CHAPTER 7
CONCLUSION AND RECOMMENDATIONS

7.1 Introduction:

The well-being of people is unquestionably the ultimate objective of all developmental efforts and the basic quest of human endeavour is always to seek a better quality of life. Quality of the life of the citizen can be effectively improved by raising the standards of living. Within the broad democratic framework, there are great opportunities for synergizing women and economic growth to deliver better quality of life in the shortest span of time. SBLP helps in generating livelihood for the women. The credit made available through SBLP helps the borrowers to break out the threshold of poverty. Most often bank under finance the micro entrepreneur. Starting a micro enterprise is many times not dependent on one source of funding alone but on multiple sources depending upon the type of enterprise and the amount of loan required. However there is a good initiative and spirit in SHG members for starting up IGA. Usually, it is expected to use the first loan for IGA. Once this is repaid in time they are eligible to borrow a second and bigger amount, then a third and fourth and so on. The more loan they repay, a higher loan amount is made available to them. Thus livelihood loans are available as they go up the ladder. As the loan amounts increase, so does the borrower’s quality of living.

This chapter presents a brief overview of the study, objectives of the study, methodology, major findings and examine their implications for economic and social policy formulation giving recommendations for the fast but sustainable SHG movement.

7.2 Title of the study:


7.3 Importance of the study:

The researcher has made an attempt to understand the relationship between the availability of mf services and profitability and productivity of IGAs started by SHGs using these mf services. This study tried to find out the effectiveness or otherwise of mf services. The impact evaluation studies of developmental programmes are always made at national and international level. And with the solutions-recommendations and
suggestions of such studies, policy decisions are taken. But only tailor made solutions bring expected results and for that purpose such studies made at local level have significant role in arriving at expected results of developmental programmes. The political, social, geographical, economic, legal, psychological and cultural frameworks differ from place to place. The strengths and opportunities too differ. If all these aspects are taken into consideration while taking policy decisions then those can bring paradigm shift. Therefore developmental studies at local level are important.

In the background of international, national and state level initiatives, it is a proved fact that poverty is the root cause of all evils for development and empowerment of women. As majority of the third world women work in informal sector, they do not yield sufficient income. The SHG mechanism provides them small loans to help them engage in productive activities or grow their tiny business. This study may help integration of more such women with such other developmental activities.

1. The significance of this study is in the identification of the areas where the women of the region can uplift themselves economically at the same time contributes in the economic development of the region.

2. Women have prominent role in the development of a nation. Women have been regarded as the nuclei of a nation and the builder and moulder of its destiny. The burden of responsibilities at family level restricts her participation in social life. Not only her potentials remain untapped, but society remains deprived of her economic contribution. Such study can help women to realise their potentials which can be used productively for the benefit of the society.

3. Some women work to raise their standard of living, some work for the education of their children. Very few works for the purpose of keeping their skills from getting rusty. This study probably helps in finding out joy and satisfaction of their work which can inspire more women to contribute to mf movement.

4. The basic aim of this study was to review financial implications of micro-financial services provided to SHG members in the study area. It is a sort of audit which is really needed in developmental programmes basically framed for the underprivileged section of the society. In
doing so the indicators chosen were profitability and productivity of the income generating activities run by SHGs. Thus optimal utilisation of micro-financial services and other inputs was the area of concern. The main question before researcher was whether these micro-financial services have helped SHG members to have sustainable livelihood or not. As the profitability and productivity was an issue BPL SHGs getting government contracts were deleted from research population. In these cases the rate of payment is fixed by the governmental organisations. Naturally, these SHGs see that their cost remains below such rate. This hampers the quality of the product or service provided by such SHGs. Sometimes it leads to manipulation of records also. Eg. The contracts of provision of ‘Poshan Aahar’ to the schools run by municipal corporations. Here the rate per student paid to the SHG is fixed by the government authorities. The quality of the food provided under this scheme is sometimes so low that children of these schemes bring their tiffins from home. But while calculating the children per school such children are also included while preparing final bills for payment. There are many such mal-adjustments made by the authorities and SHG members. Therefore the researcher thought that finding out profitability and productivity of such SHGs is meaningless. Thus this study focuses on such women SHGs which have found out sustainable source of livelihood with help of available mf facilities. (Sometimes such types of government contracts are transferred from one SHG to another. With the change in policy decisions of government they get cancelled or substituted by new schemes.)

With this study, a researcher wants to set an ideal example of SHG. During the study, she also not is conniving at the drawbacks and lacunas as also the shortcomings in these SHGs. The researcher proposes to make concrete and positive suggestions to root out the weaknesses and weed out the shortcomings therein and fill in the gaps and lacunas. Thus study at micro level can reap benefits at macro level.

This research study was taken to document the experience of the SHGs in the study area in promoting IGAs through micro-credit interventions and evaluate the impact of the programme. Approach towards women development has also been
changed over a period of time from welfare to development and then to empowerment. SHGs have been formed and encouraged by the government, banks, NGOs to improve the situation of women so as to reduce poverty besides their empowerment. Against this background the present study of financial implications of microfinance on Women SHGs in Nasik Municipal Corporation Area during 2000-2010 has been conducted with the following objectives.

7.4 Objectives of the study

I. To study the concept of microfinance in its proper perspective.

II. To collect information – factual as well as statistical about women SHGs in the study area.

III. To examine the outreach of micro-financial services to the target client i.e. women SHGs in the study area.

IV. To study the effect of micro-financial services on productivity and profitability of women SHGs in the study area.

V. To give suggestions and recommendations for the problem if any.

7.5 Assumptions:

1. Women in the study area are aware of and interested in availing microfinance facility.

2. Number of microfinance institutions in the study area is considerable.

3. Microfinance institutions are taking care of credit facility at micro level by providing finance to small and poor women entrepreneurs.

7.6 Hypothesis

An effective utilization of microfinance improved profitability and productivity of women SHGs in the study area.

7.7 Research Methodology:

7. Research type : Descriptive and qualitative


9. Sample size: 10% of population.

10. Data Collection: For studying the experiences of various Self Help Groups following sources of data collection have used.

11. Sources of Data Collection:
a. Primary sources:

Extensive field study forms the basis of this report. Field study is facilitated by unstructured, informal interaction with beneficiaries in Marathi and structured interview with beneficiaries with the aid of questionnaires designed in conformity with the objective of the study. Besides this, visit to activity sites of beneficiaries in select cases and interaction with women SHG members helped a lot in gathering information about working of SHGs in the study area.

As already mentioned, for the purpose of this study, primary data was collected by using a structured questionnaire which was administered on women SHGs. The questionnaire consists of dichotomous, multiple choice as well as open ended questions proceeding in logical sequence moving from easy to more difficult questions. This questionnaire consisted sections to cover questions on personal and general information with economic back ground of the respondents and details about membership, saving, credit, income generation, profitability and productivity of enterprises, investments made by SHGs etc.

b. Secondary Sources:

Before primary research is undertaken, a thorough review of major components and comprehensive understanding of research issues was undertaken in consultation with the experts of the field. Detailed information about the beneficiary organisation and their activity was studied. The secondary data was collected from various documented sources for literature review. Moreover data regarding the expanse and position of SHGs in Nasik Municipal Corporation Area was collected from government offices like administrative office of corporation, District Women and Child Development Department, District Literacy Mission Office and District unit of NABARD. The geographical and demographic details were gathered from District Statistical Office. Research publications, various journals, books on studies of SHGs and Microfinance, various records and books of accounts maintained by women SHGs and passbooks issued by bank officials in the name of women SHGs in the study area were of immense help.

Statistical tools:

A large volume of raw data has to be suitably reduced so that the same can be read easily and can be used for further analysis. There are two major areas of statistics viz. descriptive statistics and inferential statistics. Both the areas of statistics have
been used by the researcher for development of certain indices from raw data and for the process of generalization from small groups (i.e. sample) to population. The percent, measures of central tendency, measures of dispersion and measures of relationship were used as a part of descriptive statistics and various methods of analysis for large samples like Chi-square test, Friedman’s Two Way ANOVA were used for the purpose of interpretation of data as a part of inferential statistics.

7.8 Limitations of the study

Circumstantial limitations may act as barriers and prove detrimental in case of many efforts aimed at achieving something. Similarly, this endeavour could not be relieved from the clutches of such limitations. Basically, the study was handicapped to the extent that it was a single handed venture covering a diverse geographical area.

7 Women from whom data was collected are mostly illiterate and hence data collection became tedious process. Many times, they did not understand the seriousness of research while giving information.

8 Study of microfinance after the actual use of it by women SHGs has limited the exposure of the researcher from many instances.

9 Geographical area covered for research is only Nasik Municipal Corporation area. Vast number of women availing microfinance facilities necessitated the researcher to adopt a selected sampling technique.

10 There are no systematic records maintained exclusively for the women SHGs. No specific number regarding registered (not pseudo) women SHGs area vailable neither with Municipal Corporation Authorities nor with D. U. D. A.

12. Cost of research was the major constraint.

13. Irreversible and irrevocable time and intermittent pecuniary constraints were the important irrefutable limitations.

7.9 Conclusions

1. Profile of the Respondents:

1. The highest number of women comes under the category of secondary school level. The formal education of women has not proved to be an asset either in improving
profitability of IGAs or in initiating any innovative idea in the study area. Informal education and exposure to business world of SHGs have benefitted SHG members a lot in the study area. Innovation and creativity in IGA is the need of the hour in today’s global market. Most of the IGAs were limited to the production and sale of 3Ps (papad, pickles and powders).

II. Majority of the respondents in the study area were middle aged. This is because at this age women have passed through the major phases of getting married and child rearing. Thus instead of facing pressure of time, women in this stage have pressing financial needs and so are inclined towards joining SHGs. Besides, in this age, the individual capabilities are in full vigour and the performance is optimal in all sense.

III. Majority of the respondents belong to poor families and were working with an average annual income of Rs. 28888. The summary statistics of income distribution of SHG families has shown that the SHGs which have used available resources optimally have enjoyed advantages of group activity resulting in cost control as well as reduction. This has helped them in improving profitability and thereby productivity of their IGAs.

IV. The experience as an SHG member is one of the important determinants of their performance level. As the group members develop the experience of handling the resources, the group can approach financial institutions for loan. Thus level of efficiency of members decides the time of bank-linkage and its maturity. All respondents have at least 3 years of experience which indicates that majority of the selected SHGs are sustaining over a period of time.

2. Information about SHGs
   I. Types of SHGs:
      1. In the study area both BPL and APL SHGs were found. All BPL SHGs are registered with Nasik Municipal Corporation under S.J.S.R.Y. The APL SHGs are registered with NGOs. The primary data collected by the researcher includes APL SHGs nurtured by four NGOs namely ‘Jijau’, ‘Zep’, ‘Rashtra-SevikaSamiti’ and ‘Stri-shakti’, Nasik, whereas about BPL SHGs information is collected of those SHGs which are registered under S.J.S.R.Y. In the chosen sample, the number of BPL SHGs and APL SHGs are 320 and 119 respectively.
      2. The range of members per group is 5-30. The ideal size of SHG ranges from 10-20 members. For operational reasons it is recommended that the number of
members in the group should not exceed 20. This is because small sized groups allow for more participation from all members, something that would be difficult in larger groups. Generally SHGs are of the size between 10-20 members. But in 2009, the size of BPL SHG has been reduced to 5 members as a policy decision. Naturally it has been observed in the study area that BPL SHGs formed after 2009 are of 5 members each.

All SHGs have their own rules and regulations. They carry out their activities in the given framework laid down by the rules developed by the leaders of SHGs and/or authorities of GOs and/or NGOs under which they are registered. This framework gives them solid foundation on which activities are carried out cohesively. Maximum i.e. 166 SHGs have their saving accounts with Bank of Maharashtra which is a lead bank of the area.

II. About Mf services:
1. Micro-credit, micro-savings, micro-insurance, micro-entrepreneurship, subsidy, GATP and CBTP are various mf services available in the study area. The remarkable and note worthy achievement of SHGs was inculcation of saving habits among its members. The dependency of the members on moneylenders has come down after joining SHG, as credit facilities are available to all members for consumption (internal lending) and for production (micro-credit for IGA through bank-linkage). This service has proved to be the most important mf service for improving economic conditions of women members. Habit of thrift in these households has brought in an important change in their attitudes. This habit helped them to curtail their unnecessary expenditure. Apart from meeting the immediate consumption needs, the savings of the members in the study area have proved to be the seed capital at a later stage. Thus regularity of savings as well as the amount saved is important for group dynamics. Even though there are members having more than 5 years of experience in SHG, their savings are very small because the additional income raised through mf facilities are spent on development consumption.
2. Based on response given by the respondents, analysis was made of the preferences and level of satisfaction; respondents receive out of the available services (Table 6.6). Subsidy, micro-credit and micro-savings are the most favoured services in the study area. (Figure 6.6). After gaining experience, respondents have understood the importance of other services too which has reflected in their level of satisfaction. (For micro-entrepreneurship—Table 6.10, For GATP—Figure 6.12, For CBTP—Figure 6.13).

1. The least provided mf service is micro-insurance (Table 6.6). But respondents have understood its importance and now they are taking initiative in making available such services. The respondents have experienced that this mf service has provided them protective cover in circumstances of calamities which have saved them from worsening their economic conditions.

2. The level of satisfaction and preferences given by respondents to all mf services are highly associated ($\chi^2$ Test applied to various mf services have proved this). For the highly preferred mf services expectations of the respondents are high. If those are not satisfied then level of satisfaction remained to be medium or low.

3. The factors influencing ranking of mf services by their users are significantly different (Friedman’s Two Way ANOVA Table 6.14). Different mf services have different levels of utility. The users of mf services intuitively understand this and therefore it is seen that higher ranked mf services are more effective in improving productivity of IGA. (Rejection of null hypothesis in Friedman’s Two Way ANOVA test has proved this).

III. About Mf providers:

1. The banks, insurance providers, GOs, NGOs, MFIs and training institutes are the types of mf providers working for the benefit of SHG members through SBLP. The least reached mf provider is insurance provider (Table 6.15). But the need to offer micro-insurance products to poor in order to climb their way out of poverty will improve the outreach of these providers. The understanding of susceptibility of low income people to the most common risks will increase the number of players (private as well as public) in this field. It is absence of information and
low initiative on the part of insurance providers, this mf service has limited outreach in the study area.

2. The GOs have taken sincere efforts to make available micro insurance products catering to their needs. But Life Insurance Corporation (LIC) should take special efforts so that they will reach their door steps. Some of the private players have taken undue advantage of the situation by compelling them to buy the products which they have. They have cheated them by not disclosing hidden information. As most of the SHG members are financially illiterate they cannot read between the lines.

3. Training is one of the important inputs, especially in the context of low level of literacy and poor skills. These women need capacity building training for better organization of their IGA. The SHG women in the selected sample were given training by various agencies on the whole range of activities which has proved to be very beneficial in improving efficiency of women members and thereby profitability as well as productivity of their IGAs.

4. Banks have played an important role in making successful mf movement in the study area. The lead bank i.e. Bank of Maharashtra has taken care of varieties of training needs of women SHGs in the study area.

5. Based on response given by the respondents, analysis was made of the preferences and level of satisfaction respondents received out of the services provided by these providers (Table 6.15). Banks, insurance providers and training institutes are the most favoured mf service providers in the study area. (Figure 6.14). After gaining experience, respondents have understood the importance of other service providers too which has reflected in their level of satisfaction. (For GOs—Table 6.18, For NGOs-- Figure 6.18, For MFIs--Figure 6.19).

6. The level of satisfaction and preferences given by the respondents to mf providers are significantly associated ($\chi^2$ Test applied to various mf service providers have proved this). In case of some of the mf providers the expectations of the respondents are quite high and as these are not met the level of satisfaction remain medium and sometimes low.

7. The factors influencing ranking of mf providers by their users are significantly different (Friedman’s Two Way ANOVA Table 6.22). Different mf providers have different levels of utility. The users of mf service providers intuitively understand this and therefore it is seen that a higher preference or ranking is given
to such mf providers that are more effective in improving productivity of IGA. (Rejection of null hypothesis in Friedman’s Two Way ANOVA test has proved this).

IV. About Utilisation of Mf services:

1. In the background of severe socio-economic constraints in the fast developing urban areas, gender-specific problems and limited interventions made by the SHPI, the SHGs in the study area have contributed significantly to its sustainable development through effective utilization of mf services. The areas in which the individual members or the groups lag behind are the gaps left by the SHPI where it failed to play its role as initiator, facilitator, promoter, advisor and supporter.

2. The urge to improve standard of living, urge to start entrepreneurial activity, objective of using available mf services, corporator’s or friend’s request and request from MFI/NGO/Bank are the various reasons of joining SHG. The most popular among them is ‘Objective of using available mf services’. Various G.O.s and N.G.O.s take initiative in forming and nurturing SHGs. Their intensions in doing so are generally different. As these intensions are different, their working style, priorities also are different. Efforts were therefore made to understand the interests of the respondents in starting SHGs. It has been seen that the intensions of the members to join SHG decide the level of their involvement in SHG activities.

V. Internal lending:

1. The loan is granted to a member from internal savings. This is generally used for consumption purpose. Individual loan made available through internal savings has proved to be a boon in emergency situations in the study area. This has helped them to understand the importance of money management and creation of wealth through its optimal utilization.

2. All respondents agree to the fact that loan provided to them has helped to improve economic condition of their family. They realized their potential to save, use and invest money of such a huge denomination according to their wish. This has helped them to gain confidence and improve their financial
literacy as well. Through SHG, money is available for a very short period also (internal lending). This helped them in bridging the gap between demand and supply of money. Access to credit have brought in its wake, economic benefits in terms of increased income, higher employment, better living conditions including enhanced consumption levels. Better access to credit, increased income level, self decision making habits and improvement in the standard of living helped them to reduce stress at different levels. This builds in them the feeling of self-help and mutual help.

3. The economic impact was also revealed through incremental developmental consumption expenditure. It has been found that respondents have spent more on housing (construction and/or extension), household equipments, gold jewellery, children’s education etc. which helps them to improve the standard of living. These developmental expenditures will go long way in fighting with the poverty. Respondents have endorsed that self-help groups do add significant value to them in terms of self development and provide them with strong sense of recognition apart from increasing their overall awareness.

4. For smoothening uneven income flow, financial support is needed. As long as basic needs are not satisfied it is useless to expect that a person would start IGA using innovation and creativity. The internal lending has proved to be of utmost use. Generally, members are required to take loan from multiple sources for consumption purpose. The choice of source depends on the purpose, period and amount of loan, urgency, outstanding debt amount, availability of security etc. Though purpose of taking loan differs from person to person, in the initial period, the members would access loan to satisfy their immediate consumption needs. The rate of interest (ROI) charged by SHGs to their members on loan is as high as 24% p.a. (2% p.m.). Still all of them prefer to get money from SHG as collateral free loan from informal sector is much costlier than the loan from SHG.

5. Sometimes proposal of bank loan is rejected for some reason. In such cases loan is taken from SHG for IGAs. Thus internal lending is useful not only for consumption but for productive purpose also.

VI. Loan from Bank to the group:
1. The study shows that the percentage of borrowers increases in relation to the monthly savings as well as per capita savings of the groups. A rise in these two variables denotes that the groups have created a capacity for credit delivery. While, longer duration of the groups is expected to be a natural correlate of percentage of borrowers. The significant relationship between all these variables reveals the fact that the groups are not just sustaining over a period of time but are also showing an improvement in the indices of saving and lending. The most remarkable contribution of SHG to the economic lives of the members is that it has brought about a phenomenal change in the borrowing profile of the respondents. A comparative picture of sources of credit accessed before and after SHG membership shows a definite shift from informal sources of credit to self-help group. Moreover, the shift to minimalist credit in SHG premised on the conviction that credit was a critical ‘missing link’ in the economic lives of the poor.

2. The loan profile of the borrowers in this study shows that:
   A. Very few loans were raised from bank for debt service.
   B. The bank loans have mainly been contracted for IGAs.
   C. The loan sources show a significant shift from informal channels to channels like group and bank.
   D. The repayment status in case of group borrowing is satisfactory.
   E. The group loans are small loans and thus cannot be used to service the huge debts contracted from the banks.
   F. Nearly 40% of IGAs are proved to be sustainable fetching sufficient income to repay debts generated by these economic activities.

   Thus, it can be inferred that the women borrowers are not getting caught in a debt trap but have turned out to be defaulters of bank loan in some cases.

VII. Provision of mf services:

   By giving mf services individually as well as for the group as a whole, emancipation of an individual as well as of a group is achieved.

VIII. Subsidy:

   Saving, which is an entry point to SHGs, is a difficult part of this programme as it generally exerts pressure on the poor members. Remaining at the subsistence level of living, practicing thrift is impracticable and saving is luxury. Moreover,
saving regularly is often impossible for poor women, who are hand to mouth in managing their basic consumption needs. To help them out in this situation, subsidy is provided to BPL SHG members at the time of registration of the group for the initial expenses. To these SHGs while granting loan the element of subsidy is the motivation provided them to carry out sustainable economic activity.

**IX. Types of IGA:**

1. Entrepreneurship is promoted among women primarily based on traditional skills and livelihood activities. Apart from these, women have also taken up trade and retail activities on an individual basis, such that they can be combined with labour work. The focus of the trainers is on exploring opportunities for collective enterprise to enable communities to address sustainable livelihood needs and enhance economic opportunities.

2. The micro enterprises taken up by the members in the study area can be broadly classified as Food Processing and Sale, Petty Trades, Service Providers, Skill oriented and Multiple Activities. Majority of these activities are traditional not requiring much of innovation and creativity. In absence of market, these activities have failed to provide full employment to all members of SHGs.

3. In the initial stages the level of risk bearing capacity; creativity, innovation and entrepreneurial skills remains low. Therefore the policy decision has been taken by the government to provide various avenues of income generation like maintenance of public gardens, providing breakfast for children in governmental-corporation schools etc. In the study area, BPL SHGs have got contracts for such activities. The menu decided by the governmental authorities and the payment per student per day is universal which has made negative impact on the quality of menu. Besides, delay in making payment of the bills to these BPL SHGs increases mismanagement of funds.

4. Though there is tremendous scope for creativity and innovation in choosing the type of IGA to be started by SHG, maximum number of SHG women opted for food processing and its sale in the study area. The markets are flooded with number of branded substitutes. This has hampered the growth and share in the market of SHG produce. According to market requirements, SHPIs should take initiative in imbibing special skills required for such activities. Where such training facilities are provided it has helped in widening the scope of activities.
X. Involvement of members in the group activity:

1. Involvement of all SHG members in IGA is essential for efficient, sustainable and profitable venture. But risk involved in any entrepreneurial activity keep BPL women away from such ventures. They need secured income for which they are ready to work as household servant. Closure of group activity in short period of time is the result. A critical review of the primary data shows that BPL women in the study area got low scores with regard to attitude towards self employment through IGA. The basic reason is assurance of wage employment and seasonal demand for SHG produce.

2. The produce of IGAs started by SHGs has seasonal demand. Besides, they face cut throat competition from attractive (branded) cheap substitutes produced by MNCs. Brands of these products provide assurance of quality as well. As demand for SHG produce is low they cannot enjoy economies of scale. This results in more cost of production. (Per unit cost of these units is much more than any branded substitute.) Besides, low marketing skills, limited market, low technical knowledge, under utilization of resources, low level of exposure to the competitive world of business hampers sustainability and profitability of SHGs. Many of the SHG respondents work as labourers before joining SHGs which provides them secured income every month. They lose such assured income if they start participating in IGA. In the initial stages of IGA even low profit cannot be assured. This reduces their interest in active participation in such IGA.

3. Whatever may be the size of business; owners should possess organizational skills, risk bearing abilities, creativity and innovation and leadership qualities. Absence of few or all of these qualities keeps them away from active involvement in IGA. Low level of formal education, absence of proper training and guidance force them to work as a wage earner.

4. Shortage of material, shortage of working capital (particularly when sales are on credit basis and loan is not available in the initial stages), shortage of skilled labour and lack of demand are some of the important reasons respondents have shared for their indifference with IGAs. Further they feel that inadequate training, lack of proper know-how and technology, inferior packing, improper preservation due to inadequate storage facilities, poor transport facilities and lack of professional marketing expertise hamper the quality of their produce.

XI. Availability of Welfare Schemes:
1. As a SHG member, they enjoy special treatment in social activities. Medical camps, training programmes are organized for SHG members. 276 respondents have said that they could participate in various competitions held for women and children as SHG members. The social gatherings and festival celebrations are organized by corporators, GOs and NGOs for SHG members. The workshops giving exposure to various issues are also organized in frequent intervals.

2. Interaction with others always plays a pivotal role in sharing knowledge, information and developing the ability to articulate various problems. In the context of SHGs, interaction paved way for many significant changes among women in the study area. Through SHG they meet every month and discuss about various issues. Through these frequent interactions, SHGs gave women an increase in their physical mobility. They started going with their friends to hospitals and weekly markets independent of their spouses and relatives. Gradually with enhanced interpersonal relations common platform for sharing ideas and problems was made available.

XII. Impact of mf services on economic status of the Family:

1. One of the most important objectives behind launching SHGs was to establish the formal banking system among the people at the bottom of the pyramid. The SHGs enter into a formal linkage programme with the banks, which in turn extend formal financial services for providing credit inputs to the group. The members and their families have thus got relieved from exploitation of moneylenders.

2. The loan is granted to a member from internal savings. This is generally used for consumption purpose. It has been observed that in the initial periods, members access loan to satisfy their immediate consumption needs. Individual loan made available through internal lending has proved to be a boon in emergency situations. The bank loan granted to the group helped them to understand the importance of money management, creation of wealth through its optimal and productive utilization. Women in the study area have become extremely successful entrepreneurs following a series of loans without which they would not have been able to set up an enterprise. This has proved that there is considerable potential for women enterprise development which is making significant contribution to poverty reduction and women empowerment.
3. Since loans are taken for a variety of purposes in SHGs ranging from consumption to production, different level of priority is attached to different purpose of seeking loan in different groups.

4. A comparative picture of the sources of loan before and after association with SHG has depicted diversion from informal sources of credit towards formal credit sources.

5. Most important mf service for improving economic condition proved to be ‘savings’. Saving can be said as crucial factor which is required for economic growth of these women. Habit of thrift in these households has brought in an important change in their attitudes. The precondition for any loan to be granted by formal financial institution to SHGs is collection and deposit of savings in banks by each member. The micro-loan is not granted unless every member deposits periodically a predetermined amount as savings. These women respondents save whatever meagre amount they can with either banks or SHGs or chit funds. Among different ways of savings the most prominent ones are contributions to SHGs. These habits inculcated in them, helped them to curtail their unnecessary expenditure. Apart from meeting the immediate consumption needs, the savings of the members in the study area have proved to be the seed capital at a later stage. Thus regularity of savings as well as the amount saved is important for group dynamics. Even though there are members having 3-4 years of experience in SHG, their savings are very small because the additional income raised through mf facilities are spent on development consumption like children’s education, housing, household durable items, gold jewellery etc.

6. Insurance is such an mf service which is of utmost importance to this section of society. Women have started realizing its importance day by day. Women who have taken individual policies have specifically expressed that they have benefited out of these policies.

7. Entrepreneurship is not just organization of factors of production. These resources have to be used creatively and innovatively. Entrepreneurial skills through training have helped them to use resources more efficiently resulting in saving of scarce resources which help them to increase income. This is the result of the changes in the occupational shift and employment of SHG members. A significant proportion of the SHG members in the study area, who were formerly housewives
and employed marginally in household economic activities are now carrying out some type of IGA.

8. Any development strategy is said to be successful only when such strategy positively influence social aspect of the society. One such important social aspect is improving the skills of people. One of the important reasons established in the literature on why poor households are prone to exploitation is lack of writing and reading skills and inhibitions in dealing with government functionaries. The SHG strategy attempts to impart among its members reading and writing skills and deal confidently with government functionaries. Out of the total respondents, 105 women were totally illiterate before joining SHGs. Many of them have learnt to sign the documents instead of putting a thumb after joining the SHG. Training is one of the important inputs, especially in the context of low level of literacy and poor skills. These women need capacity building training for better organization of their IGA. The SHG women in the selected sample were given training by various agencies on the whole range of activities including tailoring, management related aspects such as leadership, book keeping etc. Only 7 respondents felt that the training was not useful. The remaining respondents experienced different degrees of utility of training.

9. Mere membership in groups itself had enhanced not only economic entitlements but also the extension participation of the members which had positive and significant influence on adoption of innovative practices. Through these programmes they have understood the importance of optimal utilization of resources which has helped them to improve productivity of their IGA. As the economic condition of these women (particularly BPL SHG members) is poor in all respect before they join such SHGs, they needed exposure to commercial world and inculcation of variety of skills. It has been observed that after starting SHG, their living standard improved. As a result the monthly household expenditure rose by a considerable level. The savings are increasing at a slower rate because incremental expenditure is higher. With a habit of going to bank their level of financial literacy also improved. Thus women SHGs are playing a major role in generating self employment, employment for others, income generation and production of goods and services for the society as a whole. Since the repayment of loan is regular with very few exceptions, it can be concluded that the
economic activities of SHGs are quite successful in improving economic conditions of members of women SHGs.

10. As these women became aware of the banking system and got acquainted with banking transactions, they have understood the importance of formal financial institute in their life. Initially women could not access the banking services due to several stringent rules. But now due to their group’s account, they go to bank and interact with bank officials. This banking culture is found to be more prominent among group leaders as they are entrusted with the task of depositing and withdrawing the money.

11. The group activity no doubt has provided tremendous advantages but this is possible only if there is ‘agent-principal’ relationship among members. The groups having such relationship enjoy economies of scale. It has been proved in the study area that for successful and sustainable IGA such relationship has crucial role.

12. It has been experienced that IGAs started by women SHGs in the study area are managed with great difficulty and are accomplished despite severe obstacles. They typically lack capital skills, technology and business security. But their strong survival skills, shrewd business sense, long experience of hard work and extensive informal support and communication network help them manage their tiny business activities. It has been also seen that their fundamental understanding of flexibility has proved to be the key to micro enterprise survival.

13. It has been seen that micro enterprises provide an income stream for poor urban women entrepreneurs. They generate employment by creating small income generating assets to their husbands and children who have otherwise remained unemployed. They recycle and repair goods that would otherwise become waste and they provide goods and services to poor people including those at the lower levels of formal sector.

3. **Profitability Indicators of IGAs:**

1. In the base year the sales of IGAs started by SHGs were ranging between Rs. 1-250000. In the year 2009, it was increased to Rs. 1-1200000. Besides, the number of SHGs having higher sales increased with the passage of time. This increase in sales has accompanied with increase in profit as well. Average yearly profit is showing increasing trend. Though distribution of profit is highly skewed with the passage of time most of the SHGs have realised the importance of group activity.
2. The average (mean) profit has increased during the period of time with few exceptions. The range of profit shows that there are efficient as well as inefficient IGAs every year. Some of the IGAs have shown enviable results. Their sincere efforts have paid them handsome dividends. In some cases the losses of the IGAs are not due to their inefficiency but due to financial illiteracy. Moreover, in some cases purchase of assets has been treated as revenue expenditure of the year in which those are purchased. They do not know the concept of depreciation.

3. The indifference of many members is the main reason of low profitability in the study area. Low innovation and creativity in IGAs, restricted outreach, low entrepreneurial capacity, absence of networking, and absence of holistic development of SHGs etc. are some other reasons of low profitability.

4. The study shows that the rate of return is more in kirana shops run by BPL SHGs and catering service. In case of kirana shop the subsidised loan has an important role in such a high profit.

5. More and more SHGs are coming up with innovative IGAs to be carried out by the group. Activity-wise distribution of profit has displayed the lowest and highest amount of profit per activity. These figures show continuous improvement in earnings of all SHGs with very few exceptions. It has been found out that where members were successful in making right choice of IGA their profit is more. The right choice of IGA has created interest in the group members to actively participate in the activities of the group. This in turn has inspired the members to strive for group success and achievement of group goals. The return of investment is another indicator used to show profitability of women SHGs in the study area which showed that the overall picture of ROI is encouraging. The highest ROI recorded by skill oriented activities (41.833) may prove to be record break returns in informal sector.

6. Profitability is the indicator of sustainability. The overall condition of profitability can be improved if GOs and NGOs could provide strong marketing network. (Demand is the only hurdle in expanding market and in improving efficiency of factors of production.). Special efforts are required for increasing outreach.

4. **Productivity Indicators of IGAs:**
1. Partial productivity which is concerned with efficiency of one particular characteristic (input) has been considered for the study purpose. Diversified activities with wide difference in quantity as well as quality of inputs and output of various SHGs made it irrelevant the comparison of performance of IGAs based on productivity indicators.

2. Absence of full time employment has reduced the labour productivity of these IGAs. The efficiency of factors of production, effective utilisation of available mf services and co-ordination among member’s activities has positively reflected in material productivity.

3. The SHGs are working in growth environment. It has been seen that tremendous efforts are being made by SHGs to make their presence felt and to convert their growth plans into reality. However, it has been also experienced that many SHGs are struggling to achieve expected growth and grappling with inherent challenges of scale and culture. The women members are exploring ways to minimise this inertia by bringing attitudinal change in their colleagues.

4. It is observed that perennial firms are less efficient than casual and seasonal firms because they are used to produce their products in peak and lean seasons. In the lean season demand is less and inputs are relatively costly.

5. Lack of market is one of the main reasons of the informal sector’s inefficiency

5. **About investment made in IGAs:**

1. The initial investment for certain economic activities is much higher than the amount of the revolving fund. Since bank loan is also advanced to the group they are able to make some investment through the amount of revolving fund. Many respondents were of the opinion that even if the assistance was less than actual requirement, it had improved their credit worthiness and consequently helped them in raising money from supplementary sources.

2. As the indirect cost (overheads) are either nil or meagre for the IGAs run by SHGs the total cost comparatively remains to a lower side. The labour intensive production keeps the requirement of investment also to lower side. This has positively affected on the return on investment (ROI).

7.10 **Recommendations:**
The concept and practice of SHG-based micro finance has now developed deep roots in many parts of the country. Impact assessment being rather limited so far, it is hard to measure and quantify the effect that this Indian micro credit experience so far has had on the poverty situationin India. Doubtlessly, a lot needs to be accomplished in terms of outreach to make a serious dent on poverty. However, the logic and rationale of SHG-based microfinance have been established firmly enough that microcredit has effectively graduated from an“experiment”to a widely-accepted paradigm of rural and developmental financing in India. This is no mean achievement. In fact to the extent that people’s mindsets are the biggest roadblock in the success of an innovation, it is one of the most important steps in the saga of microfinance. The path ahead is obviously strewn with challenges. To strengthen SHG movement, the following recommendations have been suggested.

A. **General Recommendations**

1. In a short span of time women have changed and so also have the ways the community views them. While the district collectors and higher district-level officers show high regard for the SHG members, the lower-level government functionaries and the systems they have established have not kept pace with the above changes. This specially applies to those who issue various caste and income certificates. They make the women go round and round and the women keep hearing the standard phrase ‘come later’. This needs to be changed. The lower level government employees need to go through further gender sensitization.

2. There is huge experience and capability existing in the older animators, who have managed SHGs for many years. They are not only fully aware of the day-to-day problems and issues of running a SHG, but also know what goes into the making of a successful SHG. This capability has been developed in them, both by the training given to them, as well as, the experience they have gained. Importantly, there is extensive sharing of information going on horizontally and vertically between the older and the newer SHGs and Federations, NGOs and the Project Officers. These animators are already playing the important role of the guide. They can be developed as first-line trainers. Much of the responsibility for providing the initial training can be given to them. Those animators, who have the potential to become trainers, need to be identified and selected. They should be given further training relating to the issues of capacity building to become first-
line trainer animators. The training given to them will need to be streamlined to make it more effective. In the future they can undertake the training of the animators and members of the existing weak SHGs and the new SHGs under formation. Before an SHG is formed and its account is opened in the bank, the animator and the representatives must go through an orientation on the benefits, importance and reasons for forming an SHG and they must have passed on this information to all the other SHG members. Special modules for training the animators and representatives of the weak and new SHGs will need to be developed. The existing training modules need to be improved and made more comprehensive and community based and should be organized at the block level.

3. It is suggested that an environment may be created for promoting the natural formation of SHGs through a horizontal spread. A new SHG may form on its own by seeing other successful SHGs. In this process the mature SHGs would groom and train the new SHGs. However, this strategy would not apply to the isolated communities and left out and un-reached habitations. For these groups, special efforts will have to be made to identify them and familiarize them with the philosophy of Self-Help.

4. MFIs should create awareness about various alternatives of livelihood projects feasible in their localities through special camps, orientation programmes, capacity building programmes etc.

5. It is felt that efficiency and effectiveness of SHG should be regularly monitored by a qualified and designated body to give corrective input wherever necessary as well as encourage the deserving ones. The contribution and the good performance of the collaborative like Banks, NGOs associated with SHG etc. should be published nationally to gain public support and general goodwill. The experience from southern states where SHG movement has now taken strong roots suggests that forming SHGs, pooling savings is easy. However, utilization of these savings for building micro enterprises requires considerable policy and programme support. Exposure visits to areas where SHG movement has taken off should be a critical component of SHG development programmes.

6. As the subsidised loans are given to BPL members, identification of such SHGs sometimes becomes a major problem. Targeting under the scheme relies heavily on state-provided urban BPL lists. These lists are neither uniform nor comparable across states. In addition to methodology, the BPL surveys at the state levels are
conducted at random time intervals, and therefore the comparability of indicators across time as well as across states and/or pan-India is not possible. Significantly, the targeting of the urban poor for livelihood interventions on the basis of surveys identifying poverty in monetary terms may not match with the objectives of the scheme. In addition, to the identification of beneficiaries, the classification of beneficiaries according to need is not undertaken. Based on this classification training inputs are provided to women under various programmes. Except for a few select states, training courses offered are not fully synchronized with the investigation of job opportunities by sector, the demand for skills, training linkages with industry, as well as the aspirations of the beneficiaries. Therefore the selection of BPL SHGs has become tedious job which require trained human resource.

7. In today’s global market, branded products are in demand. Variety of products is pouring in the market every day. Very few products produced by SHGs in Nasik are branded. Naturally, though they posses quality and available at competitive prices they face cut-throat competition from these branded products. No common platform is available to these products except few exhibitions held in festival periods for marketing these products. Therefore development of brand and making that brand popular among prospective customers is the important task which needs immediate attention. The permanent market place for SHG produce is another issue which should be urgently attended. The place has been reserved for such market long time back but yet no further decision is taken in this regard. The administrative hierarchy should be reduced to minimum for timely decisions for the benefit of society at large.

8. Training in entrepreneurial attitudes should start at the high school level through well-designed courses which build confidence through behavioural games. This exercise would illustrate practical application of the academic knowledge being imparted regarding management (financial, legal, etc.) of an enterprise. This curriculum should include simple project work designed to give hands on experience of assessing the marketability of a commodity or a service. EDI Ahmadabad appears to be running a programme on these lines in Gujarat which could be replicated elsewhere. While making this compulsory for girls at the high school level, however, care must be taken to ensure quality and the syllabus
should be reviewed continuously on the basis of the feedback received using professional inputs.

9. The common practice of selecting occupations for women on the basis that women are only supplementary income providers and, therefore, do not require a full day's wage for a full day's work has resulted in their large-scale exploitation. Activities in which women are trained should focus on their marketability and profitability, and not be routinely restricted to making pickles and garments. A high power and professionally involved committee must constantly review the courses and the curriculum on the basis of evaluation studies and market developments. In addition to skill development, these institutes should also provide practical management inputs.

10. Any programme for women entrepreneurs is vulnerable to abuses by individuals who are not entitled to the benefits. These individuals could exploit the programme by using the truly deserving beneficiaries as fronts for their personal interests. This practice cannot be curbed by exhortation or control; women beneficiaries must themselves be induced to claim greater decision-making authority in family businesses, whether run in their names or not. This can only come from greater confidence induced by greater knowledge and experience of dealing with the external world and from moving with other successful women entrepreneurs. All this can be achieved in a training environment, especially one in which the woman is distanced from the normal restrictive family environment and is taught to recognise her own psychological needs and express them. To encourage more passive women entrepreneurs whose men folk run businesses in their names, and to actively involve the women in their businesses, we must aim at covering all the women who claim to run 'women's enterprises' in training programmes. Repeated exposure to women who are successfully managing enterprises might encourage some women who are passive now to involve themselves to a greater extent in the enterprises to which they have lent their name.

11. The support system prevails in the form of men, machinery, materials and money from institutional and non-institutional, governmental and non-governmental business organisations, co-operatives and people’s organisations. An entrepreneur banks upon all reliable support systems to establish and operate the enterprise. All inputs required will not be available from single source. The organisations are also
working at national/state/district/local levels to support women entrepreneurs. Inputs are in the form of skill/training/facilities. Lack of coordination of activities meant for entrepreneurs put unnecessary wastage of time and/or delay or denial of assistance. Synergy of the support networking is therefore essential. Higher the synergy, higher will be the linkage effect.

12. There are several training programmes prevailing for the entrepreneurs. They fail to get desired result since they are not linked compulsorily with assistance and not attuned to the requirements/conditions of target group. Many institutions do not have tailor made training programmes. These institutions require regular rejuvenation and refocusing. Otherwise they will defunct, picking holes on the exchequer.

13. After the formation of the group, the facilitator should arrange meetings for the group and initiate discussions on various issues. Otherwise, the meeting will be a ten minute affair with all savings collected and loans disbursed. Soon these formal gatherings will also culminate into door-to-door collection or proxy collection. Therefore, the facilitator needs to discuss with women, matters concerning their lives, starting from issues like nutrition, health, care of children, literacy and moving on the gender awareness. Only such inputs can help the group evolve into ‘credit plus’ groups. A conceptual clarity about the revolving fund and bank linkage can be created in these meetings and the members can be pulled out of their old subsidy hangover.

14. The students of Master of Social Work (MSW), Postgraduate students of Economics, Sociology, Home Science and Commerce and the students of Journalism should have a theory paper and practical projects on the various topics related to empowerment of women in the society. Various symposia, workshops and seminars should be conducted at the college level, community level and inter university level so that the future generation will know more about the issues related to women and their welfare. During the study the researcher found the necessity of having a network among the NGOs that work for the empowerment of women in the state. Such a coordinating body can assess and strengthen the work of NGOs.

15. It is evident that SHGs have been able to cast a positive impact on status and decision making power of women. However, attitudinal prejudices continue to persist among SHG members in case of deeply rooted socio-psychological
perceptions. The attitudinal change in women as well as in other family members is must for sincere involvement of members in SHG activities. This can be done by arranging social gatherings for family members. A word of appreciation to such families which provide strong support to the women members for SHG activities will slowly but steadily achieve this purpose.

16. The role of NGOs working in the field of mf, SHPIs and all mf providers is crucial. The guidance from these institutes particularly banks will improve efficiency of utilisation of money as well as human capital. It has been experienced that these external agencies are not extending their facilitating services satisfactorily. Moreover, SHGs have not been evolve as vibrantly and dynamically as was expected, so they are still not able to offer good business opportunity to the banks. The main reason is in the way SHGs are nurtured. The SHPIs do not follow all the steps of group formation and promotion faithfully. Instead of laying down the importance of thrift, savings, inter lending and group strength, many times these agencies tempt women into group membership to fulfil their targets, in the name of loans. Such pre-matured groups either get dissolved in due course of time or remain in existence for nothing. These groups not only complain about banks but also spread misleading concept about SHGs. To avoid this every care has to be taken while registering the group.

17. The internal social exchange taking place in the groups starts transforming the potentials of the members on individual levels. Although the individuals exhibit a transformed level of potential to some extent however, the potentials of the groups have not got transformed to the desired level. The degree of involvement of the groups in community action found to be very low. If this has to be improved there is a need for qualitative and quantitative interventions of SHPIs and facilitators in the group activities. Majority of women have no knowledge and information about various Government programmes. This has to be taken care of immediately.

18. Exporting produce of selected IGAs will prove to be wonderful strategy in unleashing hidden potentials in women. Right from selection of IGA till shipping the produce and getting the payment, SHPI need to plan and co-ordinate. This will give not only new dimension to the IGAs but also provide new source of earning scarce foreign exchange. This will utilise easily available natural sources in abundance.
19. Continuing education programme should be conducted for illiterate members in informal but innovative way based on two way communication. This will definitely increase their involvement in SHG activities.

20. The developmental programmes have been shifted from welfare mode to empowerment mode. The BPL SHGs get various contracts from governmental departments. This assurance of incomemars their initiative, creativity and innovation. This increases the dependency of such SHGs. The administrative hierarchy in governmental departments provides full scope for mismanagement of funds. This reduces motivation of SHG members to think out of box. For sustainable development of SHGs, independency is the foremost important. Building confidence in the minds of members for the separate identity of each SHG is needed. This can be achieved only through capacity building programmes and not through readymade market or some avenues for income generation.

21. The BPL SHGs get contracts for providing ‘PoshanAahar’ to school going children. Besides this, these SHGs are provided with activities like maintenance of public gardens on contractual basis. The bills for such activities remain pending for a long duration. This hampers not only the quality of work but also the involvement of members. The policymakers should understand that every SHG should ultimately reach the stage of independent unit having separate identity. Instead these SHGs should be given an opportunity to start canteen facility in schools, colleges and public offices. The canteen facility will not only provide choice to their customers but also price flexibility for the SHGs. As the price is decided by the SHG the quality of food unnecessarily will not get hampered.

22. Each SHG should start some commercial activity. While forming the group the initiator should see that all members of the group are ready to take every effort to improve their standard of living through such commercial activity. In the initial stages depending on doles and subsidy is acceptable but for sustainable growth, empowerment through commercial activity is essential.

23. Poverty is a multidimensional phenomenon closely related with the low accumulation of human capital and scant economic opportunities for the poor. Ensuring an adequate environment (governance, corporate social responsibility public private sector trust) to increase the capacity and opportunities of the poor and fostering institutions to monitor inclusive and shared growth and facilitating and promoting evidence-based policymaking is the need of the hour.
24. A profit or loss is no doubt an absolute measure of how well a business is doing, but there are several other important indicators which can be called as key performance indicators. These are commonly used financial calculations which can help to find areas where improvement is possible to increase profitability. Impact evaluation studies should consider these performance indicators so that suggestions of these studies would help to achieve the basic aim of sustainability.

25. It was found that there are some prospective steps which helped Andhra Bank to achieve the highest success in AP like individual volunteers scheme, bank correspondents, mobile banking, entrepreneurship workshop, involving retired bankers, teachers to adopt nearest villages to educate the rural people to attain self sufficiency (as the microcredit started it journey in Chittagong University, Bangladesh, the academic institution role cannot be ignored.) Otherwise it is unlikely that NGO SHPIs will maintain the rate of growth which they have achieved in the past.

B. Recommendations for Policymakers

1. While the five-year planning period is the established planning process for the developmental goals of the country, it is necessary for the Planning Commission in particular, and the Government of India in general to go beyond the temporal boundaries of the 5-year period and lay down the foundations for the next two decades of urban transition, supporting state and cities at varying levels of economic growth and urbanization. The recommendation is to look at NUPAM as a long-term sustained strategy for urban poverty alleviation that is dynamic and decentralized over the next 20 years with clear-cut goals and vision.

2. The strategy should identify gaps in existing programmes and amend their strategy to include a focus on the urban poor, except in cases where this focus will overburden existing schemes. In that event, separate initiatives should be designed. Separate funds should be placed at the disposal of ULBs to be targeted for the urban poor under various existing schemes of social assistance (labour, health, education, social security, women and child development and water and sanitation). In addition, private-sector capacity for social and financial security should be tapped into. Particularly in the case of banking and insurance, regulatory authorities
such as the RBI and the IRDA should ensure that both public and private banking and insurance companies identify the urban poor as priority targets and improve the access of the poor to banking and insurance products offered by the private sector. The Government of India, in turn, may consider partnering with such institutions to cover a percentage of the insurance premium as a subsidy component with the remainder as beneficiary contribution.

3. S.J.S.R.Y. should provide a framework of social protection for the socially vulnerable women population. The aim should be the long-term sustained alleviation of urban poverty, including chronic poverty. Strategies should focus on vulnerabilities to gender, age, health, education and food insecurity providing a basic minimum guarantee of a decent standard of living for all urban citizens, especially the urban poor, such that susceptibility to social vulnerability does not drag the individual or family into (chronic/cyclical) poverty. This assistance can be in cash or kind, conditional or unconditional suited to the nature of assistance and desired efficiency and transparency of the delivery system.

4. Timely release of funds is extremely important for implementation of the programme and delivery of benefits to the poor women. The Government agency should send timely proposals for release of second and third instalments.

5. It is believed that SHGs will sustain only if they enter into some form of commercial activity like production and marketing of elementary household requirements. In this context, it is essential to provide preferential treatment to SHG produce. Reserving products made by SHGs, like village industries, SSIs and cottage units can provide motivation to SHG products. If their produce is sold in national as well as international market instead of local market it can fetch better prices. Keeping this in mind backward and forward linkages is required to be created. GOs and NGOs can play crucial role in this regard. Development administration has a great responsibility to build synergy between various departments for convergence. Every development department has to be sensitized to this effect. The DUDA (District Urban Development Agency) under the supervision of District Collector / Magistrate has to take lead
role in this regard. Given the competitive environment most of the SHGs will not be able to market their products directly. Hence SHGs and their federations have to be networked for building the required scale advantages. This can be better done by professional agencies. There is a need for continuous sensitisation programmes for Bank Officials and other staff members too.

6. SHG concept should target the holistic development of women members. The recent scenario suggests that the focus lies empathetically with economic empowerment. In addition, life (social) and developmental issues related to the quality of life of the poor needs immediate attention. Therefore, programmes targeting holistic development should be conceptualized and even the existing programmes may be oriented towards this.

7. There is dearth of relevant information on SHGs, for the SHGs, their members and even the social workers who are into promotion of women SHGs. The ministry may bring out publications pertaining to different aspects of SHG and its development / empowerment. The publications may also target various case studies on SHGs compiling experiences of different agencies of development like individual NGOs, international donor agencies or the partner NGOs of the Government involved in promotion of SHGs. The publications may be brought out in easy and community friendly language. For the purpose, the ministry may open up a nodal reference material centre on SHGs. A block-level data bank for the SHGs will go a long way in fulfilling many purposes and will lead to synergisation of many activities. E.g. SHG members could be better targeted for ICDS programme or for that matter for any training programme. Loan beneficiary could be easily identified if one has access to the same. If Computer Munshi programme becomes successful, it will be easy for integration of departments and develop an MIS (Management Information System) of SHGs so that there is proper coordination between departments, NGOs and other agencies who promote SHG movement in India.
8. Reaching poorest of the poor is posing difficulties due to large-scale urban migrations. For such people special unit should be established which will take care of diverse needs of these people.

9. It has been experienced in the study area that the real poor are left out of worthwhile schemes of government. In order to mitigate this problem our focus should be on poverty and all its dimensions rather than just economic empowerment of SHGs. Among the poor, the credit utilization is invariably from consumption to production process. Hence the consumption needs cannot be ignored and adequate provision should be made in the scheme for this. Subsidy element for development purpose for SHG members is an important policy issue, which needs thorough analysis. Emphasis on financing of groups under SJSRY needs to be moderated. The quantum and timing of subsidy needs to be reviewed keeping in view the resource handling capabilities of the members and the group.

10. SHPI has significant role in building conducive atmosphere for sustainability of SHGs. SHPI should have clear vision and must plan various activities emanating out of that vision. The field level workers belonging to SHPIs should be very carefully selected and they are to be trained periodically so as to update their knowledge which would enable them to guide the SHG members effectively. This will also help them to chalk out a tailor-made (suited to the strengths and weaknesses of their groups) action plan which can be systematically executed in due course of time. Intensive and purpose oriented training programmes for SHG members should be the part of their normal routine. SHPIs should evolve with very strong reporting and monitoring mechanisms. They must have regular meetings with the supervisors/higher officers so as to enable a proper review of work at various stages. They should try to develop a calendar of activities for the SHGs through which members over a period of time can develop various competencies required to assure sustainability of SHGs. Evaluation of performance of SHG members is a very important task for each SHPI. Therefore, SHPI should develop effective tool for evaluation. Based on this evaluation the opportunities available to SHGs can be chalked out. Finding new avenues of business may provide new
markets which have remained untapped. The continuous market research by team of experts will provide the opportunities to export too.

11. While appreciating the initiatives of certain State governments and bureaucrats as delivery mechanism of government sponsored programmes, the Task Force emphasizes the need to ensure that the basic tenets of SHGs are not lost sight of in pursuit of targets. E.g. the absence of linking revolvingfund assistance and loans to savings and not leaving the choice of activities to the discretion of the groups are areas of serious concern in the SJSRY. Ministry of Rural Development, GOI, may, therefore, review the SJSRY guidelines in consultation with RBI, NABARD, banks and NGOs to avoid any dilution in the essential features of SHGs, and may issue necessary supplementary instructions.

12. The government and voluntary agencies can play a very important role in motivating the younger generation into women empowerment activities. Through the effective use of the media and through various seminars and discussions organized at the grass root level, this concept can be reached even to the remotest corners of the country. One of the ways by which women empowerment can become a reality is through proper policies and legislations that are women friendly in nature.

13. No single intervention can defeat poverty. Poor people need employment, schooling and health care. Some of the poorest require immediate income transfers or relief to survive. Access to financial services forms a fundamental basis on which many of the other essential interventions depend. Moreover improvement in healthcare, nutritional advice and education can be sustained only when households have increased earnings and greater control over financial resources. Financial services thus reduce poverty and its effects in multiple concrete ways. Therefore planning for self employment of women needs multi-pronged strategy.

14. In post liberalisation period, role of the Government had undergone tremendous change and increasingly more and more support programmes are being designed for implementation in partnerships with private sector. With change in business environment and government’s increased focus on implementation through public private mode, SHGs have special role in
implementing corporate social responsibility projects of big giants through their platform.

15. There is absence of a structured need assessment exercise before proposing and designing any of the major schemes. Due to weak stakeholder’s discussions on proposed schemes, the design flaws come to light too late and also discourage potential implementing agency. Therefore there is special need for the involvement of stakeholders at the design stage of the scheme.

16. One of the important reasons for slow intake in utilisation of schemes is the lack of knowledge about schemes and their likely benefits. The current knowledge dissemination system is limited in its outreach. There is a need to develop a better communication strategy and use of new age media tools like FM radio. Decision making layers should not be more than two levels and should allow flexibility on operational issues. The content of guidelines should lower entry barriers.

17. Most of the schemes are related to subsidy or reimbursement of expenses. Some new schemes should be drafted and also should be linked with performance (in terms of turnover-domestic as well as exports), energy conservation, employment generation, level of creativity and innovation etc.

18. The proper and direct channel should be established between Governmental bodies and micro-entrepreneurs in order to spread awareness on promontional schemes.

19. The economic activities covered under SHG are saving, inter-lending, bank-linkage and income generation. Saving, which is an entry point to SHGs, is a difficult part of this programme as it generally exerts pressure on the poor members. Remaining at the subsistence level of living, practicing thrift is impracticable and saving is luxury. Moreover, saving regularly is often impossible for poor women, who are hand to mouth in managing their basic consumption needs. Therefore, it is difficult to convince these women to pool their funds in the name of building their capacities for remote possibilities of enterprise development and leveraging of external credit. Ensuring access to bank loans, thus, thought to be the most attractive and convincing proposition to be offered to such a
target group. But this creates wrong impression about SHG movement in the minds of people at large. To avoid this strategic planning at the governmental level is necessary.

20. Micro-pension is very important mf service for vulnerable section of society. SHG members still do not have access to insurance services which are crucial for security and sustainability of these groups. There is an urgent need for composite policy, taking care of all types of risks relating to life, health, assets and accidents for SHG members. Composite insurance products catering to life, health, assets and accidents have been introduced in some part of the country as a welfare measure by the government for people at the bottom of the pyramid. As SHG members can not invest in multiple insurance policies, such customised composite policy is the need of SHG members. The public players should take special efforts in reaching this section of society with the products specially meant for them.

21. There is a need to sensitise SHG members on the issue of product innovation. Innovation and export are complimentary strategies for micro-entrepreneur’s growth. Innovation and export positively reinforce each other in a dynamic virtuous circle. Participating in international market promotes firm’s learning and thus innovation performance. At the same time through innovation firms can enter new geographical markets with novel and better products, making exports more successful. This improvement in the quality consequently increases domestic sales also.

22. There has been a shift in universal trend from synthetic to herbal medicines. Increasing realisation of the side effects of allopathic medicines is pushing up the demand of herbal extracts dietary supplements and herbal based beauty aids worldwide. Nature has bestowed our country with an enormous wealth of medicinal plants. Therefore special efforts should be made by NGOs to train SHG members in this area of knowledge. If SHGs will produce high quality products then those can fetch international market too. Searching entirely new market with such type of innovation will give new dimension to SHG movement.

23. The housing development is of utmost significance to a developing country like India with a growing gap between housing demand and
supply. There is an urgent need for balanced and inclusive housing finance system for fast economic development of a nation, in view of the extreme diversities in the socio-economic profile of its population. The alternative models for housing finance and development are essential for solving the problem of housing poverty in India, particularly the urban housing poverty which is becoming more acute day by day. In this context it is recommended that urban housing poverty can be eradicated by an alternative model of ‘Housing mf’.

24. Facilitator plays the most important role in a low literacy, backward and conservative areas. The success of the Women Development programme can be ascribed to the missionary, unselfish tireless women working as facilitators. The same can be said about many successful efforts of NGOs who help SHGs realise their true potential by facilitating their economic and political empowerment. However there is a great spurt in the growth of SHGs in the last decade in the study area. However there is no corresponding increase in the growth of human personnel. The SHGs are also not trained properly, which is mandatory. For SHG training by NGO, there is hardly any institutionalized training institute. Ground level staff at the block level- should be given adequate training about the empowerment potentials of the SHG. There should be more orientation programs for the Anganwadi sevikas in a very simple language using audio-visual programme. It is important to note that the idea of SHG has caught the imagination of the illiterate women folk in the study area. The formal and non-formal agencies have been focusing their attentions on illiterate women in the study area. Educated women should come forward and form their groups to explore income-generating avenues with these women.

25. Micro- pension is one of the important mf services for the people at the bottom of the pyramid. The central government has taken some positive steps in this direction. But SHG women in the study area are not yet linked with those schemes. The state government should take initiative in framing similar pension scheme which will match to the requirements of women in this class.
26. SHGs will sustain only if they enter into some form of commercial activity. The problem is with changing the mentality from grass root to macro level. It starts with the government officials who are interested in just completing the project in hand. No one is interested in further development. The mentality gets stuck on how to complete the projects rather than how to make it viable through its long term development.

27. The government companies such as LIC should take initiative in introducing client friendly products. The Rashtriya Swasthya BimaYojana (RSBY) is facing a lot of challenges in operations. Micro insurance products are very complicated within themselves, with so many riders. In such a situation it is difficult to ensure the right product for SHG members. Therefore there is urgent need of product innovation in micro insurance.

28. Even the simplest product of LIC is usually not accepted by the clients. There is lack of trust in insurance products. Besides, now that MFIs cannot charge extra for insurance from their clients, according to new regulations, in such case they lose interest in taking special efforts for popularisation of products.

29. Respondents indicated that absence of timely release of finance, political interference, lack of coordination and community participation were the top barriers to knowledge utilization. Therefore social workers and employees of GOs, NGOs and SHPIs should be given special type of training. Such training module should include (a) better understanding of the urban poverty, (b) gaining of new knowledge on women empowerment for strengthening the community structures, (c) revised SJSRY Guidelines, (d) improvement of existing skills on self employment project preparation and (e) solving the field problems of loans, micro-enterprises etc. Such training should be very effective in enhancing knowledge and skills of Community Affairs Officers and Community Organisers. It should offer an excellent learning opportunity to focus on specialized topics and expert resource persons in the areas of interest (e.g., urban poverty, project report preparation for micro-enterprises/self employment venture, banks transactions, women empowerment etc.). Thus such training should enable them to sharpen the knowledge and skills in the implementation of Urban Poverty Alleviation. Extensive follow-ups are essential to obtain not only the desired response rate but for making improvement in training module also.
30. All the development policies, more importantly credit and financial policies have to be revamped to maximise the productivity of women’s work and their earnings. In essence, policymakers must consider the implications of development interventions for women at each stage of policy and project development. Failure to do so may mean not only by passing women in poverty alleviation efforts but also increasing their relative poverty. Thus there is a need to change the total approach of the credit Delivery system. The government intervention in credit market as a strategy of poverty alleviation needs to focus on ‘Women entrepreneurship’ and help the women to help themselves. The whole idea here is that credit has to be used as an instrument in bringing a major breakthrough in the social, economic and living conditions of the women.

31. Though the concept of SHG is mainly based on the spirit of social mobilization for capacity building and social transformation, the foundation is on economic empowerment through availability of mf services. The holistic development of women SHGs can be achieved only through the introduction of the thrift, credit, self employment and sustainable income generation. Therefore all efforts should be focused on sustainable group activity.

32. It has been decided by the state government to replicate the successful models of SHG from South India. But such readymade models do not give the intricate details of the input and the outcome, so the logical base of adopting such models may be fruitless. Moreover, such models may or may not be necessarily applicable in this case. SHG is a mechanism, which is full of varied dimensions of operational dynamics and internal economic activities, bank linkage, income generation and social cohesion, no concrete answer could be attained through treatment of individual parameters or simple analysis which could explain these variations in achievements. Therefore area specific SWOT Analysis only can give proper direction to the mf movement.

33. SHG in the first place has not to be left alone for self-help in the literal sense. The Self-Help Promoting Institution, the facilitator, the government agencies, bank and the gram panchayat should come forward to extend all kinds of support to the SHG to ensure that it sustains as a vibrant entity.
Such functionally efficient SHGs will strengthen this interface in the due course of its evolution. This support should continue in the form of imparting training (managerial as well as entrepreneurial), arranging capacity building programmes, lending external loans, regular monitoring, proving income generation linkages and arranging exhibitions, etc.

34. A very close watch on the borrowing portfolio of the SHG members is essential to rule out the possibility of a debt trap. The whole concept of SHG will fail in case micro credit gets popularized as micro debt. Micro credit, as a tool, may not be very effective in dealing with extremely poor and the groups comprising of very poor members may not sustain for very long and disintegrate soon. Regular grading, to monitor the saving and lending status of the groups is of utmost importance for the sustainability of the groups. Economic stratification of the individuals as well as the groups is very necessary before selecting the groups for interventions like issuing of revolving fund, bank loans, and opening up income earning opportunities. Very poor members cannot graduate out of absolute poverty through such financial interventions alone and will only survive on governmental handouts. Eventually such members will alienate the banks and other institutions from the SHG mechanism. Hence, micro credit in case of extremely poor members has to be supplemented with social intermediation and many other constraints have to be address simultaneously.

35. One of the key reasons why large-scale conventional financial institutions are not significant players in low-end financial markets is because their business model does not cater to the urban poor segment. There is limited access to information on potential clients. This translates into a higher cost associated with serving low-income clients, which, if tackled, often results in the costs being transferred to the client (urban poor) in the form of a higher interest rate. Products designed, may have features that are not in line with the socioeconomic characteristics of clients. For example, stringent repayment schedules may not be suitable for the urban poor household with a cash-flow problem. In many cases complexity of transactions and transaction costs associated with formal financial transactions, especially the paperwork, can intimidate the urban poor, who
already have their own informal methods of savings. Therefore tailor-made products should be introduced taking into consideration requirements of urban poor in general and women in particular.

36. Another concern related to the issue of informal livelihood and urban poverty is the concern regarding urban cultural heritage conservation. The incidence of slums around urban heritage structures is generally viewed negatively instead of a focus on the livelihood opportunities for the urban poor related to tourism and conservation. Additionally the documentation and preservation of urban cultures is not seen as a priority as cities are conceived of and planned as a built environment as opposed to also being sites of culture. An exploration of the ways in which urban poverty alleviation and urban cultural heritage can interact positively needs to be undertaken. This includes movable or immovable objects, sites, structures, groups of structures and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance.

37. In a bid to devise a uniform methodology and criteria for the identification of BPL households in urban areas, the Planning Commission constituted an Expert Group vide Notification No. M-11019/10/2010-PP dated 13 May 2010 chaired by Prof. S. R. Hashim. In its interim report, the Expert Group recommended a vulnerability-based identification of the urban poor, which has formed the basis of the Socio-Economic and Caste Census, 2011. Rather than looking at indicators of income, which would exclude those above the poverty line, the consensus is that poverty could be better identified in urban areas through the identification of specific ‘vulnerabilities’ that would properly identify the urban poor during the survey. These vulnerabilities fell in three broad categories i.e., residential, occupational, and social vulnerabilities. The group is of the view that in the next plan period residential or habitat-based vulnerability in urban areas would include urban persons/households that are houseless, living in kutchha/temporary houses, facing insecurity of tenure with an absence of basic civic services. Occupational vulnerability in urban areas would include urban persons/households without access to social security, susceptible to significant periods of unemployment, as well as those who by virtue of no access to skills training and/or formal education, are susceptible to a certain type/nature of occupation such as informal/casual occupations with uncertain
wages/earnings and/or employment subject to unsanitary, unhealthy and hazardous work conditions often times bonded/semi-bonded in nature or undignified and oppressive in conditions of labour. Social vulnerabilities point to gender-based vulnerabilities such as female-headed households, age-based vulnerabilities such as minor-headed households and the aged health vulnerabilities such as disability and/or chronic illness education vulnerabilities, and vulnerabilities based on social stratification including religion and caste. The urban poor in India are susceptible to one or a combination of all these vulnerabilities in varying degrees. Rather than relying on a single ‘card’ to target individuals, data on vulnerable populations should be gathered and be made accessible to departments when designing their schemes, in order that priority is given to the vulnerability being tackled and not income or consumption poverty.

C. Recommendations for SHGs

1. SHGs are basically micro finance groups. They help to find out various means through which macro problems like poverty and unemployment can be tackled. The members of SHGs are found to be generally women of low socio economic background. Therefore SHGs insist on starting some self-employment project that could give them regular income. In order to start any self-employment project capital and training are highly essential. Each SHG should be in a position to know the sources from which easy and cheap credit is available for members. It should establish linkage with the current banking system, knowledge regarding the various financial schemes by the Government and other donor agencies.

2. Training should also be given in basic banking and accounting operations like book-keeping. The voluntary associations can make use of the help of local bank officials in this regard. Women should be trained to handle their saving and credit operations wisely and independently.

3. The concept of SHGs can be extended to those who are engaged in traditional occupations which are unorganized in nature. It can even be extended to children or students so that it becomes a source of inspiration for them to study and also to develop a work culture among them. A combined group effort would channel their enthusiasm into creative efforts.

4. Each SHG can develop into a kind of Co-operative Bank. The structure of co-operative banking can be applied in the future working of SHGs. The members are
the shareholders of the bank. The office bearers can become the president or secretary or treasurer of the bank. Its saving and lending operations can also be extended to the other people in that area.

5. The voluntary agencies can take the SHGs in a particular locality and should jointly think of starting a small scale industry such as garment manufacture, weaving units, candle making etc by taking into consideration of the various resources available in that area. This would help in securing employment and regular income for its members. NGOs can play a vital role in this aspect with the help of NABARD and the local commercial banks. Government should use media and publications to make its various financial schemes for women's development known to the public.

6. SHG is a path that leads to prosperity. Just being an SHG member does not decide anybody's fate. The direction in which the SHG moves, determines the destiny of the members. In this path the intense training and analytical skills given to them enable these women to choose the better direction. Their move may be accompanied by significant others for a limited time. They can show the best of the direction, but it is ultimately the group, which can decide about the direction. Susceptible group, submissive group, stagnant group and sustainable group are the possible four directions that a group can take. Sustainability is the final objective of each of the group which can be achieved by learning the art of interdependence, developing good relationship and confidence and boosting morale of the group through group entrepreneurial activity. Therefore development of SHG should be such which would end up in the sustainability of the group.

7. The registration of SHGs should be made mandatory. This will provide them legal cover in case of financial frauds. The general information about SHG with such office will help them while creating the data base for the activities of SHGs. Such linkage in the long run may provide new avenues of training and business.

8. Development institutions assisting SHGs to set up income generation projects have to be innovative, and flexible in conceiving the projects. Before providing skill development training to SHG members, the abilities of participants and requirements of market should be given maximum weight age, otherwise all the efforts prove to be useless.

9. Formation of SHG and providing micro-financial services is not enough to solve their problems. Management of SHG plays very important role in its
sustainability. Homogeneity of the group, internal discipline, avoidance of misunderstandings, creation of support system etc. are essential to make SHG movement success. Awareness about various alternatives of livelihood projects feasible in their locality and suitable to their capabilities can be created by developing complete information system.

10. Conducting ‘Cultural Exchange Programmes’ of different groups periodically so as to enable women to know about the various opportunities existing in the world for their betterment. Women should get a wider perspective of women welfare programmes those are taking place at the international and national levels. This can be made possible through workshops and seminars arranged exclusively for them at the local level.

11. The yearly action plan has to be chalked out by SHG members at the starting of the financial year which will act as a guiding manual for the financial year. These guidelines will help them to decide well in advance organisation of resources. This will result in optimal utilisation of resources which will improve efficiency and productivity and thereby profitability.

12. There are institutional incentives which act as unpaid factor of production, but which stimulate and strengthen the long run productivity of SHG. The institutional incentives may come from the government and other local bodies in various forms. Besides this, outstanding performance needs a word of appreciation. The psychological effect is a driving force. SHGs should organise industrial visits to successful units. The inspiration from such visits will definitely prove beneficial in the long run. Proper work shed minimum level of health and sanitation facilities are the basic needs of every IGA which should be taken care of.

13. It has been observed that political interference in the forming and functioning of SHGs, distracts the women members from the objectives of mf movement. Their political aspirations clash with these objectives. Therefore the involvement of politicians in the selection of the eligible beneficiaries should be avoided.

D. Recommendations for NGOs

1. Training Institutes at the regional level should be set up to provide modular orientation course regularly to staff and SHG office bearers. Tailor made training sessions is a need of the hour. Financial literacy is another area which is of paramount importance. For sustainable entrepreneurial activity, financial literacy
of SHG members is equally important with their skill of creativity and innovation. It has been observed in the study area that the skill of maintaining books of accounts and thereby arriving at correct figure of profit/loss is lacking in most of women SHGs. If this skill is inculcated among SHG members then that would be first step towards building mindset of true businesswomen. Since most of the SHG members are financially illiterate there is a need for an accurate accounting system. The existing accounting format is cumbersome and does not provide meaningful information immediately. Accounting system on the line of monthly balance sheet should be maintained.

2. Sometimes, the NGOs and the Project Officers (POs) recommend certain economic activities to the SHGs. These do not always match the need and capability of the SHG. While some SHGs are very clear about the economic activities they wish to take up, others are not. The POs and the NGOs, before suggesting a list of economic activities that the SHGs could take up, should first assess their views and the availability of local resources and build up an economic activity around it. The aspirations of women need to be given careful and sympathetic consideration and support before finalising the activity. Some SHGs should be motivated to take such an activity which would use local inputs and sell their entire produce in global markets by adhering to all quality standards.

3. The marketing system is weak in the study area. An economic activity will be successful only if the product of an SHG can be successfully marketed. The SHGs will initially need enormous support in product quality improvement and marketing both from the GOs and the NGOs. Otherwise they will be burdened with non-performing assets and bad loans. Today, 80% of SHGs produce food items many of which are typical Indian products. But unfortunately all these items face cut-throat competition from junk food items available in the global market. Here, it is the duty of women SHGs to create awareness among people about the nutritive value of the Indian food vis-a-vis ill effects of junk food on health. This will help women SHGs to expand their market. While chalking out the strategy for marketing of SHG produce, it should always be remembered that marketing is a professional job requiring appropriate consultants and professionals experienced in marketing for the poor. In today’s world of LPG, everyday new branded products are pouring in the markets and withstanding in this global competition is not an easy task. Appointing a government officer as a marketing executive would
not necessarily be the best thing to do. The state-wide marketing system has to be evolved quickly and professionally. There is a need to draw up a state level and district-specific marketing plans in each district with the help of appropriate consultants and resource persons. Providing good marketing outlets for their products thus is very essential. Marketing should be brought on the agenda of every NGO. The district project office should devote one APO to give marketing support to NGOs and SHGs. Each District should nominate an NGO with marketing expertise as a resource person to support the marketing agenda of the district.

4. In success of an innovation, the path ahead is obviously strewn with challenges. Scaling up of projects and bringing millions of people within the fold of micro finance is no mean task. Therefore the process of SHG formation has to be systematic, whether it is formed by a bank or an NGO. Intervention of NGOs in this area is very much needed as they can play an active role in all-round development of SHGs keeping in the mind the fact that people’s mindsets are the biggest roadblock in the development of the members.

5. Selection of IGA is very difficult task particularly to BPL SHGs. Many times the selection of IGA is entirely dependent on its ability to get the loan sanctioned i.e. such activity is generally selected for which maximum amount of loan will be granted by the bank without much difficulties. Thus the selection has no link with the skills, women (who are going to start the activity) possess. It has been observed that sustainable SHGs always guide new SHGs in this regard. They help them in preparing proposal to be submitted to the bank for the purpose of loan. But many times the intension of such SHG is to get the commission on the proposal amount from the new SHG. With this background, the SHPIs should take initiative in helping to choose feasible group activity which would help the group to increase the level of income of their group. The SHPIs should help in identifying such activities which will utilise the skills and other resources of the group optimally. They should also help them in establishing backward as well as forward linkages.

6. The NGOs are major agents in the process of women empowerment. The researcher made a thorough investigation of this critical element of society. Several measures can be adopted to make the NGOs more effective in their functioning in this field. The quantum of work done by NGOs for the
development of study area is enormous. But the approach of the government towards NGOs doesn't seem to be cordial. The role of voluntary action is yet to get due recognition and yet to be seen as a critical factor for the development strategies and the mobilization of women. The planning commission has recognized the role of voluntary action in accelerating the momentum of development process in our country in all its plans particularly in the sixth and seventh plans. Still it is recommended that there should be more effort on the part of the government to encourage the voluntary efforts in the study area. There are a large number of institutions -voluntary and official-which are very active in the field of women empowerment. The proliferation of these institutions has often led to the problem of the same individual or SHG getting benefits from numerous institutions. At the same time certain other SHGs and really deserving individuals receive little or no help at all. Therefore there should be an official body consisting of representatives of the government and voluntary associations, which can act as a coordinating agency. Such a body can function as a common platform to discuss various matters that arise in their efforts for achieving woman empowerment and prevent the duplication of benefits.

7. There should be an official system to acknowledge the activities of NGOs and bring them to the notice of the government. Such a system will help in evaluating the performance of each NGO. For this NGOs should have a proper system of documentation. The studies showed that some NGOs are not much interested in documenting their activities. At the same time some of them are simply projecting more than what they really do. So an official system should be built up to check the activities of these voluntary associations. On the basis of such an evaluation, the government should institute awards annually for the best NGO and the best voluntary worker in the state in the field of women empowerment. It can also take some corrective measures on voluntary associations, if found to be required.

8. The voluntary associations should also change their attitude towards the government. The researcher found that some of the NGOs under study do not believe that government can bring any 'development' in the country. The rationale behind this thinking is that according to them since each government is controlled and directed by a political party and the official government system changes through periodical elections, any government cannot plan a long-term strategy for development. The government machinery has to move according to the whims and
fancies of the ruling party. Besides in a democratic set up, the opposition is always critical and do not cooperate positively with the development efforts of the Government. But voluntary agencies should also understand that "development" is not their sole monopoly. People have more faith and find security in a government initiative rather than a private enterprise. Therefore there should be a broader outlook on the part of NGOs towards the government schemes of development. For that fruitful rapport has to be established between the government sector and the NGOs. The initiative for this has to come from the NGOs. Each NGO should appoint personnel for building linkages between the NGOs and the state.

9. NGOs should try to gather information regarding the various Government projects in the empowerment of women. It should work as a catalyst for implementation of government schemes at the grass root level.

10. Availability of demand is the major constraint in SHG development in the study area. Building of backward and forward linkages is the only solution to this problem. NGOs can think of giving a common brand name for the products of their SHGs. Other methods like Exhibition cum sale, carnivals, advertisements and appointing sales agents on a commission basis can also be used. It is suggested that an environment may be created for promoting the natural formation of SHGs through a horizontal spread. A new SHG may form on its own by seeing other successful SHGs. In this process the mature SHGs would groom and train the new SHGs.

11. Ayurvedic medicines are produced by several thousand companies in India which are quite small including numerous neighbourhood pharmacies that compound ingredients to make their own remedies. The products of these firms are included within the broad category of ‘fast moving consumer goods’ (FMCG). The plants having medicinal use are available in abundance in nearby areas of Nasik. If SHGs in the study area start collecting these plants then these firms will get assurance of steady supply and can concentrate on research and development in related areas which would ultimately increase their exports giving scarce foreign exchange. But for such backward-forward linkages NGOs need to take initiative.

12. NGO (acting as an implementing agency of the project) takes care of the SHG up to the point of implementation of the project. It has been seen that in nearly all cases every SHG needs follow up giving support in problematic situations. Here the role of NGO is very important.
13. The NGOs working for SHG development are the link between SHG and policy makers. Therefore NGO representatives should study socio-economic, psychological, cultural, political and geographical environment of SHG members. This will provide them clear picture of mental state of these women. This will positively affect the policy decisions taken by NGOs in this regard. Besides, NGOs will be in a position to represent SHGs in better manner before policymakers.

**Recommendations for Banks**

1. Give her fish; you feed her for a day. Teach her fishing, you feed her for the lifetime. This has to be approach in all stages of the pilot testing and mainstreaming of the mf programmes. SHG can be sustainable if it is managed fully by its members themselves indefinitely and if it is able to meet all the costs of operations and capital out of its own resources. In today’s environment, bank has a great role to play. The bank and other financial institutions including apex institutions like NABARD and SIDBI can help the mf industry to have enabling and supportive policies and regulatory framework. The banks should give a strong focus to the SHG lending. It should not be a mere cosmetic one.

2. The nationalised bank should not consider mf movement just the part of their work. It should be treated as the part of their corporate social responsibility. The financial institutions like nationalised banks can play crucial role in implementing policy decisions taken by central and state governments for the betterment of women at large. The active role of nationalised banks will minimise the gap between policy decisions and hard core reality.

3. The managers should not view the SHG lending as a charity. But they should be optimistic in their outlook and they should perceive the SHG model as a good business opportunity and win-win model, wherein both the bank and SHG members benefit out of the credit linkage. Manager with a positive attitude can be a source of inspiration to many defunct SHGs and these non-performing SHGs can be revived. Informal relationship through close communication can increase the awareness level of SHG members about banking procedures and various products and services available for them. This will help to build up the rapport and the trust between them.
4. The actual use of loan is also a critical point for BPL SHGs as in many cases their basic needs remained unattended at the time of availing of loan from formal financial institute. Generally SHPIs including banks insist on productive use of loan. Unless the basic needs of food, clothing and shelter are satisfied none should be expected to put money for productive purpose. Besides, loaned money used for education of children and/or for tackling health issues of family members should be treated as an investment and not as consumption. In the initial stages focus should be on capacity building (which may include areas like financial education, entrepreneurship development, management of change, work-life balance, health issues, social issues etc.) of women. This will help in bringing positive change in the mindsets of women and thereby in their family members as well.

5. There are several urban development programmes promoted by the government to eradicate poverty. If banks are also made an effective intermediary, greater financial inclusion could be one of the meritorious outcomes. As some of the projects become successful and self-sustaining, greater financial inclusion would become possible. But the government would have to do its homework thoroughly to identify projects where intermediation by banks is possible. The benefits will percolate not only to target population but to banks as well. The public sector banks which are experts in uplifting the rural poor would think of linkages and support professional institutions and organisations that can deliver real services as also conceive and implement capacity building initiatives. As a first step financial inclusion centres may be set up in such professional institutions. The very basic objective of financial inclusion can better be achieved through such initiatives and sustainable economic proposition for the people at the bottom of the pyramid will become reality.

6. The respondents know the benefit of SHG; the importance of saving, a common pool from which they could take loan in the time of the need. In fact this idea is pretty old as many chit funds operate in the study area. However, they are not aware of many benefits of SHG. The most important of which is linkage with the bank. While interacting with the SHG members, it was found out that they are reluctant to visit the bank regularly and establish rapport with bank officials. One reason is their level of illiteracy; the second and the most important being the attitude of nationalized and regional bank’s personnel who consider dealing with the illiterate women folk as a burden. Few members are aware of the fact that if
they save regularly, meet regularly and maintain books properly, they are eligible for loans from credit institutions. But many do not know this. When SHG members are asked about the rules about the provisions of availing loans against the savings of the SHGs, SHG leaders showed ignorance. There is urgent need to change this picture. Sometimes with the available staff it becomes impossible to manage. Therefore it is advisable for the bank to take help from business correspondents and facilitators in this regard.

7. The rapport between NGOs and bank is essential for the successful development of mf movement in the study area. In this case banks can finance SHGs through solid network of NGOs. The relationship between these two can find new strategies which can provide new dimensions to the mf development in the study area.

8. In the study area some of APL SHG members want to put their innovative business ideas into reality. But they can do this only if they get support from financial and non-financial institutions like BPL SHGs. Besides this, full project cost should be granted for the purpose of loan. Banks have great role in this regard. If bank takes it seriously it can bring paradigm shift in SHG movement in the study area.