

GOVERNMENT OF INDIA
MINISTRY OF WOMEN AND CHILD DEVELOPMENT

LOK SABHA
UN-STARRED QUESTION NO 2307
TO BE ANSWERED ON 11/03/2016

RASHTRIYA MAHILA KOSH

2307 SHRI.S.P.MUDDAHANUME GOWDA;
Shri.C.S.Putta Raju

Will the Minister of WOMEN AND CHILD DEVELOPMENT be pleased to state:

- a) whether the Union Government is considering to revamp Rashtriya Mahila Kosh and scrap Women Self Help Groups;
- b) if so, the details thereof and the reasons therefor;
- c) the extent to which this new scheme is beneficial; and
- d) the time by which final decision in this regard is likely to be taken?

ANSWER

MINISTER OF WOMEN AND CHILD DEVELOPMENT
(SHRIMATI MANEKA SANJAY GANDHI)

(a) & (b) Rashtriya Mahila Kosh (RMK), an autonomous body under the Ministry of Women and Child Development, provides collateral free/third party guarantee micro-credit to poor women through NGOs/IMOs for livelihood income generating activities. The loans are given at concessional rate of interest.

The loans have been sanctioned/released to the women beneficiaries through following schemes of RMK:

- i) Loan promotion scheme
- ii) Main Loan Scheme
- iii) Refinance Scheme
- iv) Franchisee Scheme
- v) Gold Credit Card Scheme
- vi) Housing Loan Scheme
- vii) Working Capital Term Loan (WCTL)

In furtherance of the above said objective following measures have also been taken recently:

i) During the past 2 years period, the Rate of Interest (RoI) of RMK loans has been revised downward twice. Firstly, w.e.f 01.04.2013, maximum RoI chargeable by RMK to NGO was reduced from 8 % to 6 %. In the same analogy, the RoI chargeable by NGOs to the end beneficiaries (SHG/Women entrepreneurs) has been reduced from 18% to 14 %. The RoI chargeable by NGOs to the end beneficiaries has been further reduced from 14 % to 10 %.

ii) 'Mahila-E-Haat', an online marketing platform has been launched on 7th March, 2016, to enhance the marketing prospects of the products manufactured by the beneficiaries. This is expected to empower and strengthen financial inclusion of women entrepreneurs in the economy by providing continued sustenance and support to their creativity.

(c) Indian Society for Agribusiness Professionals, (ISAP) New Delhi, an independent organization evaluated the socio-economic impact of RMK loan on improvement in the living condition of poor women beneficiaries. This study has been performed in 9 states (A.P, Assam, Delhi, M.P, Maharashtra, Odisha, Rajasthan, Tamil Nadu and West Bengal). The scope of this study included - In-depth Interaction with Intermediary Organizations (IMOs) and to assess socio-economic impact on women SHGs. The findings of the said impact study are given at Annexure 1.

Since April 2012, 29,545 women have benefited under various loan schemes of RMK.

(d) Does not arise.

Annexure 1

The details and outcome of the impact study conducted by Indian Society for Agree-Business Professionals (ISAP):

General Statistics:

- Members of the groups were mostly (57 per cent) women from BPL families.
- Majority (72 per cent) of the beneficiaries fall in the age group of 26 to 35 Yr. & 36 to 45 Yr which revealed that RMK loan has covered vigorously young workforce.
- RMK micro financing in the rural areas under study had a positive impact on backward classes of the society as 46 per cent of the OBC, 22 per cent of scheduled caste & 11 per cent of Scheduled tribe population had been covered under RMK loan.
- As far as the educational background of the beneficiaries were concerned, 35 per cent of the beneficiaries were found to be illiterate and 26 per cent were reported to have primary education which further revealed that RMK had given loan to less educated population who otherwise would not have got government or private job.
- The percentage of literacy of the children of the beneficiaries has increased which was one of the clear indicators of the positive impact of RMK loan on the livelihood of the women.
- Almost all beneficiaries (SHG members) were involved in the thrift activities of the group to further lend the collected money or saving to other members at the time of urgent need of the money. However, this activity was less popular in Rajasthan.

Employment impact:

- The survey indicated active involvement of beneficiaries in different kinds of self-employment generating microenterprise activities such as Dairying, Animal Husbandry, petty shop, flower business, teashop, tailoring, beauty parlour, weaving, knitting, basket making etc.
- 56 per cent of the beneficiaries were employed in dairy activities while 14 per of beneficiaries were involved in agriculture & allied activities. 20 per cent of beneficiaries were involved in various small trade activities like flower business, bangle shop, tailoring, shop keeping etc. followed by 8 per cent of beneficiaries being involved in handloom/handicraft activities. Some of the beneficiaries had taken loan for house construction, consumption purpose like education, marriage &

other religious events and also for group activities like thatch making, agarbatti making etc.

- The average net income per member before taking RMK loan worked out to Rs.1847/- while it has increased to Rs.2978/- in Post-RMK period. There was a shift in the distribution of members from the lower income slab to a higher income slab after taking RMK loan.

Social impact:

- The average savings per member per annum before joining the SHG was Rs.1961/-, which has increased to Rs.2993/- after becoming the members of the SHGs.
- Only 11.78 per cent of the beneficiaries were able to save between Rs 1000 to 3000 before taking RMK loan. After taking RMK loan, 72.78 per cent of the beneficiaries could able to save between Rs.1000/- to Rs.3000/-.
- Women members association with the SHGs significantly improved their asset creation.
- 95 per cent of the beneficiaries agreed that their personal capacities have improved as they have earned self-respect and they have active participation in imparting suggestion in household matters after availing RMK loan. They were able to take decisions in business matters, children's education & family matters.
- 84 per cent of the beneficiaries admitted that there was no domestic violence in the households.
- An analysis of the data indicates that alcoholism/drug addiction (mentioned by 40.2 per cent of the beneficiaries), poverty (mentioned by 31.9 per cent), and generation gap with in-laws (18.5 per cent) were some of the important reasons for the occurrence of domestic violence in the families.

Consumption impact:

- There was a noticeable change in the consumption pattern and better household nutrition through SHG activities. Food items were purchased once in a week or once in a month collectively rather than on daily consumption basis. The financial mobility due to participation in the SHG has led to the improvement in the quality of life.
- Majority (95 per cent) of the beneficiaries had improved their usage of medical facility after seeking RMK loan.
