



Process of SHG, VO and MS Group Formation and their Norms in Warangal District of Andhra Pradesh

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ABSTRACT

The objective of this paper is to see the process of SHG, VO (Village Organization) and MS (Mandal Samakhya) formation and their norms which strongly promoting women's empowerment in the Andhra Pradesh. For said purpose Information's were collected through personally interaction with the members of SHG in Village Organization Meeting (VO Meeting) during five days exposé visit (25 Nov to 30 Nov, 2013) which was supervised by National Institute of Rural Development (NIRD), Hyderabad (A.P.) Staff members on the recommendation of Deendayal Upadhyaya State Institute of Rural Development, Lucknow (U.P.). Result can be concluded in terms of the SHG formation, VO and MS and their rules for the women empowerment in Warangal district is fully transparent and empowered the rural women at each stage.

Key words: Rural development, Self-help group, Women empowerment.

Rural population in the country remains locked in poverty despite of the relatively high GDP growth rate of the nations. Rural poverty is multi-dimensional *i.e* resource-poor, majority belong to the socially marginalized groups with limited skill base and are engaged in low productivity occupations. Poverty is the main barrier to poor household's access to a wide range of markets and services, like as credit which further intensifies their poverty and affects their food security, health and nutritional status. Ministry of Rural Development's, Government of India directly targeted poor families for creation of assets and self employment started with Integrated Rural Development Programme (IRDP) in the year 1980. A major reform took place in 1999, when IRDP was transformed into Swarnjayanti Gram Swarozgar Yojana (SGSY). Self-employment through organizing poor in the form of self help groups (SHGs) has emerged as the new strategy of poverty reduction and this concept is widely believed. A review of SGSY has brought into focus certain inadequacies like massive regional variations in mobilization of rural poor; unsatisfactory capacity building of beneficiaries; inadequate investments for building community institutions and weak linkages with banks leading to low credit mobilization and low duplication financing. In Warangal district of Andhra Pradesh having total population 35 Lakh, Literacy rate 65.13% while state literacy rate is 67.66%. Formation of SHG started since year 2002 and 97% population covered by SHG (18-59 years age) and Village Organization (VO) formation started from the year 2003. Presently five lakh ninety seven thousand seven hundred eighty six (597786) SHG members are running under fifty thousand five hundred sixty nine (50569) SHG, Two thousand one hundred seventy (2170) village organization (VO), forty nine (49) Mandal Samakhya. Recently e-book keeping first experienced in the year 2010 and mobile book keeping (Real time accounting) started in the year 2012.

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The objectives of these studies are as follows:

- To equip the concept of strengthening of SHGs, formation and nurturing of SHG federations and their roles.
- To make understand the micro-credit plan to be prepared by SHGs and SHG federations in Warangal district of Andhra Pradesh and further extend such norms in Uttar Pradesh State.

Methodology

The present study was conducted in Warangal district of Andhra Pradesh. In Warangal district different villages were purposively selected from the operational SHG groups, Purposive sampling procedure was used to select the area and simple random sampling was used to select the sample. A sample size of 5 SHG (50) was selected for the collection of descriptive data. Information's were collected through Personally interaction with the members of SHG in Village Organization Meeting (VO Meeting) during five days exposé visit (25 Nov to 30 Nov, 2013) which was supervised by National Institute of Rural Development (NIRD), Hyderabad (A.P.) Staff members on the recommendation of Deendayal Upadhyaya State Institute of Rural Development, Lucknow (U.P.). The collected

information and data was summarized and analyzed with the help of descriptive presentation.

SHG group formation and their norms in Warangal district of Andhra Pradesh presented stepwise are given below:

- ☐ 10-15 poor people make one SHG.
- ☐ 8-10 SHG make one VO.
- ☐ 25-28 VO make one MS (Mandal Samakhya).
- ☐ President of each VO makes general body of MS.
- ☐ SHG president changed after one year, selection of president as per education of the members however in two years all members should be included in leadership.
- ☐ Five Panchsutra (regular meeting, saving, lending, repayment and book keeping) must be followed.
- ☐ Rs. 5/- fine for the late comers (criteria for the late: if member is coming after the pray) but it can be compromised if reason is suitable.
- ☐ Rs. 10/- fine for absence during meetings.
- ☐ Rs. 100/- fine for late installment.
- ☐ Weekly meeting of SHG members conducted at different home and leader would become respective home member on that day.
- ☐ Saving per meeting is not fixed that vary according to members convenience.
- ☐ VO meeting conducted one time in a month.
- ☐ A book keeper (got 150 rupees/ month which is paid by SHG members) gives details of SHG members to VO.
- ☐ Social audit done by the CA of VO in a year (March).
- ☐ Bank receipt of money should be pasted on the meeting book and show to all.
- ☐ Saving and interest is decided by the members of SHG on the internal lending (2% IR, last year) but now only 1% (reason bank already provides loan without any interest that's why first preference id bank).
- ☐ One SHG can take the money up to 500000/- from all resources (Bank, internal lending and other DRDA schemes).
- ☐ Small loan: limit 1000 to 5000 rupees and purpose: consumption, children fee, health care *etc.*
- ☐ Big loan: limit: from 5000 to 50000-100000 rupees and purpose: Agriculture, land purchase, livestock *etc.*
- ☐ VO also gives money to the SHG on the 1% IR but should be deposited back in 1-50 installment and SHG give it to his members on 2% IR, however it can be vary as per fund and enterprises of the respective members.
- ☐ Internal lending distributes as per need and as per available fund.
- ☐ Saving of last meeting of the month will be deposited to the bank.
- ☐ MCP (micro credit plan) made by the CA of VO up to the five lakh and SHG is also made MCP upto 1 lakh for the VO.

Loaning process for the SHG

- ☐ SHG can get the loan from the bank after six month of opening of the account.
- ☐ Firstly can take 50000 rupees and then 150000 and then as per MCP (up to 500000/-) but second amount will get after complete repayment of first amount.

- ☐ No any interest charges paid by the bank up to five lakh even not any security that's the beauty of the state policy.

Social activities of SHG

- ☐ Do the strikes for closing up of auto and support the society to use public transport.
- ☐ Strike for making a regular bus service.
- ☐ To close the gambling in the village.
- ☐ Strike for the tobacco and wine addicted persons of the village.

Types of book records at SHG

- ☐ Sitting proposal book.
- ☐ Saving and attendance book.
- ☐ Cash book.
- ☐ Loan ledger general ledger.
- ☐ Personal pass book.
- ☐ Monthly repot.
- ☐ Bank passbook.

Selection process of CRP (Community Resources Person)

- ☐ Different criteria like as: 2 years SHG experience.
- ☐ Attended 100 weekly meeting of SHG.
- ☐ Capacity to teach.
- ☐ Capacity to learn.
- ☐ Experienced of 15 small and 7 big loan without any due payment.
- ☐ Know about five formula.
- ☐ Attendance on VO register properly.
- ☐ No rasiest.
- ☐ Home independency.
- ☐ She must know five songs of SHG.
- ☐ CLF gives information regarding the selection of CRP to the VO and then come to know SHG members.
- ☐ That members sent to the MS (BO) for the training (100-110 days total).
- ☐ 60 days training gives pertaining to the language as per place of sending.
- ☐ 25 days training gives regarding subject.
- ☐ 10 days training on MCP.
- ☐ Finally CRP must be evaluated by training expert members.
- ☐ On this way one team of CRP containing 5 members ready to jump another state.
- ☐ In other state; firstly CRP team come into the village and meet to the Pradhan and convey the message of purpose on first day.
- ☐ On 2nd day done the respective village visit.
- ☐ 3rd day stay in the class of the public where they want to work.
- ☐ Then generate new SHG there and on same way the formed 8 SHG.
- ☐ Start the training on poverty elevation, project purpose, SHG profit *etc.* to each SHG on 1st day.
- ☐ Training about weekly meeting and clarity of SHG on 2nd day.
- ☐ Training regarding book keepers selection process, work, profit *etc* on 3rd day and about VO profit on 4th day.
- ☐ On last day evaluate the newly formed SHG and see performance.

- ☐ Then after 5 days conducted for the book keepers, 2 days for MCP and 15 days for social. Activities (sweeping in village, help to the poor persons etc.).
- ☐ On last day organized Aam Sabha.
- ☐ After completing the 20-25 days, CRP moves to another village with taking of signature of all SHG members.

How to remove poverty (7 steps)

- ☐ Identification of poor's.
- ☐ Make unity of the poor's.
- ☐ Capacity development.
- ☐ Method of increment of saving.
- ☐ Social problems (how to fight).
- ☐ Right selection of livelihood.
- ☐ Overall protection.

Functional committees at VO level

- ☐ Bank linkage committees: To make a meeting with branch manager on the 11th day of each month.
- ☐ To see the SHG progress with respect to the bank repayment.
- ☐ To make help for opening of account for the eligible SHG.
- ☐ Observer/monitoring committee: To see the SHG work properly.
- ☐ Social committee: To solve family dispute.
- ☐ To make unfit for addiction.
- ☐ To make plus polio awareness.
- ☐ To check immature marriage relationship.
- ☐ Insurance committee: To provide Rs. 750000/- as incidental charges for the SHG members.
- ☐ Rs. 30000/- as a Normal death (Rs. 5000/- for funeral of the body and remaining amount would be paid within 15 days).
- ☐ General bodies of VO: Including each members of SHG which conducted meeting at VO once in a year.
- ☐ Work: To aware about audit to each group and gives one copy of audit.
- ☐ To avoid biasness in each group.
- ☐ Executive bodies of VO: Comprising: Chairman/president, secretary, treasurer, vice president joint secretary.

VO members' norms

- ☐ Rs. 10/- fine for the late comers.
- ☐ Rs. 100/- fine for absent of the members.
- ☐ Rs. 100/- fine for due payment.
- ☐ Rs. 50/- fine for without dress.
- ☐ Rs. 25/- fine for absence of monthly report.
- ☐ If SHG members want to join VO, she have to pay Rs. 10/- as membership charges and Rs. 500/- as a stock capital and 50/- rupees from SHG.

Repayment conditions

- ☐ Money from CLF to VO must be paid in 100 installments and from VO to CLF in 40-50 and from CLF to SHG 15 to 20 installments.

Kinds of book records at VO

- ☐ Sitting proposal book (mother book).
- ☐ Attendance register.
- ☐ Receipt book.

- ☐ Loan ledger.
- ☐ Cash book.
- ☐ General ledger.
- ☐ Demand collection balance.
- ☐ Voucher book.
- ☐ VO passbook.
- ☐ Monthly report.
- ☐ Base register.

Mandal samakhya (MS) or block organization

- ☐ Bank Mitra: one bank mitra is appointed by MS for which paid Rs. 1500/- per month.
- ☐ Each VO contributes 150 rupees to MS for the payment of Bank mitra.
- ☐ Bank mitra is cited in the bank and do the work for the SHG like as opening of account, documentation and also helps to another person if branch manager recommend that is not compulsory.
- ☐ CBO (community based organization) is paid for the all the facilities used by the MS.

MS committees

- ☐ Monitoring and Srinidhi commt.
- ☐ Insurance commt.
- ☐ Bank linkage commtt.
- ☐ Gender commtt.
- ☐ Job commtt.
- ☐ NPM commt.
- ☐ Land commtt.
- ☐ Marketing commtt.
- ☐ Unnati commtt (POP).

Source of money on MS

- ☐ DRDA grants.
- ☐ SGHY fund.
- ☐ SERP.
- ☐ Another central and state government schemes.
- ☐ MS staff: Ccomprising, one MS accountant, one computer operator and 1 attendant that all paid by MS.
- ☐ Rs. 100/- as a membership charges for the VO and Rs. 500/- as a share capital for the joining of MS.

Interest rate on money and form of money

- ☐ MS to VO @ 0.5%.
- ☐ VO to SHG @ 1%.
- ☐ SHG to members @ 2%.
- ☐ SHG have to pay money in the form cash to the VO.
- ☐ VO have to pay money in the form of check to the MS.

Books at MS

- ☐ All the same as like VO except: Watch register, stock register, movement, outward, indoor, training registers, check book.

Shrinidhi bank

- ☐ Members have also own bank for the help in case of emergency and started in the year 2006.
- ☐ MS collected the money from VO and deposit in the bank.
- ☐ 10 lakh deposited by one MS and can get 2 crore rupees

- ▣ Minimum Rs. 25000 can get by SHG members within 40 hrs for which shrinidhi provided a Mobile which is kept by VO president.

Mobile book keeping

- ▣ Recently launched in the year 2012 from the Warangal district of A.P. that increased the transparency and to save the time.
- ▣ Mobiles kept by the CA of VO.

CONCLUSION

Finally it can be concluded that the formation SHG, VO and MS and their rules for the women empowerment in Warangal

district is fully transparent at each stage. We humbly claim that effort of SHG members of this district is succeeded for successful development of women empowerment and rural areas and hopefully it may be suggested that such kind of practices might be possible in other areas if we guide properly to the SHG groups.

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