-10 and 2010-11. If repayment strength increases year by year, it is a good sign. But it has come down drastically by 6% and indicates how SHG is losing its credence and effectiveness in all the way.

Table 7: Taluk- wise internal Lending and repayment of Urban SHGs in Davangere district under Stree Shakti between the year 2008 - 2011

(Amounts in lakhs)							
Sl.No	District /taluk	Internal lending and Repayment details of SHGs (Urban)					
		2008-09 (lending)	2008-09 (Repayment)	2009-2010 (lending)	2009-2010 (Repayment)	2010-11 (lending)	2010-11 (Repayment)
1	Channagiri	4.07	3.17	4.5	3.9	4.95	4.19
2	Davangere	74.93	58.57	59.41	46.02	32.05	27.23
3	Harapanahalli	11.63	12.07	1.08	0.81	5.92	2.06
4	Harihara	NA	NA	10.54	9.72	9.49	13.69
5	Honnalli	1.61	1.51	1.37	1.36	1.37	1.36
6	Jagaluru	6.86	6.49	15.02	10.28	17.56	17.04
	Total	99.1	81.81	91.92	72.09	71.34	65.57

Source: Survey data

In the urban part, Channagiri's internal loan has gone up by 10% and 21% with the repayment level of 77%, 86% and 85% during 2008-09 to 2010-11. Even Jagaluru has performed well in internal loan with growth of 118% and 155%, respectively in the year 2009-10 and 2010-11. Repayment has been good with 95%, 68% and 97%, respectively in the year 2008-01; 2009-10 and 2010-11. In all other taluks, growth and repayment remain unstable.

Table 7 above explains about internal loan disbursement and repayment structure of urban counterpart. In the year 2008-09, SHGs have repaid 82% of the loan but in the year 2009-10, the same figure has reduced to 78% and in the year 2010-11, jumped up to 91%. Loan disbursement has come down by 7% and 28%, respectively in the year 2009-10 and 2010-11. It is due to two reasons:

1. SHGs started to take more and more loan from banks to avail subsidized loans.
2. Many SHGs started to move to Dharmasthala based SHGs to reap more benefits.

Table 8: Taluk-wise Total Internal lending and repayment of SHGs in Davangere district under Stree Shakti program between 2008-11

Taluks	Total internal lending and repayment of SHG				Amount in Lakhs	
	Lending (2008-09)	Repayment (2008-09)	Lending (2009-10)	Repayment (2009-10)	Lending (2010-11)	Repayment (2010-11)
Channagiri	11.57	7.07	12.3	8	13.21	8.92
Davangere	655.73	457.77	647.81	476.82	768.45	635.63
Harapanahalli	61.53	53.82	58.92	41.4	57.82	55.21
Harihara	NA	NA	160.35	79.47	196.41	96.52
Honnalli	170.09	159.07	158.25	167.21	108.96	123.79
Jagaluru	80.62	77.61	78.4	72.27	107.43	90.03
Total	979.54	755.34	1116.03	845.17	1252.28	1010.1

Source: Survey data

With the available information, it can be perceived that disbursement of loan amount has gone up between 2009-10 and 2010-11 in all taluks except Harpanahalli and Honnali taluk. At the same time, repayment is also satisfactory with all taluks and specially Honnali has made very good repayment in the year 2009-10 and 2010-11.

Table 9: Year-wise Total internal Lending and Repayment of SHG in Davangere district under Stree Shakthi from the year of 2008-11

Year	Total Lending	Total Repayment	% of Repayment
2008-09	980	755	77
2009-10	1116	845	76
2010-11	1252	1010	81

Source: Survey data

As a whole, internal lending has gone up by 13% and 27% in the year 2009-10 and 2010-11. At the same time, repayment is also satisfactory with 77%, 76% and 81%, respectively. It can be noticed that in the year 2010-11, repayment has gone beyond 80%. This is a positive sign. Average repayment percentage for the three year is satisfactorily at 78%.

External lending (Bank loan) and Repayment

Micro finance scheme was introduced by NABARD and it comes under priority sector. Under this scheme, all banks have to give certain portion of loan to priority sector under RBI instruction. SHG is one among them. Nowadays even banks are coming forward to provide loan for SHGs due to less NPA (Non-performing assets) compared to other loans. Banks in Karnataka have given sufficient fund in the form of more and more loan to SHG for their economic activities.

Table 10: Taluk wise external Lending and repayment of Rural SHGs in Davangere district under Stree Shakthi between the year of 2008 – 2011

(Amounts in lakhs)							
Sl. No.	District /taluk	External Lending and Repayment details of SHGs (Rural)					
		2008-09 (lending)	2008-09 (Repayment)	2009-2010 (lending)	2009-2010 (Repayment)	2010-11 (lending)	2010-11 (Repayment)
1	Channagiri	63.5	20	74	32	97	39
2	Davangere	158.76	146.05	132.27	158.41	145.76	143.87
3	Harapanahalli	17	15.75	23	21.35	18.25	13.5
4	Harihara	NA	NA	NA	NA	106.14	71.23
5	Honnalli	132.46	39.55	138.47	42.44	145.95	48.65
6	Jagaluru	46.27	45.34	141.48	132.87	18.29	18.11
	Total	417.99	266.69	509.22	387.07	531.39	334.36

Source: Survey data

In the year 2009-10 and 2010-11, loan amount has gone up by 22% and 27%, respectively. Repayment is also satisfactory with 64%, 76% and 63% respectively. Channagiri, Honnalli, and Jagaluru taluks have got good bank loan with the growth compared to other taluks of Davangere district. Channagiri has got 17% and 53% higher bank loan compared to 2008-09. Followed by Channagiri, Honnalli and Jagaluru have got growth of 4% 10% and 205%, 39%, respectively. Jagaluru has done remarkable repayment of 97%, 94% and 99% in the year 2008-09, 2009-10 and 2010-11.

Table 11: Taluk- wise external Lending and Repayment of Urban SHGs in Davangere district under Stree Shakthi between the year 2008 – 2011

External Lending and Repayment details of SHGs (Urban)						(Amounts in lakhs)	
District/taluk	2008-09 (lending)	2008-09 (Repayment)	2009-2010 (lending)	2009-2010 (Repayment)	2010-11 (lending)	2010-11 (Repayment)	
Channagiri	2	0.6	NA	1.1	NA	NA	
Davangere	75.02	32.14	94.02	55.57	112.87	124.97	
Harapanahalli	18.75	11.46	19.38	18.7	21.08	24	
Harihara	NA	NA	7.56	5.04	15.8	3.57	
Honnalli	0.5	0.5	2.7	2.7	NA	NA	
Jagaluru	0.88	0.88	4	1.278	4.15	3.82	
Total	97.15	45.58	127.66	84.388	153.9	156.36	

Source: Survey data

In the urban SHG, external lending and repayment is worth noticing. Here external lending has gone up by 31% and 58% respectively in the year 2009-10 and 2010-11. At the same time, repayment is also moderate with 47%, 66% and 101% in the year 2008-09, 2009-10 and 2010-11, respectively.

In all taluks, external lending has gone up year by year compared to the base year of 2008-09. In the Jagaluru, SHGs received enormous bank loan with the growth of 454% and 471% compared to the base year. In repayment, all taluks are placed in better position. Especially Davangere, Harihara, Honnalli, and Jagaluru have excellent repayment figure.

Table 12: Taluk wise total external Lending and repayment of SHGs in Davangere district under Stree Shakthi from the year 2008 – 2011

Sl.No	District /taluk	Total external lending and repayment of SHGs					
		(2008-09)		(2009-10)		(2010-11)	
		Lending	Repayment	Lending	Repayment	Lending	Repayment
1	Channagiri	65.5	20.6	NA	33.1	NA	NA
2	Davangere	233.78	178.19	226.29	213.98	258.63	268.84
3	Harapanahalli	35.75	27.21	42.38	40.05	39.33	37.5
4	Harihara	NA	NA	NA	NA	121.94	74.8
5	Honnalli	132.96	40.05	141.17	45.14	NA	NA
6	Jagaluru	47.15	46.22	145.48	134.149	22.44	21.93
	Total	515.14	312.27	636.88	471.459	685.29	490.72

Source: Survey data

It can be noticed from above table, most of the information of external lending is not available. So, it is difficult to arrive any conclusion. But with the available information, it can be ascertained that repayment is good in all taluks except Honnalli taluk.

Table 13: Yearly wise total external Lending and repayment of SHGs in Davangere district under Stree Shakti from the year of 2008 – 2011

Years	Total Lending (Rural+Urban)	Total Repayment (Rural+Urban)	% of Repayment
2008-09	515	312	61
2009-10	637	471	74
2010-11	685	491	72

Source: Survey data

On the whole, external lending and repayment is satisfactory. External lending has gone up by 23% and 33% respectively, in the year 2009-10 and 2010-11. Repayment is also satisfactory with 61%, 74% and 72% in the three years. Average repayment for these 3 years is 69%.

Table 14: Comparison between Internal and External recovery of SHG in Davangere district under Stree Shakthi program from 2008-11

Years	Internal Recovery	External Recovery
2008-09	77	61
2009-10	76	74
2010-11	81	72
Average	78	69

Source: Survey data

Table 14 above reflect the figure of internal and external recovery of loan. It is observed that internal recovery is better than external recovery. Thus, it can be presumed that SHGs are good in recovering their money from their members as compared to banks. Average internal recovery in Davangere was 78% and external recovery at 69%.

Table 15: Taluk wise Revolving fund availed by SHGs in Davangere district under Stree Shakthi from the year of 2008 - 2011

(Amounts in lakhs)

Sl.No	District /taluk	Revolving amount (Rural)	Revolving amount (Urban)
1	Channagiri	42.55	0.5
2	Davangere	42.65	9
3	Harapanahalli	31.8	1.5
4	Harihara	34.3	1.5
5	Honnalli	38.45	0.5
6	Jagaluru	31.75	0.7
	Total	221.5	13.7

Source: Survey data

Revolving fund is given to SHG in the form of initial fund. Those SHGs which completed successful operation of six months with ample savings and without default is eligible to get revolving fund of Rs.5,000. In Davangere district, all SHGs have got revolving fund of Rs.5,000. Rural and urban part of SHGs got Rs.221.5 lakh and Rs.13.7 lakhs respectively.

Table 16: Taluk-wise Total quantum of Revolving Fund availed by SHGs in Davangere district under Stree Shakthi from the year of 2008 – 2011

(Amounts in lakhs)

Sl.No	District /taluk	Total amount of Revolving amount
1	Channagiri	43.05
2	Davangere	51.65
3	Harapanahalli	33.3
4	Harihara	35.8
5	Honnalli	38.95
6	Jagaluru	32.45
	Total	235.2

Source: Survey data

Total amount released for SHGs was Rs.235.2 lakhs in Davangere district. If SHGs stop working, revolving fund amount has to be given back to concerned authority. It is to be supervised by supervisors and anganwadi workers to ensure revolving amount is used for the purpose of economic development of members only.

Table 17: Talukwise Training availed by SHG members in Davangere district under Stree Shakthi from the year of 2008 – 2011

Sl. No	District /taluk	Training details of SHGs (Rural)		Training details of SHGs (Urban)	
		Number of members in SHGs	Members receiving training	Number of members in SHGs	Members receiving training
1	Channagiri	14467	2170	188	26
2	Davangere	11695	1706	2030	203
3	Harapanahalli	8325	1272	389	56
4	Harihara	10718	1496	567	58
5	Honnalli	11189	2125	121	51
6	Jagaluru	6210	1270	230	43
	Total	62604	10039	3525	437

Source: Survey data

CDPO has conducted many income generating activities and training sessions to various SHGs free of cost. This is intended to make SHGs start their economic activities without any hurdles. Such training are conducted

mainly at district or taluk places so that the SHG members can make best use of the opportunity Following trainings have been organized by CDPO officers in Davangere:.

- a) Soap powder manufacturing
- b) Candle manufacturing
- c) Papad preparation
- d) Roti preparation
- e) Chat items preparation
- f) Rearing of animals
- g) Preparation of wire bags
- h) Preparation of mosquito net
- i) Agricultural improvement
- j) Beauty parlor courses
- k) Pickle preparation
- l) Tailoring

Providing training for all members is not possible. Usually from each rural SHG, two members are called and from urban SHG, one member invited to avail training facility. Those who receive training can further impart training to other members of their group. 16% of rural and 12% of urban SHG members have taken training in Davangere district.

As a whole 16% of SHG members received training in Davangere district under CDPO- organized program. Trained SHG member are supposed to train remaining members. But it is saddening that the same is not the practice among most of the SHGs.

Grading of SHGs:

To provide grade some of the parameters have been used by the CDPO. These are:

- a) SHG-structure related: It involves criteria like number of SHG members, Operations of SHG (frequency of meeting, quantum of savings and credit disbursement and repayment), number of economic activities in the group and banking relation of SHG .
- b) Functions related: The criteria involved are homogeneity in membership, leadership responsibilities, decisions taken to provide loan, consistency in book keeping, financial audit production, marketing and manpower arrangements.
- c) Process related: The parameters incorporated are strengthening of group with shared responsibility, leadership development, decision making in financial disciplines, maintaining transparency and accountability for each activity with capacity building process.
- d) Performance related: This includes involvement of members in SHG activities, rotation in leadership, performance analysis between savings and velocity of loaning, impact on economic activity,analyzing rate of production and loan repayment rates, number of community projects conducted for the improvement of the society like awareness of literacy, health promotional campaign, social evil eradication, emergency preventions etc..
- e) Credit related: This includes parameters like making the portfolio of savings, loan disbursement,

outstanding of loan and repayment of loan, evaluation of composition of internal borrowing and borrowing from bank and the repayment for the same.

Table 18: Taluk wise Grading of SHGs in Davangere district under Stree Shakthi for the Period 2008 - 2011.

S. No	District /taluk	No of SHGs (Rural)	A	B	Total	No of SHGs (Urban)	A	B	Total
1	Channagiri	851	851	--	851	10	10	----	10
2	Davangere	853	518	335	853	180	149	31	180
3	Harapanahalli	636	630	6	636	30	25	5	30
4	Harihara	686	300	386	686	30	17	6	23
5	Honnalli	769	375	198	573	10	10		10
6	Jagaluru	635	395	40	435	14	13	1	14
	Total	4430	3069	965	4046	274	224	43	267

Source: Survey data

Grading is one of the important aspects for each SHG for their survival. Grade A indicates very well and grade B indicates normal. If SHG has got a good grading, it helps in taking quick loan, subsidized loan, incentives and awards meant for SHGs. In Davangere district, 69% of rural counterpart has received Grade A; 22% has received Grade B and 9% of the SHG has not been graded at all. It indicates these SHGs are not up to the mark. On the other hand, in the urban counterpart, 81% of SHGs have received Grade A and 16% SHGs, Grade B. Only 3% of the SHGs have not been graded. Urban SHG grading is better because higher Grade of A is more in the urban milieu and only 7 SHGs missed grading. In rural counterpart, Honnalli and Jagaluru are worst performer since 196 SHGs and 200 SHGs have missed grading, respectively. It is imperative for the Honnalli and Jagaluru Supervisors, anganwadi workers and SHG leaders to take necessary measures to improve the functioning of their SHGs.

Table 19: Taluk wise total grading of SHGs in Davangere district under Stree Shakthi from the year of 2008 - 2011

Sl.No	District / taluk	Grades	
		A	B
1	Channagiri	861	0
2	Davangere	667	366
3	Harapanahalli	655	11
4	Harihara	317	392
5	Honnalli	385	198
6	Jagaluru	408	41
	Total	3293	1008

Source: Survey data

Out of 4704 SHGs, 4301 SHGs have got grading. Thus, overall 91% of the SHGs have got grading. Only 9% of remaining SHGs have not got any grading. That indicates 9% of the SHGs are not up to the mark. In Davangere district, CDPO has to take necessary action to improve their grading.

Major Findings of the Study

We have found some notable characteristics about the functioning of SHGs in Davangere district:

1. Regarding SHG numbers: From 2008-2011, numbers of SHGs are invariable. Since, CDPO has not been entrusted to register new SHGs, already existing SHGs continue to function. Moreover, numbers generally do not dwindle because even if any member leave SHG, other members join in and the SHG remain functional.
2. Regarding number of SHG members: There is much instability in the pattern. In the rural counterpart, number is varying and in the urban counterpart number has come down drastically. It indicates how in the urban side SHG is losing its credence. The CDPO ought to take necessary action for the same. Otherwise, many SHGs can wind up because if membership number comes down, the SHGs with less than 10 members can not continue to function as per structural criteria.
3. Regarding savings: Since number of members have come down drastically in the urban counterpart, savings has come down drastically as compared to rural counterpart.
4. Regarding internal lending and repayment: Internal loan has gone up subsequently in the rural and urban counterpart but corresponding repayment has not gone up. It is varying with swinging pattern. But as a whole in the Davangere district, internal loan disbursement and repayment is satisfactory.
5. Regarding External loan and repayment: The situation is similar as with internal loan. External loan has gone up in both rural and urban counterparts. But corresponding repayment is better only in the urban counterpart. As a whole, lending has gone up and repayment is varying as usual.
6. Internal recovery v/s external recovery: Internal recovery is better than external recovery. It shows SHG leaders are strict in recollecting debt fund.
7. Regarding Revolving fund: It is a financial support which comes free of cost. To help SHG, Karnataka government has given revolving fund of Rs.5,000 to all SHGs in Davangere district.
8. Regarding training: 16% of SHGs have got training to upgrade themselves. This can be further improved. CDPO can increase number of members to avail training from urban and rural counterpart so that it can be more effective.
9. Regarding Grading: As a whole, 91% of the SHGs have received grading. Only 9% missed out. CDPO has to take necessary action to improve the standard of those SHGs which are struggling to function. Otherwise, they cannot receive the benefit of subsidized loan, awards etc.

CONCLUSION

As a whole financial aspect of SHGs in Davangere district is not satisfactory. Since, there is no synchronization between loan disbursement and repayment either in internal or in external sphere, SHG members have started to lose interest in participating in SHG activity. Moreover, they have started to compare feature of Stree Shakthi program and other NGO programs like Shri Kshethra Dharmasthala Rural Development project and when they find other SHG programs are functioning better than Stree Shakthi, they are getting disenchanted. SHG members have started to show least interest and also moving gradually from Stree Shakthi to other NGO –run SHG programs. In conclusion, it can be stated that the Government of Karnataka has to work and redesign the Stree Shakthi program with some more attractive financial features so that members can glue with Stree Shakthi. There is less emphasis on generating awareness of the program. Launching awareness program can help to stem the tide and vivify the Stree Shakthi programme.

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