CHAPTER VIII

FINDINGS, CONCLUSIONS AND SUGGESTIONS

♣ Findings of the study
♣ Discussions and conclusions
♣ Suggestions
♣ Scope for further research
A crowd gets reformed into a society when it starts breathing from the common air of social capital. The essential features of social organisation like networks, norms and trust forms the corner stones of it. Concepts of legitimacy of actions, rights, roles, duties, powers and responsibilities of various actors are also parts of it. Such norms represent the commonly accepted code of behaviour governing primarily the traditional social systems. Modern societies governed by the rule of law also depend largely on such social norms throughout their informal life. Modern democratic states, in principle, recognize equality among human beings and are functioning on the virtue of willful cooperation of all for a better world. Thus food, cloth, shelter, education, health and development have become natural entitlements to which every body born on the earth is eligible to. However, as the demands are far in excess of provisions and as the provisions are firstly of the greedy, a major chunk of human in the world have not yet been blessed by these primary rights.

Embarrassed by the failure of centralized modern measures of poverty reduction, a refined dose of social capital has now been administered to the poor in the form of Self Help Group finance. As is the case of human beings, social capital can also be good and bad. The present endeavors propose the creation of good and productive social capital that would invigorate the deprived millions to work together for a better future.

The present study is primarily aimed at understanding the extent of social capital formation that has taken place among SHG women micro entrepreneurs in Kerala. It also attempts to identify various socio economic factors that are responsible for social capital endowment of women under the social settings of Kerala. Group characteristics that would promote better social capital accumulation have also been examined. Finally an attempt has been made to examine the
influence of social capital on two important aspects of wellbeing viz. entrepreneurial performance and life satisfaction.

As social capital continues to be an elusive concept having pervasive applicability from ordinary friendship to the highest civic virtues, earnest attempt has been made to formulate an appropriate conceptualization that gives due consideration to the slow process where by an ordinary village woman could be converted in to a political being working for self and the society. As such, the different components including capability development, developing of neighbourhood/locality attachments, change in availability of support and advice, growth of community feeling and commitment, improvement in awareness and participation, establishment of linking networks, instilling of social and institutional trust and association with groups and networks have been incorporated in to the process of social capital formation. A five point interval scale has been adopted as a larger one erodes understandability and becomes less amenable to articulation before ordinary village women.

Two different versions of social capital indices have been constructed viz. the Total Social Capital Index (TSCI) and the Social Capital Index (SCI) and used for comparisons. TSCI represents the aggregates of all the components of social capital formation from capability to groups and networks as described above. SCI is constructed on the basis of the most commonly used indicators of Social capital namely associations with groups & networks and the perception of social and institutional trust. Both the versions yielded identical results under most of the circumstances considered. The important findings of the study are listed below.

Findings of the study

1. There has been significant improvement in the capability of SHG women micro entrepreneurs as perceived by them during the period of SHG activity.

2. There has been significant improvement in the neighbourhood/locality connections of SHG women micro entrepreneurs during the period of SHG activity.
3. There has been considerable increase in the availability of support and advice to the SHG women micro entrepreneurs since their SHG affiliation.

4. There has been considerable increase in the community feeling and commitment of the SHG women micro entrepreneurs during the period of SHG affiliation.

5. There has been considerable increase in the social awareness and participation of SHG women micro entrepreneurs since their SHG affiliation.

6. There has been significant improvement in the linking connections of SHG women micro entrepreneurs during the period of SHG activity.

7. There has been considerable increase in social and institutional trust among SHG women micro entrepreneurs since SHG affiliation.

8. The mean number of group memberships among SHG women micro entrepreneurs has increased 6.83 times from 0.48 to 3.28 during the period of SHG affiliation.

9. The mean number of meeting attendance by SHG women micro entrepreneurs/month has increased by 1027% from 0.79 to 8.12.

10. There has been considerable increase in the number of friends of SHG women micro entrepreneurs. The mean number of friends has grown from 4.52 to 18.78.

11. There has been significant increase in participation in life cycle events by SHG women.

12. There has been significant increase in the Social Capital Indices of SHG women micro entrepreneurs in Kerala. The mean score of TSCI increased from 90 to 173 and that for SCI increased from 23 to 45 during the period of SHG activity.

13. All social Capital variables of SHG women micro entrepreneurs viz. Capability, Neighbourhood Attachments, Availability of Support and
Advice, Community Feeling, Social participation and awareness, Links, Trust and Groups & Networks as before SHG affiliation differed significantly from area to area. In spite of considerable improvement in all these variables after SHG affiliation, these variables continue to differ significantly from place to place.

14. Both the versions of social capital scores (TSCI and SCI) are found to differ significantly with geographical area both before and after joining SHGs.

15. Urban women had significantly higher scores in all social capital variables except groups & networks than those from rural areas before SHG affiliation. Place of residence had a low effect on these variables before. But as at present the SHG women do not differ significantly in most of these variables. However, urban residence continues to have a significant, but low, positive influence on Capability and accessibility to Linking networks.

16. Urban residents had significantly higher Social capital scores (TSCI and SCI) than rural respondents as before SHG affiliation. But the difference is not significant at present.

17. Age had a bearing on the social capital variables of women before their SHG enrollment. However a significant positive relationship with increase in age is visible only for neighbourhood attachment, support and advice, community feeling, and groups and networks. As at present, significant positive relationship with age of the respondent is found for Capability, Neighbourhood attachment, Trust, Links and membership in Groups and networks.

18. Age exerts a positive influence on both versions of social capital scores (TSCI and SCI) of the SHG women both before and after SHG enrolment.

19. Most social capital variables viz. Availability of Support and Advice, Community Feeling, Awareness & Participation, Links, and Groups & Networks were found to follow a positive trend with education before SHG affiliation. Neighbourhood Attachment and Trust remained unaffected. As at
present, significant positive trend is found in Capability, Participation & Awareness and accessibility to Links and Groups & Networks with increasing educational attainments.

20. The total SC scores (TSCI and SCI) both before and after shows positive trend with education.

21. Capability of SHG women as before SHG membership had a positive relationship with the education of parents. No other variable was found to hold a definite relationship with education of parents.

22. TSCI and SCI do not hold any definite relationship with parental education.

23. Prior occupation is found to have significant positive influence on most social capital components of SHG women both before and after SHG affiliation. The self employed are having the highest mean ranks and the unemployed have the lowest mean ranks in most of the SC components.

24. Both TSCI and SCI hold a significant positive relationship with occupational status of the respondents prior to SHG micro entrepreneurship.

25. Most social capital variables of SHG women as both before and after SHG membership differ significantly with the religion to which they belong.

26. Both TSCI and SCI differ significantly with the religion of SHG women micro entrepreneurs in Kerala.

27. As before SHG membership, a significant upward trend is found in most social capital variables of SHG women with elevation in their social standing in terms of caste. Forward castes ranked highest in all the variables. Presently, such a positive trend is found only for three variables viz. Capability, Awareness & Participation and membership in Groups & Networks.

28. TSCI and SCI as before SHG affiliation, shows positive relationship with Social Standing. But as at present, TSCI does not hold a positive relationship
with caste. The SCI, however, continues to hold a positive trend with social standing.

29. The Social Capital variables do not vary significantly between married and single respondents.

30. The social capital indices (TSCI and SCI) do not vary significantly marital status of SHG women.

31. Awareness & Participation, Trust, access to linking networks and association with groups and networks differ significantly with type of family. Joint family is found to be an inhibiting factor. The factor has a low effect size (r less than 0.3) on these variables.

32. Capability, Neighbourhood Attachments, Awareness & Participation and access to Groups & Networks are found to hold a positive trend with family size.

33. TSCI holds a positive trend with family size. SCI, however, does not have any such relationship.

34. All Social Capital variables as before SHG membership hold a significant positive relationship with size of family network. Capability, Neighbourhood attachment, availability of support & advice, Community feeling and Awareness & Participation continues to hold the relationship even at present.

35. Both TSCI and SCI had significant positive relationship with size of family network before SHG membership. Presently, only TSCI continues to hold the relationship.

36. The economic status of respondents has no effect on their social capital formation after their enrollment as micro entrepreneurs under SHGs. Those above poverty line however have significant advantage over the BPL in gaining association with groups and networks. The effect of economic status in this regard is, however, very low (r = 0.099). TSCI and SCI do not differ significantly with economic status.
37. The duration of stay in the locality had no influence on the social capital scores of respondents before their SHG membership. As at present community feeling, trust and the Social Capital Index (SCI) are found to have a positive relationship with the duration of stay.

38. All the social capital variables are significantly higher for those having tradition in undertaking social/political activities than others. It is found to have a moderate effect on capability, neighbourhood attachment, availability of support and advice, community feeling, trust, a low effect on awareness and participation, groups & networks and links as before SHG membership. The influence of tradition continues to exist on all social capital variables except Trust. Its effect is moderate on neighbourhood attachment and comparatively low on other variables.

39. Tradition in social / political activities had a moderate effect on both TSCI and SCI as before SHG membership. As at present, it is found to have a moderate effect on TSCI and a comparatively low effect on the SCI.

40. Those who have accepted some role in group leadership during their tenure so far has accumulated significantly higher social capital scores in all variables, TSCI and SCI than others. Role played by the respondent has moderate effect (r >0.3, <0.5) on all variables except for availability of support and advice. The highest effect is found to be on capability development (r = 0.414). The role played has a low effect on availability of support and advice and the development of trust.

41. Significant positive relationship is found between all social capital variables, TSCI and SCI and the period of membership in the SHG.

42. Those who are members in religious/ Caste based associations have significantly higher social capital scores than non-members. The effect size of this factor is however low.

43. Membership in political parties is found to accelerate social capital formation. The influence of political affiliation is high (r>0.50) in
accessibility to Groups and networks and nearly high in facilitating access to Links. It has moderate effect on capability, neighbourhood attachment, availability of support and advice, community feeling and awareness & participation. However, its effect on instilling trust is found to be low. The effect size of this factor is high on TSCI and SCI.

44. Members of saving groups have considerably higher social capital scores than non members. This factor has a moderate effect on both the indices.

45. Most social capital variables, TSCI and SCI are not influenced by membership in other SHGs.

46. Those who are members in other types groups have significantly higher mean ranks in social capital variables (except Trust), TSCI and SCI than others. However the effect size is low for all variables.

47. No significant difference is found in the social capital variables / TSCI / SCI with reference to the promoting agencies. However, respondents from Kudumbashree exhibit significantly better community feeling than others. The effect size is however low (r = 0.16).

48. The social capital variables and both Social Capital Indices of SHG women vary significantly with the type of activity undertaken by the group.

49. The social capital variables of the respondents as at present vary significantly with the dominant age group in the group. There is also a positive trend in social capital variables with increase in the age of the dominant age group except for neighbourhood attachment and availability of support and advice. The social capital scores under both the approaches (TSCI and SCI) also hold a significant positive trend with the increase in the age of the dominant age group in SHGs.

50. Some Social capital variables viz. Community Feeling, Trust, Links and Groups & Networks and the social capital scores (TSCI and SCI) vary significantly with age homogeneity of the group members. But no significant trend is observed.
51. A significant positive relationship is found between economic homogeneity of groups and neighbourhood attachment. But there is an inverse relationship between economic homogeneity and access to groups and networks. There is a significant negative trend in the social capital score (SCI) with increase in economic homogeneity in the group. No other variables hold any significant relationship with economic homogeneity of the group.

52. Most social capital variables do not vary significantly with dominant education group in the group. However, there is significant negative trend in neighbourhood attachment and community feeling with improvement in education of the dominant education group in the SHG. TSCI and SCI do not vary significantly with change in dominant education group.

53. There is a significant negative trend in Community feeling, Awareness and Participation, Trust and Groups and Networks with increasing educational homogeneity. Besides the JT test gives negative JT statistics (though insignificant) for most other variables. There are significant negative relationships between social capital (both TSCI and SCI) scores and educational homogeneity. Thus there is an apparent inverse relationship between educational homogeneity and social capital formation.

54. Capability, Awareness and Participation, Trust, Links, Groups & Networks, TSCI and SCI vary significantly with educational qualification of the leaders. But, significant positive relationships are there only in scores of Awareness & Participation and Linking networks. For most other variables the trends are insignificant.

55. All Social capital variables (except Awareness & Participation), TSCI and SCI vary significantly with the dominant religion in the group.

56. There are significant negative trends in Capability, Community Feeling, Trust, Links, Groups & Networks, TSCI and SCI with increasing religious homogeneity in the group. For other variables the trends are insignificant.
Thus religious homogeneity of SHGs is found unfavourable to Social Capital Formation.

57. Significant positive trend is found in Capability, Awareness & Participation, Links and Groups & Networks with increasing social standing of the majority in the group. For other variables the trends are insignificant. There is also a significant positive trend in both the social capital scores (TSCI and SCI) of respondents with improvement in the social background of the dominant caste in the group. Thus a better social background of the majority members is found to be conducive to social capital formation.

58. Availability of support & advice, Community Feeding, Trust, Links and Groups & Networks differ significantly with differing levels of caste homogeneity. There is significant negative trend in Availability of Support & Advice and Community Feeding with increasing Caste homogeneity in the group. For other variables, TSCI and SCI the trend is not significant at 5% level.

59. Community Feeding, Awareness & Participation, Links, Groups & Networks, TSCI and SCI vary significantly with caste of the leader of the group. There is significant positive trend in Capability, Awareness and participation, accessibility to groups and networks with increasing social standing of leader. But there is also a significant negative trend in Community Feeding with increasing social standing of leader. SCI hold a significant positive relationship with better social standing of group leader.

60. All the social capital variables vary significantly with the age of micro enterprises. There is also significant positive relationship between increase in age of the group and social capital variables except Awareness & Participation and Trust. Both TSCI and SCI also have significant positive relationship with the age of group.

61. Significant positive relationship is found between increase in age of the leader and Capability, availability of Support and Advice, Community
feeling, Links, Groups & networks and Trust. There is also significant positive relationship between both TSCI and SCI of respondents and the age of their group leader.

62. There is significant positive relationship between number of training programmes attended and Capability, trust, Links, Groups and Networks, TSCI and SCI.

63. There is a significant positive relationship between number of training days and Capability, trust, Links, groups& network, TSCI and SCI.

64. Variables including Neighbourhood attachment, Support and Advice, Community feeling, Awareness & Participation, Trust and Links of respondents from groups under the supervision/support/control of men are not significantly different from others. But the scores of these respondents for Capability and Groups & Networks are significantly higher than others. However the effect of this factor is low. The social capital scores of respondents (TSCI or SCI) do not vary significantly with reference to whether the business unit is run under supervision/ support/ control of men.

65. Group memberships by relatives do not have any significant influence on the social capital formation of members.

66. Support & advice, Community Feeling, and Trust of Respondents from groups with more number of friends have significantly better scores over others. However, the effect of the factor is very low. TSCI or SCI do not differ significantly with pre existence or otherwise of friendship.

67. Respondents from groups formed by neighbours score significantly better than others in respect of Community Feeling, Trust and Links. The effect of the factor is, however, low. No other variable or any of the indices is being significantly affected by this factor.

68. The political homogeneity of members in the group is found to have a significant –but low- positive influence on the social capital formation viz.
Neighbourhood attachment, Awareness & Participation, Trust, Links, Groups & Networks, TSCI and SCI.

69. The existence of other common factors though do not contribute much towards social capital formation in general, it has a low positive effect on creation of linking networks. It does not have a significant influence on social capital indices.

70. The time of work (full time/part-time) does not have a significant influence on the social capital variables of respondents. But full time work is found to have a significant (but low) positive effect on the creation of linking networks over part-time work. TSCI or SCI does not vary significantly with full-time or part-time work in the group.

71. There is significant positive relationship between annual income from micro enterprise and social capital indices (both TSCI and SCI).

72. There is a positive relationship between income from micro enterprise and capability. Ability to interact, ability to bargain and ability to lead are found to hold a significant positive relationship with entrepreneurial performance.

73. There is no significant relationship between Locality/Neighbourhood attachments and entrepreneurial performance.

74. There is no significant relationship between availability of support and advice and entrepreneurial performance.

75. There is no significant relationship between community feeling and entrepreneurial performance.

76. There is a significant positive relationship between Awareness & Participation and entrepreneurial performance.

77. There is no significant relationship between Social & Institutional Trust and entrepreneurial performance.
78. There is a significant positive relationship between Linking Networks and entrepreneurial performance. Annual income from enterprise hold a significant positive relationship with most variables viz. Accessibility to SHG/LSG/Govt. officials, Accessibility to bank officials, Accessibility to a District level Leader and Accessibility to helpful business men.

79. There is a significant positive relationship between number of group memberships and entrepreneurial performance.

80. Entrepreneurial performance of respondents affiliated to religious groups, Political parties and saving groups is significantly better than that of others. Membership in political parties has the highest influence \( (r = 0.2) \) followed by religion/ caste and savings groups. However, the effect size is low for all the three. Membership in other SHGs and membership in other types of groups do not lead to considerable difference in entrepreneurial performance.

81. There is no significant relationship between number of friends and entrepreneurial performance.

82. There is a significant positive trend in life satisfaction of respondents with increase in TSCI.

83. There is a significant positive trend in life satisfaction of respondents with increase in SCI.

84. There is a positive trend in life satisfaction with improvement in capability.

85. Neighbourhood attachments and Life satisfaction are found to be positively related.

86. Availability of Support & Advice and Life Satisfaction are positively related.

87. Community feeling and life satisfaction are found to be positively related.

88. Awareness and participation and Life satisfaction are found to be positively related.
89. Trust and Life satisfaction are found to have a positive relationship.

90. Linking Social Capital and Life satisfaction are found to be positively related.

91. The total score for groups & networks and Life satisfaction are positively related.

92. Number of group memberships and Life satisfaction are positively related.

93. Number of Friends and Life Satisfaction are found to be positively related.

94. About 40% of the women micro entrepreneurs under study are having an annual income of 25000 or less from their micro enterprise. Annual income of another 26% is between 25000 and 40000.

95. About 8% of women use their contacts only rarely for business. 50% of respondents use their relationships when they find it necessary and only 42% make a frequent use of it for business ends. Thus, though a great majority of the women has accumulated enough social capital resources, most of them continue to be reluctant to use the resource for business ends.

96. Majority of the respondents consider social satisfaction as the main reason why they are continuing in business. While about 27 % of the respondents agree that 50% of their satisfaction comes from economic benefits only 3.6% of the respondents think that 60% or more of their satisfaction belongs to economic gains. On the other hand, about 75% of the respondents are of the view that 60% or more of their satisfaction is due to social relationships associated with their enterprises. Thus social capital is found to play a key role in keeping these enterprises running even in the absence of adequate returns.

97. Regarding the role of SHGs in social capital formation, more than 90% of the respondents strongly agree that the SHG had a great role in facilitating group formation and providing membership to them. About 97% of the respondents agree that the SHG had a great role in facilitating the
identification of like minded people. About 97% strongly believe that the SHGs helped to develop shared norms, rules and values. All of them agree that it is SHG that provided an opportunity to work together. About 90% agree that they have friendly leaders. More than 90% agree that SHG has facilitated development of linking networks through various programmes. More than 99% agree that SHG has encouraged participating in various activities. Almost all of them agree that SHG has cultivated we-feeling among them, encouraged mutual support, help and cooperation. 95% of them agree that education and training programmes were helpful in improving awareness and attitude.

More than 60% of the respondents has participated in social action against liquor, drug etc at least for one day during the last two years. About 52% has participated in social action against outrages against women at least for one day. About 53% claims to have participated in some kind of social service at least for one day during the period and more than 60% has contributed at least one day’s work towards creation / improvement of public assets.

**Results of Hypotheses tested**

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<tr>
<th>No.</th>
<th>Hypothesis tested</th>
<th>Tools used</th>
<th>Results of hypotheses testing</th>
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<tbody>
<tr>
<td>H1.</td>
<td>There is no significant difference in the social capital scores of SHG women micro entrepreneurs as before and after joining the SHGs.</td>
<td>Arithmetic mean, T test</td>
<td>Significant increase is found in scores of all the social capital variables, TSCI and SCI. Hence, H1 is rejected.</td>
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<td>Mann-Whitney U test, Kruskal-Wallis H test, and the Jonckheeree Terpstra test.</td>
<td>1. As significant difference is found in most SC components/ TSCI /SCI, the H2 is rejected in respect of factors viz. geographical area, age, education, prior occupational status, religion, type of family, tradition, period of membership in the SHG, role accepted by the member in the</td>
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<td>group, membership in religious/ caste based associations, membership in political parties, membership in saving groups and membership in other types of groups.</td>
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<td>2. As significant difference is not found in most SC components/ TSCI /SCI, the H2 is accepted in respect of factors viz. parental education, marital status, family size, economic status and membership in other SHGs.</td>
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<td>3. Most SC variables, TSCI/SCI is found to have a significant positive relationship with age, education and caste (SCI only).</td>
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<td>4. The factors found to have become insignificant/ less important since SHG membership are domicile, caste (TSCI), size of family network, and tradition.</td>
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<td>5. The only factor found to have become significant since SHG membership is duration of stay in the area.</td>
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<td>H3.</td>
<td>The social capital scores of SHG women micro entrepreneurs as at present do not differ significantly with the characteristics of the group to which they are affiliated.</td>
<td>U test, H test and JT test</td>
<td>1. As significant difference is found in most SC components/ TSCI /SCI, the H3 is rejected in respect of factors viz. type of activity, age homogeneity, economic homogeneity, education of leaders, dominant religion and caste homogeneity of members in the group.</td>
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<td>2. As significant difference is not found in most SC components/ TSCI /SCI, the</td>
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<td>H3 is accepted in respect of factors viz. promoting agency, dominant education group, supervision/support/control by men, group memberships by relatives, pre existence of friendship, membership by neighbours, existence of other common factors and time of work.</td>
<td>H test and JT test.</td>
<td>1. Significant positive trend is found in annual income from micro enterprise with increase in TSCI and SCI. Hence, the H4 is rejected. Capability, awareness &amp; participation, access to linking networks and group memberships are found to be significant factors in entrepreneurial performance of SHG women. Ability to interact, ability to bargain and ability to lead are found to be significant. Accessibility to SHG/LSG/Govt. officials,</td>
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<td>3. Most SC variables, TSCI/SCI is found to have a significant positive relationship with age of dominant age group, social status of dominant caste, caste of the leader, age of the group, age of leader, number of training programmes attended, duration of training and political homogeneity.</td>
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<td>4. Most SC variables, TSCI/SCI is found to have a significant negative relationship with educational homogeneity and religious homogeneity.</td>
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<td>The entrepreneurial performance of SHG women do not differ significantly with their social capital scores.</td>
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<td>accessibility to bank officials, accessibility to district level leaders and accessibility to helpful business men are also found to be significant determinants of entrepreneurial performance. Number of group memberships, affiliations with religious groups, political parties and saving groups are also found significant.</td>
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<td>H5.</td>
<td>The level of life satisfaction as perceived by the SHG women micro entrepreneurs do not differ significantly with their social capital scores.</td>
<td>H test and JT test.</td>
<td>Significant positive trend is found in life satisfaction of respondents with increase in most social capital variables, TSCI and SCI. Hence, the H5 is rejected. Life satisfaction of SHG women is found to hold a significant positive relationship with most of the SC variables including capability, neighbourhood attachments, availability of support &amp; advice, community feeling, awareness and participation, trust, links, number of friends and number of group memberships.</td>
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DISCUSSIONS AND CONCLUSIONS

The study reveals tremendous improvement in the social capital stock of women since their membership in SHG women micro enterprises. It is true to all the aspects of social capital formation considered and both the versions of social capital indices constructed. Thus SHGs have become instrumental in opening up a world of social resources that have been denied to women so far.

A number of socio economic factors and group characteristics promoting or retarding the process of social capital formation have been identified. Geographical area, age, education, prior occupational status, religion, type of family, tradition, duration of membership in the SHG, role accepted by the member in the group, membership in religious/ caste based associations, membership in political parties, membership in saving groups and membership in other types of groups are found to be factors leading to significant inequality in social capital scores. Social capital is found to have a significant positive relationship with age, education and caste.

Factors that have become less important since SHG membership includes domicile, caste, size of family network, and tradition.

The study also brings in to light the relevance of social capital in economic performance and life satisfaction of SHG women.

SUGGESTIONS

1. Though considerable improvement has been apparent in the social capital scores of SHG women, majority of them continues to lack access to key connections that are helpful to business. Hence, the development and strengthening of linking networks deserves considerable attention.

2. SHG women exhibit high level of community feeling among themselves. But such feelings do not get transformed to demand for SHG products. Most women blame the non availability of frequently used products from the SHG sector. Hence, attention may be paid to produce goods that would find repeated demand from the SHG community itself.
3. Certain socio economic characteristics are found to have significant influence on social capital stock and in facilitating social capital formation. Hence, while promoting SHG micro enterprises, choosing of an appropriate mix of individuals based on their socio personal characteristics may help maximizing results by reducing the incidence of failure. Formation of groups with an appropriate mix of members considering such factors may help to obviate the failure of units during the initial stage itself. Some general suggestions are:

- **Age** is found to have a positive relationship with social capital. Therefore, while promoting new units, inclusion of some senior SHG women with new entrants (who are most likely young housewives) may prove fruitful.

- **Duration of stay in the area** and social capital are positively related. This is important in the case of women as most of them get transplanted from native place to distant areas with marriage. New entrants in SHGs at present are mostly young housewives. Hence inclusion some members staying in the area for a long time may be beneficial.

- **Education**: At least one member with good educational attainments may be included in a group. This will help the group plan its activities properly and access information, advice and other key resources by establishing productive linking networks.

- **Religion**: Social capital is found be lowest among respondents from the Muslim community. Social controls by religion may be a reason behind this. Inclusion of some members belonging to other religions in the group may be beneficial. However, the influence of such inclusion on the internal social capital/group cohesiveness needs to be studied.

- **Caste**: Social capital and social standing (in terms of caste) are found to be positively related. Inclusion of some members from forward castes in every SHG may be helpful.
• **Tradition**: Those having some tradition in undertaking social / political activities exhibit considerably higher social capital than others. Where possible some such members may be included in the group.

• **Political affiliation**: Having membership in political parties has the highest \( r > 0.5 \) influence on social capital formation. At least one member with some political affiliation may help the whole group.

• **Prior occupation**: Those who were self employed even before SHG membership exhibited high social capital scores. Inclusion of such people to facilitate an expansion of their business or keeping close association with them may also be considered while constituting groups.

4. **Homogeneity**: In India, SHGs have been formed by assembling people from homogenous backgrounds. But the major reason behind poverty in India has been the prohibition of heterogeneous social intercourse. Bags of chilly alone do not make a feast. In this study, homogeneity is found to be unfavourable to social capital formation, e.g. there is an apparent inverse relationship between educational homogeneity and social capital. Same is true with religion. Since majority of the beneficiaries of SHGs belong to socially disadvantaged sections, homogenous groups may become less resourceful. This factor deserves special consideration while promoting SHGs among poverty stricken areas dominated by socially and economically disadvantaged sections.

5. **Training**: There is significant positive relationship between number and duration of training programmes attended and Capability, Links, Groups and Networks, TSCI and SCI which are proven to be important in entrepreneurial success. A considerable part of the SHG women (17%) have not been given any sort of training yet. Another 16% is given training only for 3 days or less. Care may be taken to impart training to all SHG women for adequate time so that their entrepreneurial capabilities and linking networks may improve.
6. Only 42% of the respondents make frequent use of their social connections for business purpose. Majority hesitate to tap these connections. It also points to the existence of some deficiency in social connections claimed to be established. Majority of them were found satisfied with the consumption value of social capital. Unlike other forms of capital, social capital increases with (judicious) use and tends to decline with non use. Hence, the SHG women may be prompted to make a more productive use of their social capital.

7. Many of the respondents were found to be satisfied with their business even though it yielded only nominal returns. Many of them were unaware of the problems they were suffering from. Lack of genuine interest in micro business was noticed in some cases. In some cases, the group enterprise was run by proxy business men. At the same time women struggling for scanty income under exploitation by other businessmen were also found. In some cases, the group enterprise was run by proxy business men. Encouragements and incentives from the promoting agency may improve the situation.

8. Lack of marketing facilities has been cited as a serious problem by many entrepreneurs. More number of common marketing stalls for SHG products may be helpful. Organizing of weekly markets under the leadership of local self government institutions can also be highly helpful to micro entrepreneurs.

9. SHG consortiums may be established for various kinds of products so that economies of bulk purchase, modern technology and bulk marketing can be availed. It will also help to avoid exploitation by other business men.

10. More general social capital mobilisation among the public is needed to be made to convert neighbourhood connections to demand for products.

Scope for further research:

This study has been made with a view to assess the overall social capital formation of SHG women in the process of transformation of majority of them from
ordinary house wives to moderately aware political citizens. Further studies on the following issues may improve the usefulness of its findings.

1. The influence of group composition on internal social capital of SHGs and economic performance.

2. Identification of relationships significant in superior economic performance of SHG micro enterprises.

3. Social capital and entrepreneurial success in various industries.

4. Effect of social capital on economic development, health, education etc.

5. Role of social capital in public undertakings; Private organizations.