CHAPTER – VII

SUMMARY, FINDINGS AND SUGGESTIONS
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The present study deals with Empowerment of Women through Microfinance - Role of Micro Enterprises. Empowering of women pre-supposes a drastic, dynamic and democratic change in the perception and expectation from women in our society. To help women to attain economic independence is the first priority for such a change. When a woman attains economic independence, she naturally becomes the mistress of her own body and author of her own decisions. A scientific perception of women’s needs is essential for the process which leads to the empowerment. Now-a-days economic development is one of the factors that have changed the entire scenario of social and cultural environment within the country, especially for the women. The rural women are engaged in small-scale entrepreneurship programme with the help of SHGs. Through that they were economically empowered and attaining status in the family and community. The micro entrepreneurships are strengthening the women empowerment and remove the gender inequalities. Self Help Group’s micro credit mechanism makes the members to involve in other community development activities. Micro credit is promoting the small scale business enterprises and its major aim is to alleviate poverty by income generating activities among women and poor. Therefore, they could achieve self-sufficiency.

The role of women in India is most intimately related to the goal of comprehensive socio-economic development. Any development strategy, which neglects the need for enhancing the role of women, cannot lead to national prosperity. Women are the vital human infrastructure and their empowerment would accelerate the pace of development. Women comprise half of human resources of the country. They have been identified as key agents of sustainable development. Women’s equality is central to a
more holistic approach towards stabilizing new patterns and process of development that are sustainable. The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal.

Empowering women, particularly, rural women are a challenge. Micro enterprises in rural area can help to meet these challenges. Micro–enterprises not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capabilities among rural women. Economic empowerment of women by micro entrepreneurship led to the empowerment of women in many things such as socio-economic opportunity, property rights, political representation, social equality, personal rights, family development, market development, community development and at last the nation development.

Upon independence India faced an underdeveloped rural economy, high levels of indebtedness and a lack of efficient financial services. Since the 1950s the lack of rural development has been attributed to a lack of access to credit to finance production assets. Private Banks that should have provided such credit were absent from rural areas; and informal finance, through moneylenders, friends, relatives and rotating chit funds, was inadequate. 65 per cent of the population lived in rural areas; 40 per cent of GDP was contributed by agriculture; but only 2.2 per cent of total credit went to agriculture, almost exclusively to medium and big farmers. No attempts were made to build on indigenous informal finance, despite the fact that, according to informal credit accounted in 1951 for 90 per cent and in 1971 for 70 per cent of rural indebtedness; there was no mentioning of savings. Instead, to remedy the situation, the Union Government took three related measures in 1969: the nationalization of 14 private banks (followed by another six in 1980); the requirement to open two rural branches for every urban branch; and a mandatory system of priority sector lending.
A stocktaking in 1975 revealed that as a result of the institutional expansion policy, 10,882 rural and semi-urban branches had been opened; yet the poor still lacked access to credit. It was concluded that rural branches of large commercial banks, be they private or public, are thus not the right answer. Hence, the government introduced a new network of government-owned Regional Rural Banks (RRBs), regulated and supervised banking institutions with a low capital base of around $250,000, each covering with its branches a designated service area of 1-3 districts. By 2005 there were 196 RRBs with a rural branch network of 14,000, including 12,084 rural and 1,875 semi-urban branches. Yet the problem persisted: RRBs and cooperative banks catered to farmers, not the vast numbers of landless, migrant laborers and illiterate women.

After years of massive branch expansion, policies of directing credit to the rural areas, massive self-employment programmes, and large numbers of donor credit lines (among them over $1 billion from the World Bank with the requirement that at least 60 per cent went to small farmers), a total of 14 million small loans had been provided by banks, yet some 250 million of the rural poor had no access to formal finance, and 39 per cent of rural indebtedness stemmed from informal sources.

In 1982, RBI transformed its agricultural credit department into a new apex bank: the National Bank for Agriculture and Rural Development (NABARD), with responsibility eventually for some 160,000 rural financial outlets, among them around 100,000 credit cooperatives (PACS). On the basis of the 1981 survey NABARD concluded that, while India had one of the most complex rural financial infrastructures of any developing country, that system had failed to attain its objective of reaching the rural poor. Among the reasons identified were a sole emphasis on production loans, prohibitive transaction costs for lenders and borrowers, failure to mobilize savings, and overly complicated procedures. The contradiction between a highly diversified rural
financial infrastructure and lack of access of the rural masses to financial services continued to plague India; this is paralleled by another contradiction: between an emphasis on institutional diversity and a lack of emphasis on institutional viability. There are 97 commercial banks with 57,772 branches, 32,244 of them (56 per cent) located in rural areas. Among them are 27 state banks which hold more than 80 per cent of commercial banking assets and dominating the banking sector. There are 196 Regional Rural Banks with 11,944 rural retail outlets. In addition there are 115,000 rural cooperative outlets. The total number of rural outlets of the formal sector is thus around 160,000. Yet, according to a rural finance access survey conducted in 2003, over 70 per cent of small farmers and landless have no deposit account; 87 per cent have no access to formal credit. The commercial banking sector has been the first to be reformed, followed by the regional rural banks which is still ongoing.

**Cooperative Finance:**

The financial cooperative sector is a major part of rural finance in India. In 1892, the Government of Madras Presidency felt inspired and replicated the approach of the German Raiffeisen movement of savings and credit cooperatives and recommended, just three years after the passing of the German Cooperative Act in 1889. In 1901 the Government of India accepted the proposal and in 1904 enacted the Co-operative Credit Societies Act, followed by the more comprehensive Co-operative Societies Act in 1912. This was to serve as a framework for promoting self-help among farmers and artisans.

**Financial Innovation: Linking Formal and Non-formal Credit:**

Reformation of the Regional Rural and Cooperative Financial Sectors is not a solution for reaching the credit requirements of millions of rural poor. In the Asia-Pacific Rural and Agricultural Credit Association (APRACA) regional workshop in Nanjing, China, in May 1986, The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)
presented a linkage model based on the existing formal and non-formal financial infrastructure. Some of the important issues of the model are informal groups holding savings and credit accounts in banks; savings-based credit linkages with banks; SHGs as informal financial intermediaries; NGOs as social, and initially also financial, intermediaries; flexible models of cooperation between SHGs, NGOs and banks as autonomous business partners, each with its own existing financial and institutional resources. In 1987, NABARD coordinated a field study of SHGs with a team from various Indian institutions. It is observed by the team that all the groups were of recent origin and were largely homogeneous in terms of caste and activity, built a common fund from very small regular savings and interest income, and lent to their members for periods of one to three months at two to three per cent interest per month. Recovery of these loans was excellent, and an impact, however small, was felt, reaching from emergency assistance to release from bonded labour. Access to formal credit was virtually non-existent. NGOs played a commendable role in mobilizing the rural poor into SHGs and promoting and monitoring their proper functioning”.

SHG banking is highly profitable to the banks, despite lending rates, which are deregulated, from banks to SHGs between ten per cent and thirteen per cent. Growth of the SHGs continued with satisfactory performance. The impact is deeply felt by the members in terms of employment, income, self-confidence, children’s education. The moneylenders have largely gone out of business in the areas of operation of SHGs. Though the challenges, particularly in terms of further expansion into underserved areas, effective supervision, institutional sustainability of informal groups, and the role of SHG federations still remain, there are good prospects. SHG banking will continue to grow in outreach and financial depth.
Global Acceptance of SHGs:

The new paradigm of unsecured small scale financial service provision helps poor people take advantage of economic opportunities, expand their income, smoothen their consumption requirement, reduce vulnerability and also empowers them. Realizing the importance of SHGs, World Bank has also taken major steps in developing the sector. Formation of Consultative Group to Assist the Poor (CGAP) in 1995 as a consortium of thirty three public and private development agencies and establishment of Micro Finance Management Institute (MAFMI) in 2003 are significant landmarks.

Impact of Financial Sector reforms:

The growth of SHGs in India has also to be seen in the light of financial sector reforms in India starting from 1991 and the global emphasis on commercialization of the sector. The financial sector reforms in India have focused on fostering a market based financial system by increasing competition and improving the quality of financial services. Under the new approach, institutional viability is of prime concern and instruments of directed credit and interest rate directives have been totally diluted or been done away with. As a consequence, banks are increasingly shying away from rural lending as well as rationalizing their branch network in rural areas. Flowing out of negative experiences of the earlier state intervention, institutional viability has become the focal point for evaluation of success of credit interventions. With this shift to parameters of institutional success, the issue of impact assessment has been relegated to the background. Impact assessment is either left for inference through proxy measures like volume of credit, repayment rates and outreach or one-off sample impact assessment exercises. Joseph, 1998. The field research was undertaken to understand the clients perspective and analyse the factors behind repayment rates as well as impact of credit on socio economic well being of clients.
Growth of SHGs in the State and in the study Area:

The concept of microfinance and micro enterprises is well accepted by the Government of Andhra Pradesh. There is a commendable growth both in number of SHGs and volume of operations in the state of Andhra Pradesh and in the study area.

With the support from the Government of Andhra Pradesh, the rural women have now transformed their lives into full time and active entrepreneurs with lot of hope and are able to lead a life with self-esteem. Once they were passive recipients of Government’s schemes, but now they are active participants and stakeholders in the programmes. They have risen to the levels of ‘self-management’. They have realized the importance of their numbers and have become capable of asking for their rights/entitlements like equal wages, better working condition, health, education, nutrition for their children etc. Thus DWCRA has become a powerful tool in bringing women together, in the remote rural areas and thus helped to emancipate the once mute sufferers in silence, to march forward towards collective community /development.

Need for the Study:

Government of India has been constantly emphasizing on women development and women empowerment since independence. All the State governments and officials concerned with women welfare and development are also putting their best efforts towards this goal. The researchers, sociologist and policy makers are conducting surveys of different nature on women empowerment from time to time and assessing the achievements of governments in uplifting women’s status in Indian society. In spite of marked progress, Indian women have remained nation’s greatest untapped resources. Realizing that the neglect of women’s power has been at the core of our backwardness there has been a significant shift in the developmental programmes approach giving rise to the ‘Empowerment Approach’ which entails a “process” whereby the women again
control over themselves, their resources and have the opportunity to make their own decisions. The Government Agencies, Self Help Promotion Institutions and Finance Institutions (SHPIS) are providing financial assistance to SHGs in the form of providing contribution and also further economic empowerment of women.

It is against this background that the present study of empowerment of women through micro enterprises and SHGs is taken up with a view to suggest steps to improve the status of women and their conditions.

**Objectives of the Study:**

The specific objectives of the study are as follows:

7. To understand the changing trends in the status of women in India and assess the present role of women and their empowerment.

8. To study the origin, growth and trends in the working of SHGs and their support as micro finance institutions in Andhra Pradesh as well as in India, and their role in entrepreneurship development.

9. To present the socio-economic status of sample households of SHGs in West Godavari District.

10. To compare the progress of SHGs in urban and rural areas.

11. To analyze the performance of SHGs and Micro Enterprises and to study their impact on employment, income and the indebtedness of members of SHGs and women empowerment.

12. To suggest measures, if any, to strengthen the practices of SHGs and micro enterprises, and suitable steps to the policy makers for meaningful women empowerment.
Methodology of the Study:

Data is collected from both primary source and secondary sources.

**Primary data:** Primary data is mainly collected with the help of a questionnaire from all the sample household members of the selected SHGs in the study area. Personal interactions, observations and also interviews with concerned officials have also been done to cross check the validity of the data and also to get additional information. The data is also collected from selected micro enterprises in each area through observation and informal contacts and questionnaire. Questionnaire has been designed and pre-tested by undertaking a pilot survey and standardized by adding relevant questions pertinent to the present study. Primary data is collected from 3,264 household members of 300 SHGs on socioeconomic profile of members of SHGs and the impact of SHGs on employment and financial transactions before and after joining SHGs. Similarly, data on the performance and problems of micro enterprises run by women is collected.

**Secondary data:** The study is also based on the secondary data to evaluate the overall performance of SHG scheme for the empowerment of women. First of all secondary data was collected from DRDA of the District on the micro enterprises organized by the SHGs including petty business (either individual or collective ones). Besides the review of various studies, it embarked on collecting data and information from the District revenue records. The researcher also referred various journals and magazines like Economic and Political Weekly, Indian Journal of Commerce, SEDME Journal, IJTD Journal and so on, besides, the reports of NABARD, reports of Department of Women and Child Development of Government of India as well as Andhra Pradesh and Merchants’ Chamber of West Godavari District. Similarly data is also collected from the official records of different departments located in the Collectorate, West Godavari. Secondary data was also collected from local mahila mandal groups.
Selection of the Study Area:

West Godavari District of Andhra Pradesh State in India is chosen for the present study. This District is one of the richest Districts of the State and named as ‘rice bowl’ of Andhra Pradesh. Peculiarly, at the same time, some parts of the District also exhibit the poverty of the State. Thus, the District is a mix of, to some extent, poverty and richness. A Study of Empowerment of Women in a District like West Godavari will reveal the real progress and development of women. The scope of the present study is limited to eight mandals within the purview of all the four revenue divisions of the District. SHGs are providing major part of finance to micro enterprises and other agricultural and non-agricultural activities in the rural area. Hence, the study considers the opinion of women who have joined as members in their respective SHGs and also run micro enterprises.

Sampling Design:

There are four revenue divisions and 46 mandals in West Godavari District. All the four revenue divisions in the District are taken for study in the first stage of sampling. In the second stage, two mandals are selected from each revenue division. Altogether, eight mandals are selected out of 46 mandals. All the selected eight mandals are divided into two groups: i.e., urban mandals and rural mandals. There are 10,276 SHGs with 1,13,036 household members put together in all the eight mandals selected for study. Out of these, 300 SHGs and 3264 households’ members which constitute three per cent of the total SHGs, households respectively in the selected study area have been chosen.

Sample design for Micro Enterprises:

A master list of micro enterprises in each mandal with a cumulative loan from bank linkage of Rs. 50,000 or more and employ more than two workers has been prepared. After arranging them in descending order, data on age, sex, marital status, family type, education and occupation, details of loans taken and utilized and so on is
collected. The best performing units in the District are selected based on the following criteria: Year of establishment, Capital investment from Bank Linkage Programmes of the SHGs and number of workers employed. Thus, a total number of 804 micro enterprises are selected as shown in table 3.1 from all the selected mandals of four revenue divisions of the District.

**Period of the Study:**

The survey was carried out during 2000 to 2012. The data has been collected on financial and economic status of selected households in West Godavari District before formation of SHGs and after formation of SHGs.

**Scope of the study:**

The scope of the study is, therefore, confined to the study of change in livelihoods such as Sheep/Goat rearing, agriculture, plough bullocks, artisans, fishing, petty business etc., quality of life such as movable and immovable assets, credit sources, decision-making, women empowerment, consumption expenditure, education & health expenditure, annual income, employment, social and political mobility etc., after becoming the members in SHGs. The study also makes an attempt to identify the problems of beneficiaries and the bankers and provides enough scope for improvement and the performance of SHGS.

**Research Gap:**

There are no studies on the assessment of the programme of the SHGs and empowerment of women especially in comparison of urban areas with rural areas. It is very important for the policy makers and management of SHGs to identify the pitfalls in their working. Therefore, the proposed study is mainly on to evaluate the programme of the SHGs through microfinance.
Hypothesis:

The selected mandals are divided into two Groups, basing on the proximity to urban centre. Urban mandals included Kovvuru, Tanuku, Tadepalligudem and Eluru. Rural mandals are Polavaram, Jangareddygudem, Akiveedu and Palacole which are relatively far from urban centre.

It is hypothesized that there is a significant difference in income between the households belonging these two Groups. The hypothesis is tested with the help of "z-test" (large sample) for the household income level in the later period.

The calculated "z" –value 1.493 is significant level, i.e. the hypothesis is found to be true.

The pattern of employment of SHG members in the selected Mandals indicates that activity wise, more number of days of employment is in cultivation, followed by employment in other sources in rural mandals. The number of days of employment in non-agricultural labour is relatively higher in urban mandals because of the nearness to the urban centre and vast employment opportunities in construction activity in and around the city. The share of employment of the SHG's family members is relatively higher from other sources and non-agricultural labour in urban mandals, whereas the proportion of employment in cultivation and agricultural laborers are found to be higher in rural mandals. Thus, one can see the impact of urbanization and nearness to the urban centre on the employment pattern of the SHG members.

A comparison of employment 'before' and 'after' joining SHJS indicates a shift in the pattern of employment of SHG members and their household members from agricultural sector to non-agricultural sector. Some of the SHG members have started running petty business and some purchased auto-rickshaws from the loan taken from SHG's. Among the income from the various sources, income from non-agricultural
sources dominated in the total average household income of the SHG members and within non-agricultural sources, income from other sources is found to be higher in all the mandals and much higher in urban mandals. On the whole a significant increase can be seen in the income levels from all the sources of employment of the SHG members and their households also.

While analyzing the factors influencing the per capita income of SHG members' households, that the income from different sources of labour, petty business and other sources are influencing the level of the per capita income in all the Mandals.

The impact of SHG's on the per capita income of the SHG members' households indicated a decline in the number of families with Rs. 5000/- per capita and a rise in all other Groups in all the mandals. A cross-sectional, comparison of per capita income and food expenditure of different income Groups shows that there is a decline in the share of food expenditure as the income levels have increased indicating an inverse relationship between per capita income and share of food expenditure. The results of this Study are thus consistent with the Engle's Hypothesis of Income-Expenditure Relationship.

On an average the proportion of expenditure on food items in the total consumption expenditure has declined in all the mandals in the current period, compared to the previous period. There is an increase in the proportion of expenditure education and health in all the Mandals, after the formation of the SHG's. It is good sign of progress in the development of the SHG members' households.

One of the major problems of the rural society is indebtedness of the family. It is a recurring problem from generation to generation. There is a saying that farmers are born in debt live in debt and die in debt. It is applicable particularly to small and marginal farmers and agricultural labours in the Indian rural scenario. This section of rural people mostly comes under the poor category of the society. They have to depend
mostly on moneylenders for their borrowings for various purposes. Institutional credit is almost out of their reach and it is a dream to them. They cannot comply with the rules and regulations of the financial institutions. Though co-operative moment has been started to fulfill the credit needs the farmers, particularly small and marginal farmers, it failed to meet their credit needs. It is found that a very large number of rural poor particularly woman folk continue to remain outside the fold of the formal banking system. All the credit institutions paid little attention to women. On the other hand the Government wants to empower these women particularly rural women, and involve them in the process of rural development, through various rural development programmes. One such programme is the SHGs to inculcate the habit of saving and to provide loans for various productive purposes by reducing the importance of the informal sector for the benefit of the rural poor. Here, comes the role of SHGs in solving the debt problems of the rural poor.

The impact of the SHGs on financial aspect of the members' family can be seen through their debt position, and also their sources of borrowings. Hence, an attempt is made to study the debt position of the SHGs members' households, the sources of borrowings, amount borrowed and the repayment for both 'before' and 'after' periods. This exercise helps to know the impact of the informal sector i.e. moneylenders, friends, relatives etc; and the formal sector like banking, micro credit institutions, on the borrowings of the SHG members' households.

The total borrowings of the SHG member’s household has been increased considerably in urban mandals and in rural mandals. Borrowings from moneylenders have declined and those from banks and SHGs have increased in the later period in all the mandals. A source-wise and purpose-wise analysis indicates that a major proportion of the borrowings are for investment purposes. Though the proportion is relatively higher
in urban mandals, it is so because of the development of local transport systems and investment towards auto-rickshaws and petty business. Cost of borrowings as usual, is high for moneylenders, friends and relatives and low for bank and SHGs. Due to this fact of low cost of borrowings, some of the SHG members are borrowing larger amounts from SHG irrespective of their need. All the members are repaying promptly, because it is a condition for the future borrowings of the groups.

Empowerment is a continuous process calling for some radical changes in attitude and perceptions about women and in the strategies to be adopted for their development. It is a process which generates changes in ideas and perceptions and creates awareness about one’s rights and opportunities for self-development in all important spheres of life.

In India SHG’s have been active micro finance institutions, being supported and organized by the Government and recognized as an effective vehicle for their empowerment in both rural and urban areas. One of the objectives of these SHGs is to create awareness on various social, economical, political, and educational and health issues. This awareness can be attained mainly through their participation in group activities. Awareness of the members on the above aspects can help to empower them over a period.

**Observations on Empowerment through SHGs:**

Awareness and perception of the SHG’s members are classified in to five groups with different variables. 31 statements were used to elicit their knowledge of on these five major issues. Out of these 31, nine statements represent social issues, four represent educational issues, five represent health issues, seven represent economic issues and six represent political issues. The opinions are scaled on four rating points ranging from 0 to 1. If the value of Index lies in: Between 0 and 0.166 indicates no awareness; between
0.167 and 0.50 indicates low awareness; between 0.501 and 0.834 moderate level awareness and between 0.835 and 1 high level awareness. Afterwards women empowerment awareness index is calculated by dividing the Total Weighted Score of index obtained by Maximum Score of Index.

Health is also an important variable in human resource development. The SHG’s are used by the Government, and voluntary organization to create awareness on various health aspects. The effect of these health activities on SHG members is measured with the help of the index values of the following five variables. The Government with the help of health voluntaries ANM is trying to educate the rural women folk particularly SHG members on various health issues. The level of awareness attained by the SHG members on several issues relating to hygiene is measured with the help of the same variables, and its index value is at a low level in all the Mandals and it is relatively better in urban mandals. The Government and voluntary organizations have been organizing various programmes to create awareness in people about AIDS. The SHG members are also advised to participate in this programme to get awareness on AIDS, its consequences and preventive measures. The effect of these programmes on SHG members is measured with the help of the third variable and its index value is at a low level in all the Mandals and it is relatively better in urban mandals. The State Government has started a noble health package scheme called ‘Arogyasree’ to help the poor strata of the society, to get treated for some major diseases in corporate hospitals at free of cost. Awareness of the SHG members on Arogyasree Scheme is measured with the help of the fourth variable and its index value of the fourth variable is at a low level in all the mandals and it is at a both levels in Polavaram and relatively better in urban mandals. It may be due to the nearness of these Divisions to the hospital located in the urban area. Controlling the population growth through family planning is a necessity of
the day. Awareness of the SHG members on the need for a small family is measured with the help of fifth variable and its index value is at a low level in all the mandals. It is relatively better in urban mandals over rural mandals. Index value of the health variables indicate that the SHG members have got a low level of awareness on different health issues. The members expressed that even this awareness has come mainly after joining the SHG’s.

The basic objective of any SHG’s is to inculcate the habit of savings and to provide the necessary financial assistance on collective security provide to the habit of prompt repayment. The economic assistance provided to the member is supported to be utilized for productive purpose, thereby grating additional earning capacity and finally creating awareness on various economic aspects of the members. An attempt is made here to assess the economic awareness of the SHG members with 7 variables.

Prior to the organization of SHG’s most of the members was house-wife of the SHG, these members are conductive of regular meetings among themselves, with Government officials, with bank officials and also with mandals level organization. This has helped them to improve their communication skills. This aspect is measured with the help of the sixth variable. The index value if sixth variables are at a moderate level in all mandals indicating a better perception and awareness among the SHG members about their communication skills.

Normally, formation of SHG’s is supposed to improve borrowing capacity, investment pattern, communication skills and decision-making power of the members. This in turn has to improve self-confidence of these members. So the level self-confidence attained by the members is measured with the help of the seventh variables. The index value of these variables is at a higher level in all the mandals, indicating an increase or improvement in the level self-confidence among the members. Thus, the
index on economic issues indicates a better economic empowerment among the SHG members, and it is relatively at better level in urban mandals.

The state Government is supposed to implement various rural development and employment programmes through SHG’s. Similarly, the Group leaders are actively involved in political meetings at the local level. This will help the SHG members to improve their awareness on different political issues and women rights. This aspect is measured with the help 6variables.

The SHG leaders are supposed to participate in different mandals level meetings, to acquire the information on various Government programmes and pass it on to the members of their Group. The level of access to information is measured with the help of first variables. The index values of this variables is at a low level in urban and is at a low level in rural mandals, indicating a different level of access to information about Government programmes. The non-government organizations are supposed to create awareness among rural women on different acts relating to women’s rights and equal property rights, by organizing meetings with SHG members, which may in turn create awareness among SHG members on their rights. The index value of the second and third variables are at low level in urban mandals and at lower level in rural mandals with an exception of Tanuku, indicating a better awareness on women’s rights and property rights the SHG members of urban mandals over rural mandals.

Now-a-day’s Government is showing considerable interest to involve the SHG’s in the implementation of different developmental and welfare programmes in the rural area. So the level of participation in the developmental programness by the SHG’s members is measured with the help of the fourth variable of the political issues. The index value of this variable is at a low level in all the mandals, indicating a better participation in the developmental programmes by the SHG’s members in the study area.
Normally rural it is particularly rural women folk hesitate to meet the Government officers with active on participation of the SHG’s members in various meetings and development programmes, it should enable them to meet the Government officials for their group requirements, and also to represent their problems. This aspect is measured with the help of the fifth variable. The index value of these variables is at a low level in all the Mandals and is relatively better in urban mandals indicating that some of the members are able to meet the government officials and represent their problems effectively in the study area.

The Mandals particularly those with low levels of income and belonging to aware sections, those two women, have feeling of isolation in the society. Organization of the SHG’s and its Group activity is help of the come out from this feeling of isolation. This effect is measured with the help of the sixth variable. The index value of this variable is at a low level in all the mandals is relatively higher in urban mandals, indicating the reduction in the feelings of isolation among the SHG’s members.

Thus, the index on political issues indicates a low level of growth in the awareness among the SHG members on the Government programmes, their rights, involving in the process of development and better mobility without any feeling of isolation and this is relatively better in urban mandals.

The role of SHG’s in creating awareness among its numbers on social, educational, health and political issues is measured with the help of the several index values of these variables.

The values of the awareness index on various items that the SHG members got a low level of awareness on different social, educational, health, economic, and political issues. The rate of awareness is relatively better in urban mandals. There is an improvement at a low level in the status of the SHG members in the family as well as in
the society, indicating that empowerment of the SHG members after enrolling themselves in the SHG’s study Mandals have helped their members to attain awareness on various socio-economic, and political issues thereby empowered them, and improved their status in the family as well as in the society.

**Management Aspects of Women Entrepreneurship:**

Information has been elicited from the women entrepreneurs about their organization particularly the acquisition of raw materials, technology used, training received, workers employed and wages paid, Bank linkages, marketing including advertisement costs, and finally income and expenditure. All these aspects are important in the context of modern scientific management of an enterprise.

In the selected micro-enterprises in the study area of the district, it is found that about 33 per cent of the selected units are petty business units, followed by 22 per cent dairying, another 15 per cent are kirana shops, 20 per cent are agriculture and Horticulture and about 9 per cent are tailoring units. As a matter of fact, the largest bulk of units in petty business consist of brick units, mango jelly production units, pottery, etc. In all the mandals, almost the same pattern exists. The highest percentage is petty businesses 30 per cent in urban mandals. Dairying (26 per cent) seems to be more predominant followed by kirana shop (15 per cent). In rural mandals similar pattern is found but petty business is more dominant.

Generally the question pertaining to the type of technology (modern and traditional) used in micro-enterprises is construed as applicable to manufacturing. As a matter of fact, even if it is a business unit, it can adopt modern methods of marketing, purchasing and acquiring capital and book keeping and accounting. Hence we have asked the women entrepreneurs about the methods (modern and traditional) of running or organizing the enterprises. It is found that nearly half (45 per cent) of the units reported
that they used traditional technology for running their enterprises, about 34 per cent used both traditional and modern technology and only 20 per cent adopted modern technology. The same Pattern is observed both in urban and rural mandals.

If women have to be encouraged to start modern SHGs, they have to be motivated and given appropriate training for organization of such enterprises. rural women are generally illiterate but in some cases they are highly motivated and entrepreneurial in nature. Such talented people have to be spotted in Indira Kranti Patham (IKP), which is being implemented with the concept of SHG. Information has been elicited from the women entrepreneurs about the training they received either from the Government or corporation. We found that almost all the women (92 per cent) did not receive any training. The remaining 68 per cent of the women received same training as a part of dairying or in acquiring Bank linkage. It is observed that women who received training are more in percentage in urban mandals when compared to rural mandals.

Acquiring raw material in an economical way is the basic criteria for the successful micro-enterprise. For a petty business, purchasing goods at the nearest market at a lower cost is the key for success. In such cases transport cost is more crucial. It is observed that almost all the entrepreneurs purchase their materials from the nearest town. For that they use autos (49 per cent) and buses (42 per cent). In rural mandals significant number of women uses their own transport.

**Impact of Micro-enterprises on Rural Households:**

Micro-enterprises run by women with bank linkages are expected to bring a lot of social and economic changes in the rural livelihoods. Increased income of the rural poor households will have for reaching effect on income, housing, consumption, healthcare,
education of children, lessening the loan burden, and so on. An analysis of the impact of micro-enterprises on different aspects of rural households is as follows:

The changes in acquisition of assets and consumer durables, due to increases in incomes and credit worthiness of rural households indicates that the rural households give top priority for improving housing conditions and acquisition of economic assets. There is a clear preference towards converting their houses into Pucca houses. Later their priority is buying income generating assets like poultry, cows and buffaloes, and sheep and goat.

It is a really surprising that the rural people are preferring mobiles and phones, TV, Radio, Gold and Silver and Scooter. Purchasing of sewing machines is also a priority in urban mandals. Afterwards government has introduced a revolutionary policy of sanctioning loans for just 3 per cent annual interest rate (Pavala Vaddi). These policy changes brought in radical changes in rural money market. Earlier, rural money markets are dominated by moneylenders. These patterns have changed now.

Loans are borrowed now from Commercial Banks, followed by, rural banks and cooperative banks. It can be observed that indebtedness has declined even by a marginal rate. However, moneylenders still rule the roost.

**Impact on Consumption:**

The consumption pattern of the rural households who are micro entrepreneurs indicates that due to increased incomes led to rapid growth of consumption of food. By and large this is a welcome feature, keeping in view of the lower nutritional levels of the rural people. The percentage increases in the number of mobiles and phones are in incremental followed by sewing machines, TV’s. Scooter / motor cycle and Purchase of gold and silver have increased considerably.
As regards, changes in non-food items, the rural people increasing spending a higher amount on entertainment, fuel, education and cosmetics. It is a little discouraging to note that there is an increase in expenditure on smoking and alcohol also.

**Impact on Employment:**

Disguised and seasonal unemployment is predominant in the rural economy in India. This is because most of the rural workers are in agriculture and allied activities. The employment and unemployment of the main workers in the households, before and after joining the SHG is studied. After joining SHG, the number of days worked has increased. Percentage of days unemployed was declined during the period under study.

**Constraints to Women Entrepreneurs:**

The women entrepreneurs face additional hurdles than those of men, constraints relating to self-sphere system including age, experience, education, knowledge etc., socio-psycho system, which consists of entrepreneurial motivation, job satisfaction, value orientation, decision-making ability, family occupation, caste, etc. Only when these hurdles are removed, they can become successful entrepreneurs.

The other hurdles which the women entrepreneurs face are related to cultural barriers such as female responsibility as the role of family care taker, costs associated with women higher than men for pregnancy and maternity and absenteeism, educational barriers such as lack of schooling and vocational training, economic and political barriers such as unstable economic and political conditions, technological factors which displaces women and legal barriers, including lack of legislative protective measures, to safeguard women and organisational barriers, which include the physical superiority of men and their dominance in decision-making.

Those who undergo training have succeeded in starting enterprises or face the obstacles of lack of co-ordination among institutions, lack of speed by which the
applications are processed, lack credit facilities, bribing behavior of officials, demanding securities to avail loan and above all the procedural difficulties of fulfilling the formalities.

The women entrepreneurs are taking up challenging entrepreneurial activities in urban areas. In rural areas, large amount of potential remain untapped due to lack of supportive means and management. The constraint they face is basically related to finance which must be removed by attending immediately by concerned authorities.

**Policy Implications:**

While SHG programmes have the potential to empower women, this is often not realized through the persistence of ‘top-down’ approaches in implementation. SHG programmes further limited in their ability to transform social relations due to their apparent insistence that the marginalized are the only legitimate actors in their own empowerment. On the other hand, the potential of empowering women can be increased through a ‘bottom-up’ orientation in implementation, while recognizing that in and of themselves SHG programmes cannot reduce all the constraints preventing the pursuit of interests. It is felt that the findings of the study would enable in implementing programmes based on the needs presented. Income generation programmes based on their applicability would yield better results.

Regarding the knowledge of members on various government programmes and welfare schemes, the respondents stay behind. The study recommends that all those concerned with SHGs should take greater interest in organizing awareness classes on government schemes so that all the poor women members of groups would benefit from these programmes.

For people in positions, it is not enough being eager to help the women members. They should also know what kind of help to extend and when. Therefore educating
women is a necessity and this should be taken up as a priority area. The educational status of women groups if increased would act as a useful indicator of women empowerment. For this, SHG women ought to be encouraged to take part in literacy programmes organised by various governmental and non-governmental agencies. The educated women of SHGs are to be motivated to conduct such literacy camps in their locality.

In the course of the survey some defunct groups were noticed where there is no regular thrift activity, group cohesiveness and group leadership. The officials normally concentrate of the successful groups. Therefore, the members of the defunct groups need counseling on priority basis by the officials as well as members of successful groups.

Along with middle-aged women, young women in rural areas need to be motivated to organize women groups so as to bring them into the fold of socio-economic empowerment activity. There is a need to encourage such women to seek participation in economic empowerment activities by motivating them to take up self-employment activities. This would help to arrest the tendency of women depending on others for their survival.

There is a need for attitudinal changes among the male members in the families. The women members felt that sharing of domestic work and childcare, support and encouragement from the family members help in overcoming the constraints. They can give their women a chance even to take part in political activities.

In order to make the women improve their economic status and to reduce the level dependence on the whims of the male heads in the family and local moneylenders, micro credit programme should be given more priority towards women empowerment. This programme can go a long way towards liberating the women from the clutches of
male domination and middlemen’s exploitation. Action is needed at all levels to bring about greater equality between men and women.

Further, the pattern of lending among the women groups revealed that about two-thirds of the loan amount was received for non-productive purposes like clearing of old debts, consumption, social purposes etc. This is in fact, is a necessity. However, a change in the pattern could be attempted through development bankers of the locality. The NGOs are to be involved in spearheading the SHG programme in the area under study.

The progress of SHGs is measured in terms of number of groups formed, number of members covered, amount of credit disbursed and infrastructure created but not in terms of income accruing from economic activity of the beneficiaries. Hence steps should be taken to identify the economically viable trades under SHGs would be possible only if the trades offered to women are economically sound, provided with consultancy and guidance services in self-employment and income generating ventures so as to enable women solve their problems and become strengthened. These measures, no doubt, provide a gateway to women for development of their entrepreneurial skills.

While providing support to SHGs, it is necessary to keep in mind the sentiments and emotional values of rural women. Any support must be sensitive to their feelings, appropriate and timely without being over-powering. The approach must be such that it should increase confidence among women. Moreover, the groups should be allowed to grow in an evolutionary manner. Any outside intervention to hasten the process of development may leave the gap, which could lead in future to cleavages. Natural growth is as important a factor for institutions as for individuals. This is particularly so in case of rural society where individuals are not equipped with systematic psychological skills for coping with various stress situations.
MAJOR FINDINGS OF THE STUDY:

The following are some of the major findings of the study:

❖ Among the respondents BC’s constitute about 43 per cent while SC and ST together constitute 28.18 per cent and others are OC’s.

❖ Educational status of the respondents reveals that about 42 per cent of them are illiterate while 21.32 per cent are literates without any formal education, 16.79 per cent have primary education and 17.52 per cent having secondary level education. Higher education respondents constitute 2.57 per cent.

❖ 30.63 per cent of the respondents are living in Pucca houses.

❖ About 62 per cent of the respondents have nuclear family

❖ As regards the economic status of the respondents, 71.32 per cent of the respondents are poor, while 13.73 per cent belong to the poorest of the poor category and 14.95 per cent are non-poor.

❖ The highest motivation for joining SHG seems to be by the influence of neighbors (60.5 per cent) followed by friends (17.2 per cent) and family members (10.5 per cent). The influence of the government officials seem to be very little.

❖ As regards the type of rural micro enterprises, petty business constitute about 33.33 per cent, dairying 22.38 per cent and kirana shop 14.92 per cent of the micro enterprises.

❖ 44.78 per cent of the respondents are still using traditional methods of production and management in their enterprises while only 20.40 per cent use modern technology.

❖ As high as 91.79 per cent of the respondents have not received any entrepreneurial training either from government or NGO’s.
49 per cent of the respondents acquire the raw material from the nearest town, using auto for transport. Very few (4 per cent) respondents have their own transport facility.

On an average 67 per cent of the enterprises have employed three workers. This shows that potentiality of micro-enterprises in absorbing rural surplus labour.

As regards marketing their products, almost 62 per cent of the product is sold in local market alone and 28 per cent sell their product in nearby town.

Vast majority (90 per cent) of the respondents are not advertising their products. Among the 10 per cent who have used advertisement, majority of them used posters and paintings on walls as the medium of advertisement.

The rural households give top priority for improving housing conditions and acquisition of economic assets. It is really surprising that the rural people prefer mobiles and phones, TV, gold and silver and bikes. The percentage increases in the number of mobiles and phones are 1903.20 per cent followed by motor cycle (407.60 per cent), Sewing machines (1,773.40 per cent) and TV’s (705.20 per cent).

Earlier, rural money markets were dominated by moneylenders, consisting of 64 per cent of the amounts borrowed is from them, followed by 21 per cent from friends and relatives, rural banks (7 per cent), commercial banks (3.5 per cent), and cooperative banks (2.7 per cent). These patterns have changed now. About 55 per cent of loans are borrowed from Commercial Banks, followed by moneylenders (23.5 per cent), rural banks (6.9 per cent), and cooperative banks (5.6 per cent). However, moneylenders still rule the roost, meeting the needs of the SHG members by 24 per cent of the total outstanding loans.
Increased incomes led to rapid growth of consumption of non-vegetarian food, oils, pulses, sugar and milk. This is by and large a welcome feature, keeping in view of the lower nutritional levels of the rural people. As regards changes in non-food items, the rural people are spending a higher amount on entertainment (429.20 per cent), fuel (179.80 per cent), education (164.40 per cent) and cosmetics (158.80 per cent).

There is a remarkable change in the rural employment. Before joining SHG, the number of days worked was only 221 days in 365 days. After joining SHG, the number has increased to 290 days. Percentage of days unemployed was 39 per cent which declined to 21 per cent during the period under study.

**POLICY RECOMMENDATIONS:**

Entrepreneurship development among women may be looked at from two angles. One is to create the environment needed for healthy and sound entrepreneurship and the other is to have more and more rational motivational campaigns (McClelland, 1961). The emergence of entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factors prevailing in the society. Therefore, there is an urgent need to nurture and create an enabling entrepreneurial climate.

There is a need to design appropriate strategies for bringing more and more women into the entrepreneurial arena and providing them with organizational support. The recommendations in this regard, derived from the analysis of primary data, are given under the following:

- Examine women's stereotypes for socially desirable traits in their cultures.
- Explore the qualities women value in themselves and determine what type of personal support they want.
Discuss various types of discrimination and constraints like psychological, socio-cultural, and economic and others that might hamper their entrepreneurial aspirations and suggest measures to overcome them.

Provide access to formal and non-formal course/training in skills, management of money and enterprise.

Explore new avenues for self-enterprise, upgrade their knowledge, skills and provide them with suitable technical guidance, financial and marketing support and infrastructural facilities.

Identify training institutions, which impart vocational training programmes to develop entrepreneurial skills and make women aware of the support they could expect from developmental agencies.

Give greater priority to development and provision of infrastructure in rural areas such as access to water, fuel, housing, primary health care and child care centers. Better facilities help them to change in life style and subsequently in their attitudes towards their family, society and the Nation.

Undertake sufficient research studies to examine individual and cultural barriers, to understand the psychology of rural women. Such findings would help make the promotional programmes more realistic.

The whole SHG movement in Andhra Pradesh should be reoriented towards training women for starting micro-enterprises by providing prompt and needed amount of loans. In this era of globalization, there is a wide scope for encouraging micro-enterprises to manufacture machine tools, components of TV, radio, watches, cosmetics and even microchips of the computers and other electronic goods. Such cottage industries exist and flourish in China, Korea and Singapore. Indian women can create history if they are helped to rise to the
occasion for more productive jobs and absorb surplus labour in the rural areas. This is the real women empowerment, which is not impossible.

- District Industries centers (DICs) and District Mahila Pranganas have to be geared up to organise massive awareness programmes for women in exploring the possibility of starting micro-enterprises. Women have to be given not only initial capital but also help in marketing their products.

- Private micro financial institutes are charging very high rate of interest i.e. 24 per cent which affects the financial sustainability of the micro units. Hence necessary steps are to be taken to assure the micro units to avail the sufficient finance at a marginal rate for a certain period (gestation period). The implementer should monitor not only the disbursal of money, but also the end-use of money for productive income generating activities/ micro-enterprises.

- Policy makers need to recognize the potential of micro financial services to support investment and growth in key economic sectors and hence to contribute significantly to national economic growth.

- Due to variation in the price of different quality animals, the loan amount should be as per member’s actual requirement. The recommendations of the group members’ should also be taken into account while fixing the cost of the dairy unit.

- In order to encourage more women towards setting up of micro-enterprises the subsidy amount should be increased and at the same time the subsidy should be linked to the promptness of the repayment.

- The State government should give necessary instructions to the developmental agencies to co-operate with the financial institutions in conducting recovery drives.
Banks and IKP functionaries at the field level need to synergize their efforts that will strengthen the programme and the branch officials should make effective use of tools like of community based recovery mechanism for sustaining the recovery performance.

The officers should compulsorily attend the group meetings so that they can facilitate the strengthening of group dynamics. A careful assessment of forward and backward linkages, additional income generating capacity and the unit costs of the schemes should be made before advancing loans by the IKP officials.

A portion of the income generated out of the IKP financed activity should be used for the further development of the business/economic activity.

The innovative forms of financing is imperative to supplement credit strategies for meeting the needs of the poor by combining the flexibility, sensitivity and responsiveness of the informal credit system with the technical and administrative capabilities and financial resources of formal financial institutions and also to built material trust and confidence between bankers and the rural poor and to encourage banking in a segment of population that formal financial institutions usually find difficult to reach.

Present repayment structure is not suitable for promotion of Micro-enterprises. Though the loan recovery period is fixed for 36 instalments, in reality the loan is recovered in 18 to 24 monthly installments.

It is necessary to reduce the influence of private moneylenders by taking measures such as further branch expansion, motivating the staff to be more receptive and responsible and by giving promotional and financial incentives linked with their loan recovery performance.
Timely and adequate finance by bankers will drive away MFIs / moneylender. The banker should understand that SHG lending is a viable business proposition for them and this is avoid multiple borrowings and defaults.

Policy changes are to be initiated by the financial institutions to inject transparency in transaction, fixing specific time schedule for releasing of the loan, for accepting sureties and continuity of flow of credit etc. The financial institutions should not to resort to “Automatic Adjustments” while releasing the credit to the beneficiaries.

Bank point persons / bank mitras may be appointed by IKP staff that will be responsible for initiation and scrutiny of the credit proposal, timely sanction, ensuring proper utilization and prompt recovery of credit.

Establishment of marketing information centres at district level for enhancing the opportunity of marketing outside the locality.

One of the major problems of the micro-enterprises is marketing of the products and services. There is a continuous and constant demand for dairy and other related products, but some products like readymade garments, and jute based products etc. there is no assured market on continuous basis. Hence, it is suggested that government agencies should come forward bulk purchase of these items. It is also suggested that mandal level, divisional level and district level fairs, exhibitions should be arranged for mutual benefits of the all the stockholders.

The government should provide infrastructure for training of SHG members in micro-enterprise as also marketing infrastructure for marketing of the products.
Strong marketing network is required for effective and proper marketing of products and services of micro-enterprise linked SHGs. They need marketing support and institutional capacity to handle marketing activates independently. Multiple Enterprises development programmes are to be organized so that awareness for setting up of micro-enterprises could be attained.

The availability of natural resources, skills and potentiality is to be thoroughly analyzed while initiating the micro-enterprise. Concerned government official should counsel, advice and support the SHG members in this regard.

Capacity Building of the community based organization is not up to the mark and additional inputs are required to handle the Micro Finance as well as for the development of Micro-enterprises.

In-spite of the existence in group mode for more than a decade, the groups dynamics still not strong and awareness about group objectives beyond thrift and credit at member level was limited. Capacity building for the group members should be a continuous process.

Select a few Mandal Samakyas and support livelihood projects based on local resources and skills to promote entrepreneurship and give required confidence to groups to manage the business operations.

Entrepreneurial and management skills such as risk bearing, enterprise planning, product innovation, need perseverance, financial resource mobilization, production, marketing demand forecasting, cost control, HR related aspects should be properly imparted among the SHG members for commercial viability of the enterprise.

Encourage weekly meetings, at least at the initial stages of SHG formation so as to early grasping of group dynamics from day one of the group formation.
The programme should be designed taking into consideration the needs of women at the micro level. Planning for self-employment for women needs a multipronged strategy.

Strict supervision should be maintained by the concerned bank officials on the proper utilization of finance for productive purpose and also to avoid diversion of funds for other purposes.

Training programmes should be prioritized and annual specific programme oriented. Different training programmes should be conducted for different nature of micro-enterprises and for different management functions.

Value oriented workshop for both the stakeholders and the respondents.

Opportunity of experiential learning, attending training and exposure visit for stakeholder and rural entrepreneurs should be increased in proportion in to the increasing number of target groups.

Systematic efforts are needed to impart skill development training to the groups and to motivate suitable groups to take up micro-enterprises.

To organize refresher programmes to groups to reinforce the basic tenets and create better awareness and to strengthen group dynamics.

For the beneficiaries of IKP scheme, the training programmes should be conducted periodically with the help of experts available in the nearby universities / departments.

Institutional and human capacity building programmes should be organized to train the IKP staff and likeminded NGOs activities, volunteers, panchayat representatives, members of youth clubs etc., on promotion of small savings and divert them to set up microenterprises.
Suggested to organize activity oriented training programmes based on the groups choice to initiate the groups into income generating levels.

For encouraging more diversified activities in the non-farm sector the group members may be advised by the IKP officials to undertake income generating besides dairy which are suitable to women respondents.

Group leader should enforce discipline among the members for prompt attendance as well as ensure regular contribution towards group savings, as this would results faster growth of saving as well as good recovery performance.

**Scope for Further Research:**

There is a lot of scope for conducting research in the microfinance area i.e., problems faced by micro enterprises, problems of Self Help Group members, difficulties faced by Government agencies in processing micro finance to the various SHGs. Besides, studies of impact of micro finance on cross sectional business activities of SHGs. Further, it is also fact that the findings of this nature of studies may vary from area to area and also over the period of time. Therefore, from time to time these studies and their findings are more useful to policy-makers in designing the schemes for the up-liftment of poor in the society.