CHAPTER SIX
RECOMMENDATION AND SUGGESTIONS

1. **Creating Awareness among SHGs:** For creating awareness among SHG members about the various governments sponsored scheme of income and employment generation workshop of SHGs at block level and Gram panchayat level should be organized by the government agencies. These awareness programmes may reduce the influence of the officials and local political leaders on allocating government sponsored subsidy oriented schemes.

2. **Organization of credit camps:** Credit camps should be organized at block level and Gram panchayat level with block representatives, bank officials, experts from various development departments of government and professional organizations.

3. **Properly managed accounts:** The keeping of accounts in proper manner is essential for understanding performance of economic activities undertaken by the SHG members. Therefore, workshop on accounts should made compulsory by the lending banks to SHG members who has undertaken income generating economic activities.

4. **Training programme for up gradations of skills:** It is observed that, maximum respondents are not participating in any training programme for development of their skills. In the study it was found that only 76 respondents out of 200 respondents participated in the skill development training programmes. It is essential to organize skill development training programme for all respondents for performance of their economic activities.

5. **Proper Follow up:** Block and bank officials should make surprise and frequent visit to the respondents to ensure the proper utilization of bank loan on various economic activities. The microfinance provider’s periodic post sanction follow-up visits would not only solve the operational problems of the beneficiaries but can also help in solving other problems. The formation of SHGs should be promoted & provided constant & effective follow up for better results. More over
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there should be regular check/supervision by the officials of the implementing agencies to control corruption besides regular review of the schemes so that these could be modified or renewed as per the demand. Accountability should become a regular feature for monitoring of these support schemes. In addition the role of NGO’s, participation of the universities & research centres in monitoring & evaluation of these support schemes should also be encouraged for better results. By doing so, the malpractices can be controlled at least to some extent.

6. **Ensuring NGOs participation in encouraging the beneficiaries:** NGOs dealing with microfinance activities can be entrusted the responsibility of motivating the SHG members for performing income generating microfinance activities by the bank. The monitoring responsibility can also be entrusted on NGOs for better performance of economic activities.

7. **Increase in the amount of financial assistance:** During the study it has been found in the study area that the financial assistance provided to the beneficiaries in term of loan and subsidy was insufficient to run an economic activity. Further it has been also narrated by the beneficiaries that few banks of the study district kept the subsidy amount with the bank as the security of the loan which creates problems to them. This unfair practice of the banks should be stopped for performing economic activities by the beneficiaries and also amount of financial assistance should be increased as per the cost of establishment of economic activity (small enterprises).

8. **Organisation of trade fairs:** In order to provide marketing facility for sale of the product of the SHG members, Exhibitions, Sale Melas etc. should be organized frequently by the various government microfinance implementing agencies at block, district and state level for their benefit. In the study it is found that most of the respondents are interested in receiving subsidy amount only rather than performing economic activities. That is why, they prefer those economic activities already exist with their household (e.g. goatery, fishery handloom etc.)
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9. **Focus to ensure maximum participation of women:** In the study area it has been found that female participation is very low as comparison to males. This is due to the lack of awareness. Even though the centre Govt. and the state Govt. has taken various initiatives for the women to participate in the Industrial sector by giving more subsidy and relief from the tax related barriers for the upgradation of the living standard of women in the society. In spite of doing such kind of welfare measures this district is lacking behind. It is matter of fact that women can run the business in a better way as comparison to males. There should be the maximum participation of females in SHGs in establishing small enterprises and other economic activities.

10. There is no denying the fact that government has set up various agencies for the encouragement of the needy and unemployed youths to participate in the entrepreneurship but it has been observed that very less number of people have availed benefits of microfinance schemes. So in this regard every possible effort should be taken to increase the number of candidates to indulge in the entrepreneurship so that economy of the study area can be increased.

11. **Change in mindset:** The researcher in the present study has observed that all the implementing agencies of micro finance schemes work in a routine way & not with the missionary zeal to deal with the miseries of the rural poor. So far as these micro finance aid schemes are concerned, author feels that there is an immediate need to change the mindset of the officials of the implementing agencies to motivate rural who too have the right to avail the benefits of these programmes like well-off people in the same area who instead enjoy benefits of these schemes. The officials of various implementing agencies of micro finance should adopt a sympathetic approach towards these neglected lot of the society. The officials of these agencies even should be given incentive or extra over & above the salary as they have to stay & work in the hard areas/remote villages where no basic facilities are available even on date.

12. **Recovery of bank loans:** The present author observed that the sponsoring agencies are only interested to sanction the cases under the various microfinance
schemes to the banks but do not make efforts to educate the beneficiaries that financial assistance of microfinance will be provided by the banks only after proper scrutiny of the information provided by them or the economic feasibility or viability of the scheme/project. So it is recommended that the implementing agencies & line departments should assist the bankers in the recovery of loans under the sponsored programmes. As a result there is immediate need that the sponsoring agencies properly educate the beneficiaries that these loans are to be repaid as per a fixed repayment schedule out of the incremental income of the scheme/project. If properly taken care of by the agencies, the chances of a loan account becoming NPA’s can be minimized. If the bankers are sure about the support of these agencies for recovery of loans, they can further sanction the loans under these schemes in a big way which can further improve the economic conditions of the poor people.

13. **Additional staff & proper training:** - During the field survey and interaction with the various implementing agencies of microfinance stated that there is acute shortage of staff & that the staff dealing with these microfinance schemes is by & large overburdened. They further disclosed that in addition to the work of these microfinance schemes, they have to attend other assignments like election duties, conducting of surveys etc. It is therefore suggested that additional staff should be provided to these agencies so that they can do full justice to these schemes. Besides it is required that the staff be properly trained. It is therefore recommended that specialized training programmes should be organized for functionaries of microfinance providers for better implementation of these microfinance schemes. In addition to this, training of the officials of the implementing agencies, men & women who are the likely beneficiaries to avail financial assistance under these schemes should also be imparted need based training to encourage & motivate them to adopt these schemes.

14. **Incentive schemes:**- Incentive schemes should be introduced for the officials of the implementing agencies like banks and other financial institutions & line departments in order so that they effectively & motivationally perform their duties
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in better ways. It is therefore suggested that proper cash rewards, special increments & special tour schemes should be extended to those officials who perform better. This should be rather widely publicised so that the other functionaries also become interested to show performance & become eligible to avail these incentives besides their routine salary.

15. **Cooperation & Coordination:** During the course of the studies it has been found that there is lack of coordination & cooperation between banks, financial institutions and the implementing agencies. Due to this financial institutions as well as implementing agencies throw the responsibility for proper implementation of schemes on one another. It is therefore suggested that the State Government should come out with a system which can work like a bridge between these agencies for bringing cooperation & coordination between them. The author feels that we can have better results of all these microfinance schemes if there is proper cooperation & coordination between financial institutions & implementing agencies.

16. **To control malpractices:** During the field survey and interaction with the microfinance receivers (beneficiaries) it has been found that some functionaries of microfinance provides demand some amount of money to provide microfinance scheme to people it create discourage and resentment among the poor people as they were unable to provide such demanded amount to the functionaries in order to get financial assistance through microfinance. So strict action should be taken against such officials to ensure transparency in implementation of the programme.

17. **Minimization of Documents:** During the course of present studies it was found that there is heavy documentation during the different levels of microfinance programmes. It is suggested that as far as possible the documentation work should be minimized & made it people friendly so that all the members who wants to get the benefit of microfinance can get it with ease.

18. Bring about attitudinal change in promotional institutions, banks and financial agencies involved to create a favourable environment for microfinance
beneficiaries and for the promotion of these beneficiaries. Better coordination could be created among the concerned agencies and microfinance respondents.

19. Creating a single window system at the state and district level in particular for simplification of procedures in order to make the journey of microfinance entrepreneurship simpler and smooth.

20. Corruption should be curbed as effectively as possible. The agencies involved should be made more accountable by the intervention of government officials in the process. Ombudsman type of institution should be created in the system to make them more accountable for their operations.

21. Since it was found that due to lack of suitable strategies to select the potential beneficiaries, these promotional agencies should use appropriate selection strategy to identify and select those participants which have the desire to start their own business. This will help in making these programmes effective and more beneficial for the beneficiaries.

22. **Workshops for SHGs and beneficiaries**: The microfinancial institutions must organised workshops for these beneficiaries at village level or at panchayat level or at grameen level for creating awareness among the clients regarding various schemes and programmes sponsored by government for income and employment generation.

To sum up it may be concluded that microfinance schemes which should otherwise have brought about a formidable change on the socio-economic front in the far flung areas of the country has not gone well for lack of effective implementation and ethical approaches to carry out the implementation of these programmes. In fact it has been the tragedy of our system that the microfinance schemes which have been well conceived of & aimed to bring about qualitative changes in the life of rural masses but unfortunately poor implementation and then inappropriate utilisation of the microfinance schemes failed to yield the desired results.
To ensure the effectiveness of the trickle down mechanism, the microfinance providers should monitor effectively & judiciously to involve the rural people in such programmes without any wait which otherwise only raise doubts in the minds of beneficiaries for whom the schemes have been launched. It is hoped that this study will help to create required response among the microfinance providers for proper implementation of the schemes which will definitely go a long way in bringing about socio-economic transformation of the poor people of this hilly area of the state.