Chapter VIII
Summary of Findings, Conclusions, Suggestions and Policy
Recommendations

8.1 Introduction

SHG Bank Linkage Programme (SBLP) of India is claimed to be the most successful adaptation of microfinance programme. SBLP is undertaken with a view to obtaining the goals of widening the financial inclusion net, which is expected to lead to the well-being of the participants of the programme through their empowerment in various domains of life. It is through the attainment of these twin objectives of financial inclusion and empowerment that microfinance is supposed to attain poverty reduction. However, microfinance is one of the most contended topics as a tool for poverty reduction in development parlance. The so-called outputs of microfinance programmes have been questioned on the grounds of the robustness of the methodology adopted in the evaluation process as well as on the grounds of the authenticity of the results claimed to have been achieved.

It is beyond doubt that the SBLP is the most widely accepted microfinance intervention in the world if viewed in terms of breadth of outreach. However, in India, the spread of the SBLP is questioned on the grounds of its lop-sided development. It is argued that the spread of the programme is more or less unduly concentrated in certain Regions and States, especially in the Southern Region and in the State of Andhra Pradesh (now bifurcated as Andhra Pradesh and Telengana); therefore, the broad objective of the present endeavour is to evaluate the progress of the SBLP in India since its inception. More particularly, the first two objectives, which are solely based on secondary data, are to evaluate the pattern of progress of the SBLP and to ascertain the extent of financial inclusion attained by the SBLP in India.

8.2 Statement of the research problem

The microfinance intervention—SHG Bank Linkage Programme—is controversial in as much as the nature of popularity it has attained throughout India and with regard to the achievements in the realms of its declared objectives such as reaching empowerment through bringing the poor within the net of financial inclusion. The developmental status of the State of Kerala is quite different and advanced from that of the places where the intervention has flourished in terms of breadth and depth of outreach. It is generally argued
the methodology to be adopted for the evaluation process of the microfinance programmes should take cognizance of the special developmental settings of the place of intervention; in other words, it must be context specific. Besides, the evaluation methodologies are also to take into account the specific evaluation framework, which has necessarily to be free from the drawbacks of the generally followed methodologies. There are only a few attempts in India that have taken the issues of programme placement bias, sampling bias and self selection bias, which usually contaminate the results obtained in impact evaluation attempts. There has been no study in the State of Kerala which has attempted to deal with these problems. In the developmental settings of the State of Kerala, which is far above the status of other places where the intervention of microfinance is popular, the chances of self selection is rather high, Besides, the pattern of the impact of the microfinance programme is also be different, therefore the present study with specific objectives have been undertaken.

8.3 Objectives of the study

The main objective of the study is to evaluate SHG Bank Linkage Programme in Kerala and the specific objectives are:

1. To evaluate the progress of the SHG Bank Linkage Programme in India since its inception.

2. To determine the extent to which the promised goal of microfinance – Financial Inclusion - has been achieved through the SHG Bank Linkage Programme.

3. To develop a framework for assessing the extent of Self Selection among the participants of the SHG Bank Linkage Programme and also assess the extent of Self Selection among the participants of the SHG Bank Linkage Programme.

4. To assess the empowerment status of the participants of the SHG Bank Linkage Programme in Kerala.

5. To ascertain whether there is difference between empowerment levels of Self Selected participants and Not Self Selected participants.

6. To determine whether there are differences among the participants from different settings of the macro circumstances in which they live.
8.4 Methodology of the study

The first two objectives of the study are based on secondary data collected from the publications of NABARD - Status of Microfinance in India for the period from 2006-07 to 2015-16 and from various other sources of Census India and the office of the Registrar General of India. Other sources of secondary data are office of Census India, the web sites of the office of the Registrar General of India, Microfinance Information Exchange, World Bank, Office of the Registrar General of India, Ministry of Home affairs, Government of India, the Vital Statistics Division, Department of Economics and Statistics, Thiruvananthapuram and Human Development Reports of various years.

8.4.1 Research design

The research is carried out as descriptive and analytical method

8.4.2 Period of study

The period of study for objectives based on secondary data is the years from 2006-07 to 2015-16. The first two objectives are based on secondary data collected from the publications of NABARD - Status of Microfinance in India for various years from the year 2006-07 to 2015-16 and various other sources of Census India and the office of the Registrar General of India.

8.4.3 Sample design of the study

Within the broad objective of assessing the empowerment levels of the participants of the SBLP, the study is undertaken with the specific objectives of assessing the differences in the empowerment status of the participants, who are classified into Self Selected ones and Not Self Selected ones as per the Self Selection Index (SSI) framed in the study, and sample from the three districts, viz., Trivandrum, Kottayam and Palakkad, which have distinctive development statures as per the WDI devised for the purpose. Those who are found to be Self Selected as per the SSI are the comparison group in the study.

According to the WDI, the most backward district – Palakkad, which falls in the northern region of the State, one of the three most advanced districts, Kottayam, which falls in the central region of the State and one from the rest of the districts in southern region of the State, Trivandrum, have been selected for making the ultimate sampling for the study. A
total of 780 Respondents involved in Income Generating Activities (IGAs) under Kudumbasree led SHG Bank Linkage Programme-330 from Trivandrum, 202 from Kottayam and 248 from Palakkad – have been included in the final sample frame designed for the study.

Conceptual framework of the study has been designed separately for objectives that are based on secondary data and primary data. Secondary data have been collected from the publications of NABARD for various years from the year 2006-07 to 2015-16, various other sources of Census India and the office of the Registrar General of India. The period of study for analyzing the growth of SBLP in India has been fixed from the year 2006-07 to 2015-16 depending on the availability of secondary data and the variables according to which the NABARD compiled information regarding SBLP since its inception. Further, the period of study has been divided into two phases such as Phase I and Phase II for analyzing the variables of Savings Linkage and Credit Linkage according to the years in which the impact of Andhra Pradesh Crisis began to be manifest in the pattern of growth of the SBLP.

Apart from a host of indicators used for evaluating the progress of the SBLP across various States of India, separate indices for examining the degree of Patronage shown by the financing institutions towards the States, efficiency shown by the financing institutions in managing the financial aspects and indices for comparing the extent to which SBLP has resulted in financial inclusion in various States have been employed. Rest of the objectives is based on primary data collected from the participants of the SBLP in three different districts.

The study is mainly cross sectional in nature involving both analytical and descriptive methods as well as a comparison group selected on the basis of the chances of Self Selection into the Programme. And, the information has been collected by administering a structured schedule of questions finalised after a pilot study which covers questions on social and economic background of the respondents and various dimensions of empowerment.

This chapter attempts to recapitulate the important findings and give suggestions and recommendations based on the findings of the study in addition to the conclusion arrived from the enquiry.
8.5 Major Findings

8.5.1 Progress of SHG Bank Linkage Programme in India

The period of study for the evaluation of the progress of SHG Bank Linkage Programme in India is from the year 2006-07 to the year 2015-16. The period divided into two phases such as Phase I and Phase II depending upon the year in which the impact of the Andhra Pradesh Crisis in the field of microfinance in India started to manifest in the different variables selected for the purpose of evaluation.

1. A programme which was launched as a pilot programme in the year 1992 with the Credit Linkage of 255 SHGs has grown into an enormous vehicle of mobilizing the splintered savings of the poor into a giant corpus of Rs. 136.91 billion when it crossed 24 years in 2015-16.

2. The absolute figures of the number of SHGs and the amount of savings have been growing during the period of study for all the Regions and the States except for certain minor variations. However, the CAGRs in Phase II has been lower than those in Phase I signifying the shift in the attitude of the financing institutions towards more careful selection of SHGs for Savings Linkage resulting in a levelling-off in the growth of number of SHGs after the turn of events triggered off by the Andhra Pradesh crisis.

3. There is a clear dominance of Southern Region in the matter of the Savings Linkage, if one views the matter from the point of view of the number of Savings Linkage as well as the amount of savings mobilized.

4. Besides the inordinate success of Andhra Pradesh, there is extreme backwardness of certain regions in the matter of Savings Linkage. Northern and North Eastern Regions have been able to gather only around 5 per cent of the total number of SHGs linked in the country. The share of all the other Regions in the total number of SHGs savings linked is less than the share of the State of Andhra Pradesh alone.

5. The repercussions of Andhra Pradesh Crisis, which came to light at the end of the year 2010, are more prominent in other Regions than in the case of the point of its origin – Andhra Pradesh.

6. After the so called levelling-off in the growth of the SBLP by the beginning of Phase II, the CAGR of SHGs of the regions has been drastically slashed. Northern, Southern and
Western Regions registered negative CAGRs whereas Central and Eastern regions registered nominal growth rates only.

7. Among the Southern States, Karnataka is emerging as the one with the highest CAGR of SHGs savings linked -15.21 per cent - in Phase II. Its share in the all India level also has been increasing since the end of Phase I.

8. The argument that the Southern States have been receiving more attention right from the introduction stage of the Programme gets more strength when one examines the growth pattern of other States also. This is more evident if one sees the status of Western Region. In Western Region, which registered the highest CAGR in Phase I of 22.41 per cent ended up with negative CAGR of -1.49 during Phase II and a share of 12.9 per cent in all India total in 2015-16. In other words, the Region has not been able to mark its presence in the Programme even with a high initial growth rate.

9. It can also be observed that there are symptoms of saturation as regards the savings linkage in the Southern Region, since the beginning of Phase II, though with certain exceptions.

10. In Phase II, the CAGRs of savings of the States have either declined considerably or have turned negative except in the case of Andhra Pradesh, where the CAGR in Phase II increased to 33.93 per cent, which is more than three times the CAGR of Phase I and, by any standards, can be described only as tremendous. This indicates not only that the pace of growth of the SBLP at point of origin of Andhra Pradesh Crisis remains unaffected by the Crisis as the other regions and States, but still the State remains as the most patronised State in India as regards SBLP.

11. The amount of savings flourished at a greater CAGR than that of the number of SHGs both at the all India level and at the levels of Regions and States during both the Phases except in the case of North Eastern Region, where the rate of growth is the least.

12. In Southern Region except the State of Karnataka and in all the other Regions, the growth rate of savings during Phase II is higher than the corresponding CAGR of SHGs. Only in the State of Karnataka, the change in the progress of the amount of savings mobilization through the Programme in Phase II (10.56 per cent) is less than the CAGR of SHGs during Phase II (15.21 per cent), which implies not only a highly selective nature of
savings linkage, but also diminishing nature of savings per SHG. The higher CAGR of savings testifies to the growing savings habit of the members of SHGs in other States.

13. There is a levelling-off in the growth of the Programme during Phase II. The argument of levelling-off holds well in the case of the total savings mobilization of the entire country; the CAGR of the savings during Phase I is 22.84 per cent, while the corresponding rate for Phase II is only 14.31 per cent.

14. The big leap in the progress of the Programme in the Southern Region can be traced back to the fact that there has been a more concerted effort in the Region from the implementation stage itself which led to fixing the spring board at a much higher level than those of the other Regions and States. This is all the more evident, as can be anticipated, in the savings per SHG from the Southern Region, which is the highest throughout the period of study.

15. Among the States of Southern Region, it is in Karnataka that the average savings per SHG is the highest during Phase I, though it was pushed back to the fourth place during Phase II. The highest status of the State of Karnataka in the matter of total amount of savings during Phase I is on account of the success in mobilizing more amounts from each SHG. However, the initial enthusiasm seen among the members of SHGs in the State of Karnataka is not seen in Phase II. The Crisis of Andhra Pradesh seems to have affected the State of Karnataka more.

16. There has been an increase in the savings mobilized per SHG in the State of Kerala during Phase II. It is interesting to note that the CAGR of average savings per SHG in the State of Kerala during Phase II (21.97 per cent) is more than four times the corresponding rate achieved during Phase I (4.35 per cent) causing 10.56 per cent growth in the absolute amount of savings mobilized from the State despite a sharp decline in the number of SHGs formed by the end of Phase II to 2.73 lakh in 2015-16 from 6.16 lakh by the end of Phase I in the year 2011-12 causing a negative CAGR of -23.76 during Phase II. This indicates the enhanced savings habit of the members of the SHGs savings linked, though fewer in numbers as compared to that of Phase I.

17. After the Microfinance Crisis, in the State of Andhra Pradesh, the Programme started to gain the confidence of the members in an unprecedented way as is evident from the highest average amount of savings per SHG in Phase II. The average amount of savings of
Andhra Pradesh touched the bottom in the year of the Crisis came to light, and after the Crisis, it seems that it was easier for the State to regain the confidence of the members. It is in the State of Andhra Pradesh that the Programme has regained the highest degree of credibility among the poor.

18. Commercial Banks play the leading role in the Savings Linkage of the Programme; both in terms of the number of SHGs savings linked and the amount of savings mobilized. However, the number of SHGs as well as the share of Commercial Banks in the total SHGs promoted, declined during Phase II indicating the levelling off of the Savings Linkage by Commercial Banks during Phase II.

19. The participation in Savings Linkage has lifted the RRBs to the position of runners up in the race of mobilising savings through the Programme.

20. Saving Linkage by Cooperative Banks is the least of the three types of participating institutions in the Programme.

21. As a whole, it seems that the symptoms of the Programme having reached saturation are manifest in the case of Commercial Banks earlier than the other two types of financing institutions involved in the SBLP.

22. Commercial Banks in the Public Sector are the largest participating financing institutions in the Programme. Public Sector Commercial Banks claim more than half of the total Savings Linkage within the country during the period of study. Constant drop in the number of SHGs savings linked by Public Sector Commercial Banks as well as their share in the all India total since 2012 does not seem to be affecting the amount of savings mobilisation during the period. It is the vast network of branches, especially the State Bank of India and its subsidiaries, and sponsored nature of the program by the Government together have contributed to establishing the predominant role of the Public Sector Commercial Banks in the Savings Linkage of the Programme. It seems that the trust the poor have vested upon the banks in the Public Sector seems to be unabated because the share of Savings mobilization has only been increasing even after the Andhra Pradesh Crisis of 2010.

23. More than half of the total number of SHGs savings linked and more than 60 per cent of the total savings mobilized by the Commercial Banks are from the Southern Region alone.
24. Commercial Banks have attained the highest rate of growth of savings mobilisation from the State of Andhra Pradesh during Phase II after the Crisis. During Phase II, the Commercial Banks have adopted a policy of concentrating on fewer SHGs with a view to mobilizing more savings per SHG, especially in the States of Andhra Pradesh and Kerala.

25. Not only that some of the States and Southern Region gets more attention from Commercial Banks, Northern and North Eastern Regions remain neglected. As regards savings per SHG in Commercial Banks also the backward Regions like North Eastern, Northern and Central remain at the bottom.

26. Among the States of the Southern Regions, the feature of levelling-off in the spread of Savings Linkage is more prominent in the case of Kerala.

27. Except during the two years after the Crisis in 2011 and 2013, the savings per SHG mobilised by Commercial Banks from the Southern Region excels the other Regions by far wider margins. Besides, Andhra Pradesh holds the highest savings per SHG during the last four years of Phase II implying that the Programme has been successful in regaining the confidence of the participants of the Programme after the crisis in Andhra Pradesh.

28. As can be guessed, the Southern Region comes first in the linkage of SHGs and mobilization of savings under the auspices of RRBs. But the difference lies in that, while Southern Region dominated the Savings Linkage endeavors of Commercial Banks by claiming a share of SHGs between 54 per cent and 58 per cent of the total SHGs savings linked in the Country, the share in the SHGs of RRBs is limited to around 30 per cent, especially during Phase II of Savings Linkage. And, the share of the Southern Region in the Savings Linkage promoted by RRBs has been constantly decreasing since 2007-08. It decreased from 40.2 per cent in 2008 to 31.19 per cent in the year 2015-16. Likewise, the share in the total amount of savings of the Southern Region also is far less than the corresponding share of the Region in the Savings Linkage of Commercial Banks. While the share of the Southern Region in the amount of savings mobilized by Commercial Banks hovered above 70 per cent, the respective share in the RRBs is a maximum maximum of 40.31 per cent attained in 2015-16.

29. In the case of RRBs also, Phase II is characterised with better rates of growth for all region except Northern Region and North Eastern Region. RRBs have not been able to make inroads into Western region also.
30. Cooperative Banks have the least share in the Savings Linkage of the Programme. The general features of Savings Linkage expressed in the cases of Commercial Banks and Regional Rural Banks are present in the case of Cooperative Banks also, i.e. predominance of the Southern Region, negligence of certain regions like the Northern and North Eastern Regions are also true with the Savings Linkage of Cooperative Banks also. Although the share of Cooperative Banks in the Programme is the least among the three categories of financing institutions, Cooperative Banks have the highest growth rates in the number of SHGs savings linked during Phase II indicating that the participants of the Programme are attesting to the credentials of the Cooperative Sector more and more.

31. In the case of Savings Linkage by Cooperative Banks also, the proportionate share of Andhra Pradesh is much less than that of the Commercial Banks. Cooperative Banks have not been able to make much influence in Andhra Pradesh through the Programme. The share of the Southern Region in the number of Savings Linkage by Cooperative Banks, which is the highest in India, is distributed among the other States of Southern Region with higher proportions. However, the average savings per SHG is the highest in Andhra Pradesh.

32. Among the three types of financing institutions, Cooperative Banks rank second in the matter of savings per SHG.

33. During the initial period from 1993 to 2006, the Credit Linkage grew almost twice the previous year on an average. And, the amount of bank loan sanctioned during the period attained a CAGR of 123.47 per cent testifying to the immense popularity the Programme gained during the initial years of the Programme.

34. The Phase II in the case of Credit Linkage is taken to be setting in earlier in the year 2010 itself - the year characterized by a negative growth of 1.43 per cent in the number of SHGs credit linked over the previous year.

35. The CAGR of credit linked SHGs during Phase I (20.65 per cent) shows the increasing popularity of the Programme until the adverse effects set in during the Andhra Pradesh crisis in microfinance. It took more than five years to recoup the momentum of Credit Linkage after the downturn in the year 2010.

36. After the Andhra Pradesh crisis, the financing institutions have turned to be more cautious in selecting SHGs for Credit Linkage, and once the Credit Linkage is decided, the
financing institutions have become more generous in sanctioning loans, as is evident from the loans disbursed per credit linked SHGs.

37. Amount of loan disbursed is the only variable relating to Credit Linkage that has attained a higher CAGR in Phase II as compared to Phase I.

38. It is seen that the Programme has regained the confidence of the financing institutions by the end of the year 2015-16, for it is in this year that there is the highest amount of increase in the loans disbursed to various regions and States.

39. It is also seen that the financing institutions are mainly concerned with granting loans to SHGs from the Southern Region, and they constantly receive higher degrees of patronage from the financing institutions. When viewed against the facts that the regions of North East, East and Central which are dominated by the resource poor States of India are still lagging far behind the other States in the Southern Region and that their individual shares are dwindling also, it is relevant to raise the question on the effectiveness of the program in improving the inclusionary trends in a uniform pattern.

40. Among the States of the Southern Region, Kerala and Karnataka experienced the impact of the Andhra Pradesh Crisis more as is evident from the CAGR of the number of SHGs granted loans during Phase I; both the States had negative CAGRs during the Phase I. Kerala is perhaps the worst hit.

41. After the Southern Region, it is the Eastern Region that seems to be having a considerable portion of the SHGs credit linked each year. The share of the Region in the credit linked SHGs reached more than one fifth of the all India total (22.52 per cent) by the end of the year 2015-16, after attaining a CAGR of 6.84 per cent during Phase II.

42. North Eastern region could not sustain, after Phase I, the growth in the number of SHGs involved in Credit Linkage achieved in the initial years. The financing institutions did not show the same rate of patronage during Phase II, which they showed during Phase I. Central region also has not been able to gain much attention of financing institutions in the matter of Credit Linkage.

43. In spite of a fairly big share of around one fifth in the total number of SHGs credit linked during the various years of the period under study, the Eastern Region does not share
a decisive portion of the loans disbursed. It had to wait till the end of Phase II, i.e. 2014-15 to claim more than one tenth of the total loans disbursed in the country.

44. The downward trend precipitated by the Andhra Pradesh Crisis in microfinance has not affected the loans disbursed per SHG, although the momentum of growth attained during Phase I could not be sustained during Phase II. This indicates the selectiveness of the financing institutions in selecting SHGs for Credit Linkage. It can be surmised that the financing institutions, apart from being more careful in selecting the SHGs eligible for Credit Linkage, have become more diligent with regard to the extent to which they can go about the amount of loans to SHGs.

45. Southern Region as a whole and the States of the region, except Kerala, enjoy an average loan disbursement which is much above the all India average. This is a clear indication of the patronage of financing institutions towards the Southern Region. The amount of fresh loans per SHG in Andhra Pradesh is much above the all India average and the average for the region.

46. With regard to the loans disbursed, the North Eastern Region has the status of the most neglected region.

47. There is a drop in the number of SHGs disbursed with loans by Commercial Banks while the absolute amount of loans disbursed increased. It supports the earlier view that Commercial Banks have adopted a policy of financing select SHGs which by all possibility have proved their credit worthiness. Once the financing institutions have decided on the Credit Linkage, it is the Commercial Banks that take the most liberal attitude towards Credit Linkage of the SHGs as regards the amount of loan sanctioned per SHG.

48. RRBs gained more growth in Phase II than Commercial Banks. RRBs occupy the second position as far as the numbers of SHGs financed as well as the amounts of loans disbursed each year.

49. Cooperative Banks constitute the least of the stakeholders in the program from the point of view of fresh loans sanctioned every year. Cooperative Banks that have become most selective in credit linking SHGs especially during the Phase II.

50. Andhra Pradesh Crisis has not much impacted upon the amount of loan sanctioning by Commercial Banks except for a marginal decrease in the total loan sanctioned in the
entire country. Not only that Commercial Banks have shown extra care in credit linking more and more SHGs from Southern Region, indicating chances for more patronage towards the region from the part of the financing institutions; more towards the States of Andhra Pradesh, Karnataka and Tamil Nadu and Pondicherry belong to the category that has received unrelenting support from Commercial Banks as regards Credit Linkage.

51. Predominance of Southern Region in the Credit Linkage in terms of number of SHGs and amount of loan sanctioned, importance of the State of Andhra Pradesh, disregard of Northern and the North Eastern Regions and growing importance of Eastern Region are there in the case of Credit Linkage by RRBs as well. In the matter of Credit Linkage, the RRBs rank second in the country.

52. As in the case of the other two types financing institutions, RRBs also faced decrease in the magnitude of Credit Linkage in the aftermath of Andhra Pradesh Crisis.

53. The rate of growth of loan disbursement per SHG of RRBs also is higher than that of Commercial Banks.

54. Credit Linkage by Cooperative Banks is characterized by the least number of SHGs and the amount of loan disbursement among the three types of financing institutions.

55. The role of Southern Region has changed in as much as that it no longer enjoys predominance in loan disbursement by Cooperative Banks. Andhra Pradesh no longer enjoys the predominant role it has been playing in the case of the other two financing institution in Credit Linkage.

56. In the case of Loans Outstanding also, the various regions and the leading States involved in the Savings Linkage and the other variables of Credit Linkage occupy the respective positions unchallenged throughout the period of study. The number of SHGs with loans outstanding started showing diminishing trend after the year of the Andhra Pradesh Crisis in 2010; may be because the financing institutions started to be more careful in sanctioning loans and in ensuring that the sanctioned amounts comes back.

57. The shares of various regions in the loans outstanding again show the lopsidedness in the development of the SBLP. Here also, the predominance of Southern Region is visible.

58. Andhra Pradesh alone is accountable for more than one fourth of the total SHGs with outstanding loans since 2012-13 and for more than 40 per cent of the amounts of loans
outstanding since 2009-10. The indomitable share of Andhra Pradesh in loans outstanding is also related to the high status of Savings Linkage which invariably led to more loan disbursals within the State.

59. Among the other regions with notable share in the loans outstanding is the Eastern Region, which has a share of more than one fifth in the number of SHGs with outstanding loans and has a share ranging between 12 per cent and 14 per cent in the amount of loans outstanding during Phase II. The lower share of the region in the amount of loans outstanding can be explained by the comparatively low amount of loans sanctioned per SHG in the region.

60. North Eastern Region lags far behind in terms of outstanding loans.

61. The fact that, even after the crisis, the amount of outstanding loans continued to grow indicates either or both of the two facts; the overdue balances not yet classified as NPAs included in the balances or the fact that the financing institutions banked more on the credit worthy units with higher amounts of credit which of course is fewer in number than earlier.

62. As can be expected, in the matter of loans outstanding from SHGs credit linked with Commercial Banks also, Southern Region comes first in India. Commercial Banks have strongly favoured the Southern Region.

63. RRBs occupy second position in the matter of loan outstanding related to SBLP. Severely imbalanced patronage of certain regions like Southern Region and backwardness of the regions like northern and north eastern are more underscored in the case of outstanding loans of SHGs credit linked to RRBs as well.

64. The pattern of distribution of loan outstanding per SHG credit linked to RRBs testifies to the idea that RRBs also have adopted the policy of anchoring on credit worthy SHGs after Andhra Pradesh Crisis.

65. The number of SHGs with outstanding loans with Cooperative Banks as well as the amount of outstanding loans is heavily concentrated in the Southern Region. Although the predominance of Southern Region in outstanding loans with Cooperative Banks remains unchallenged, the State of Andhra Pradesh has been relegated to the last position as regards the number of SHGs having loans with Cooperative Banks and to third position as regards
the amount of loans outstanding in the Region. It seems that Cooperative Banks are not able to make inroads into the State of Andhra Pradesh as regards Credit Linkage as is evident from the lowest number of SHGs credit linked in the State compared to the other States of the region by Cooperative Banks. This may be because of the fact that the need for microfinance is more than met by the other two forms of financing institutions in the State or because of the less enthusiastic role played the Cooperative Banks as regards SBLP.

66. Since the microfinance crisis in Andhra Pradesh, the financing institutions have, in general, become more cautious in upgrading the Linkage status of SHGs. On the whole, the financing institutions prefer a shift towards moderate degree of Patronage from high degree of Patronage.

67. There is clear evidence for the fact that the financing institutions favour the Southern Region, especially the State of Andhra Pradesh, not only with high share of linkage – both savings and credit – but with regard to upgrading the savings linked SHGs to the status of Credit Linkage. However, reduction in upgrading of Savings Linkage is visible in the Southern Region also as in the case of other Regions.

68. From the very beginning itself, the State of Andhra Pradesh has been receiving high degree of Patronage from the financing institutions. During the first three years of the study, it is seen that the financing institutions have not insisted on the minimum time period of 6 months for promoting SHGs that have completed Savings Linkage to Credit Linkage.

69. There is evidence to the fact that in the State of Kerala, there seems to be an element of lethargy in upgrading the Savings Linkage to Credit Linkage after the Crisis in Andhra Pradesh; it is in Kerala among the States of Southern Region that the least percentage of actual Credit Linkage from the Expected volume is seen.

70. The rate of credit linkage diminished in the Southern Region because in other States than Andhra Pradesh, the Index of Patronage lagged behind half of the savings linkage, especially in Kerala and Tamil Nadu & the Union Territory of Pondicherry towards the end of the period of study. However, it has to be stated that it is in Southern Region that there is the greatest probability of a saving linked SHG getting Credit Linkage during the period under study. However, the crisis resulted in financing institutions exercising more diligence in granting Credit Linkage in Andhra Pradesh also.
71. Close behind the Southern Region in the matter of upgradation of SHGs to Credit Linkage is Eastern Region. The region which was receiving High Degree of Patronage during the initial three years of the study had to be content with Moderate Degree of Patronage for the rest of the period, though, in the year 2014-15, the Index crossed to 0.71. Within the region, which has been recognized as resource poor and deserving special attention in the matter of promoting microfinance (NABARD, 2013)P34F, the financing institutions have not been following uniform policy of encouraging Credit Linkage.

72. As regards the States of North Eastern Region, not only that the financing institutions do not show much enthusiasm in upgrading the status of SHGs to Credit Linkage, but the policy of Patronage of financing institutions in this region does not have consistency also.

73. The financing institutions have not shown much enthusiasm in upgrading the savings linked SHGs of the States of Northern Region.

74. The financing institutions have not been impartial in promoting the Credit Linkage among the States of various regions.

75. There is evidence for the fact that the financing institutions generally have not changed their policies towards regions and States regarding recovery of loans over the years of study.

76. The management endeavors of financing institutions in Southern Region as a whole are no better than those of the all India average during the period of study. More interesting is the fact that the State of Andhra Pradesh, which is most favored by financing institutions in granting Credit Linkage, has not been in the priority list of financing institutions in claiming back the granted loans.

77. It seems that it is in North Eastern Region that the financing institutions follow the most arbitrary policy of managing the loans granted under Credit Linkage. The Index of Efficiency in Management of Credit Linkage (IE) of the region crosses the ideal ‘1’ every alternate year after 2009-10, whereas the immediate succeeding years after the ideal ‘1’ show either low level of efficiency or very low level of efficiency in management of loans granted under Credit Linkage.
78. The arguments in favor of the viewpoints that loans granted as a part of microfinance programme is likely to cause the least amounts of NPAs no longer holds good. Not only that the percentage of NPAs is on the increase after the Crisis, but it has reached as high as 6.45 per cent of the total loan outstanding at the all India level.

79. Percentage of NPAs of Public Sector Commercial Banks has been constantly on the increase since the beginning of the period of study

80. Percentage of NPAs of Commercial Banks in the Private Sector is the highest during the years immediately following the Crisis in Andhra Pradesh. It is the Private Commercial Banks that are worst hit by the Crisis; the percentage of NPAs increased more than threefold in the year of Crisis.

81. RRBs did not have to absorb the shock of the Crisis in Microfinance as much as that of the other categories of financing institutions in the immediately succeeding years of the Crisis.

82. With the progress of time, the proportion of NPAs to loans outstanding seem to be increasing unabated at all India level as well as at regional levels. In other words, NPAs of loans granted as per SBLP is becoming a point of concern for the promoters of the Programme as well as the policy makers.

83. The percentage of NPAs of financing institutions engaged in SBLP changed with the passage of years, but there is no significant difference between regions. However, there are differences between various States and regions with regard to NPAs percentage wise over the period of study bringing out further features of the progress of SBLP.

84. Among the various regions, it is in Southern Region that the percentage of NPAs has been the lowest throughout the period of Study.

85. Except during the year 2010-11, throughout the period of study, the proportion of NPAs of Eastern region has been more than the all India average, and gap between the two rates widened towards the end of the period reaching 12.65 per cent for the Region in the year 2015-16 as against the all India average of 6.45 per cent.

86. Central Region has the dubious distinction of having the highest proportion of NPAs on outstanding loans except in the year 2015-16. In 2015-16, the region having the highest
proportion of NPAs is Northern Region. Eastern Region, Northern Region and North Eastern Regions also have proportion of NPAs which is above all India average.

87. The status of Andhra Pradesh and Karnataka over the year 2016-5-16 as compared to the year 2014-15 is quite encouraging; there is a massive reduction in the NPAs over the year as compared to the change in the Loan Outstanding

88. Northern Region has the most precarious condition as regards NPAs.

89. The ripples of the repercussions of Andhra Pradesh Crisis which came to light at the end of the year 2010 are more prominent in other regions than in the case the point of its origin – Andhra Pradesh.

90. As regards Andhra Pradesh, the behaviour of average savings is in an interesting way; it seems Andhra Pradesh Crisis has been an eye opener for both the financing institutions and participants in the Programme. It is after the Crisis in the State that the Programme started to gain the confidence of the members in an unprecedented way as is evident from the highest average amount of savings per SHG in the Second Phase.

91. Cooperative Banks have the highest growth rates in the number of SHGs savings linked during the Second Phase indicating that the participants of the Programme are attesting to the credentials of the Cooperative Sector more and more.

92. The financing institutions have failed in maintaining a stable loan management policy in States as is evident from the following; Management of Loans granted under Credit Linkage has not been stable over the years of study. It is also noteworthy that the management endeavors of financing institutions in Southern Region as a whole are no better than those of the all India average during the period of study. More interesting is the fact that the State of Andhra Pradesh, which is most favored by financing institutions in granting Credit Linkage, has not been in the priority list of financing institutions in claiming back the granted loans.

8.5.2 Achievement of Financial Inclusion through SHG Bank Linkage Programme

1. IFI of the States changed with passage of years, but the statuses the States have been claiming with regard to IFI representing Financial Inclusion status grouped into various regions among themselves do not vary significantly. Whatever status a State has been enjoying from the beginning still remains unchanged.
2. Financial Inclusion data show that the most included State in the whole of India is Goa throughout the period of study. While the value of IFI of Goa hovered above 0.80, the value of IFI of Kerala is settled near 0.50

3. Andhra Pradesh, which was the centre stage of the Crisis in 2010, has shown the highest growth rate in average savings per member of SHGs during Phase II, while its CAGR during Phase I was negative. On the other hand, in most of the States, the enthusiasm generated among the members could not be sustained after the Andhra Pradesh Crisis in 2010. Except in Andhra Pradesh in Southern Region, Madhya Pradesh in Central Region, Arunachal Pradesh in North Eastern Region and Punjab in Northern Region, none of the States across the whole of India has higher rates of growth in the average savings per member during Phase II as compared to that of Phase I.

4. In a nutshell, the pattern of growth in the average savings per member of SHG in these States shows that the members are not as enthusiastic during Phase II as they were in the initial years of the Programme. The pattern of growth of average savings per members shows either or both of the following: the members are still capable of generating very meager amounts of savings even after so many years of membership in the Programme or they have not taken SHGs as much of a medium of mobilizing savings.

5. Except for the year 2012-13, when the total number of SHGs decreased for the first time since the Programme was launched in 1992, the rate of penetration of SHGs has been on the increase.

6. The common argument that Southern Region has developed in a skewed manner is further substantiated by the penetration rates region wise. Penetration Rates of Southern Region is well above the all India rates and rates of other regions.

7. Northern and Central regions are the two regions where the Rate of Penetration of SBLP seems to the lowest among the regions. In both the regions, the rates have never crossed 3 SHGs per thousand of population.

8. If the decrease in the number of Credit Linkage is read with the high growth rates of loan per SHG in these States, it is clear that there has been evidence of sanitization in Credit Linkage when the period of study ended.
As can be anticipated, the status of Andhra Pradesh vis a vis SBLP is of the highest degree, especially from 2009-10 onwards. It is since 2009-10 onwards that the State of Andhra Pradesh reached the top among the States in India with regard to participation in SBLP. During the initial two years of study, it was Tamil Nadu & Pondicherry that was at the top of the list of States.

ISBLP of Andhra Pradesh testifies to the earlier arguments that the progress of SBLP has concentrated in the southern States generally and in Andhra Pradesh particularly.

When the study period ended in the year 2015-16, seven States from regions except Southern Region have not been able to cross the upper bound of Very Low Involvement of SBLP. They are Gujarat in Northern Region, Manipur in North Eastern Region, Bihar and Jharkhand in Eastern Region, Chhattisgarh and Uttar Pradesh in Central Region and Gujarat in Central Region.

The last year of the study, 2015-16, has witnessed improvement in ISBLP in only six States of three regions. All other States have witnessed a decline in the ISBLP as compared to the immediate previous year, 2014-15. And, Andhra Pradesh successfully maintained its previous status of ISBLP, i.e. 0.90 in 2015-16 as well.

In certain other States the Programme has not attracted much attention or has failed in the implementation aspects. They remained with Very Low Level of Involvement in the Programme during much of the time of study. For example, Manipur in North Eastern Region remains at the Very Low Level of Involvement during the entire stint of study.

States of Central Region witnessed severe decline in ISBLP during the year 2015-16.

At the outset, it has to be stated that those States which are in the forefront of SBLP are not the most included States in the country.

Goa claims the highest Index of Financial Inclusion, whereas the other States including the States of the Southern Region which are famous for the exorbitantly high concentration of SBLP do not come near the first ranking State of Goa in respect of IFI ranking.

Except for 2008 and 2010, only less than a quarter of the financial inclusion level attained is explained by the program of SBLP.
18. The SBLP is a successful endeavour in itself. It has been able to amass the hitherto splintered savings of the poor since the inception of the idea of microfinance in India and has provided loans to millions of members in various States of India. However, the attention given by the runners of the SBLP have not been extending the same degree of attention to all the States and regions of the country. Certain regions have been utterly neglected, while certain other regions are being patronized even beyond the norms of SBLP. For example, there is evidence for the argument that the States belonging to the Southern Region, especially Andhra Pradesh. It is interesting to note that it is in other regions and States that the repercussions of the infamous Andhra Pradesh Crisis are more visible than its point of origin.

19. SBLP has been devised also with a view to be the mechanism for ensuring Financial Inclusion of the hitherto excluded sections of the population. Analysis of the data with specially designed indices like IFI and ISBLP shows that the Programme, when 24 years expired since its implementation in the country, has been able to ensure inclusion only less than a quarter of the population. However, it cannot be taken to be a matter of mean achievement, for in a country like India with utmost diversity in every conceivable aspect of life that is a matter of great achievement.

8.5.3 Socio economic profile of the participants of SHG Bank Linkage Programme

1. The age group wise distribution of the respondents is district specific. In the entire sample, the largest participation is from the age group of 35-39 years at the time of the survey, and about one fourth of the respondents participated in the survey (24.74 per cent) belong to this group. Till the age of 35-39, the rate of participation increases and after the age group, the participation starts to decline.

2. The highest participation – age peak – occurs in different age groups in districts. The growth of entrepreneurship matures at the earliest in Palakkad and the latest in Kottayam. Trivandrum comes in between. In other words, the age–peak is pushed upwards with the general advancement attained in the macro settings. Besides, after the age peak, the rate of participation in the SBLP declines sharply in advanced macro settings, whereas, the opposite happens in the backward district, Palakkad. This particular aspect of the distribution also supports the idea that the respondents from Palakkad are more likely to be necessity entrepreneurs than those from advanced settings.
3. Before reaching the ‘peak’, the rate of participation is very slim among the youngest age groups, 20 - 24 and 25-29.

4. Prime Agers are more likely to be Necessity Entrepreneurs. Third Agers are more likely to be Opportunity Entrepreneurs. It is in Palakkad that the entrepreneurs from Third Age have the highest probability to opt into the SBLP with a view to cashing in on opportunity rather than necessity. The chances for Third Agers from Palakkad to opt for entrepreneurship when the SBLP was introduced were also the highest.

5. The acceptability of the SBLP sponsored entrepreneurial programme among the respondents during various periods after its introduction significantly differs from district to district.

The Programme was most preferred by Prime Age group females at the time of its introduction. It is true with regard to all the districts and the difference with regard to the proportions, if at all, is only nominal. The proportion of Prime Age respondents to Third Age respondents among those who were starters of enterprises defy the evidence provided by Hart, Anyadike-Danes and Blackburn (2004) and Kautonen (2008) in the literature, which further testify to the idea of context specificity of the Programme.

6. The rate of participation in the SBLP by Third Agers in the districts is low compared to those belonging to other age groups. Lower rate of participation Third Agers at the time of joining is more due to the Social Stigma attached to choosing entrepreneurship at later ages.

7. Intra Prime Age classes significantly differ from district to district, while Third Age classes are not statistically different in the three districts, which mean that the entrepreneurial preferences of only the Prime Agers are influenced by the developmental status of the macro surroundings.

8. From a total sample of 780 respondents initiated into IGA’s 85.64 per cent had been established by females belonging to Prime Age category, whereas the proportion of Prime Agers in the total female population is only 79.66 per cent. The share of Prime Agers in the Programme as compared to their share in the female population is higher than what is found in the literature.

9. From the evidence of comparative relationship between the proportion of female population in Prime Age group from the sample districts and the corresponding rate of
entrepreneurship from each of the sample districts, it is seen that it is in the backward district Palakkad that the necessity entrepreneurship is more prevalent than in other districts, because the difference between the two proportions is the widest in Palakkad.

10. The proportion of participation by Third Agers in the programme is less than the proportion of female population in all the age groups irrespective of districts. And, the widest gap between the two proportions occurs in Palakkad.

11. In backward macro settings, there is chance for necessity entrepreneurship at early ages among the poor, and the probability for Youngsters to be entering into entrepreneurship during early periods of their lives diminishes with the advancement in the macro settings. The facts that in advanced macro settings the proportion of youngsters is the least and that the youngsters get attracted to the Programme more in backward settings support the argument that in less developed areas, there is more chance for necessity entrepreneurs to be dominating in the Programme.

12. Palakkad reaches ‘age peak’ earlier than the other two districts. It is because of the fact that the backward macro settings of the district enticed more entrepreneurs from comparatively younger age groups than in the other two districts to the SBLP. There was a notable predominance of Youngsters in Palakkad at the time of joining the SBLP.

13. It was 8 to 12 years back that there was an influx of entrants into the program, which is visible among all age groups. It is the well orchestrated campaign for the programme and backwardness coupled with unemployment that prompted the necessity entrepreneurs to opt for the SBLP. The time period marked by 3 -7 years before the survey for the present study also show influx of necessity entrepreneurs though at a lower rate.

14. Only a nominal segment of Third Agers joined the Programme at the time when the Programme was introduced may be because of the stigma attached to choosing entrepreneurship during the later years of life and other related risk factors.

15. There is ample proof for the fact that the entrepreneurs are a mixture of opportunity entrepreneurs and necessity entrepreneurs. However, there is predominance of opportunity entrepreneurs in certain age groups like the Third Age group, whereas, reverse is the case in other age groups.
16. More than one third (36.54 per cent) of the respondents belong to APL group. It is prima facia evidential that richer people are also participating in the programme designed for the poor.

17. The facts that about two thirds of the respondents (64 per cent) who have been in the Programme for 13 years or more and 67.1 per cent of those with 8 – 12 years still remain at BPL level raises questions on the effectiveness of the Programme in reducing poverty.

18. Secondary level of education is the most popular level of education among the respondents. Considering the general educational status of Kerala, those who are with secondary education are likely to have fewer market opportunities for paid employment, therefore, the SBLP led IGAs are the activities for those who are qualified up to secondary level of education.

19. Religious background of the respondents is as follows: 58.7 per cent of the total respondents are Hindus whereas 29.74 per cent are Christians. Muslims are the least popular category among the participants of the programme; only 11.79 per cent belong to this religion.

20. It is seen that SBLP is a programme usually preferred by married women who choose to supplement the family income one way or other because of increased economic obligations.

21. Self employment, as the occupation of the Head of the Household, is the highest occupation of the heads of the households from the district of Palakkad. It is because the poorest will usually have only fewer labour skills and scant capital to make investment so that they will be forced to engage in self employment rather than seeking remunerating jobs generating stable income.

22. Only 5 per cent of the total respondents are heads of the households.

8.5.4 Self Selection status of the participants of SHG Bank Linkage Programme

1. Proportion of high level of education is the most among Youngsters; universal education among the youth and lack of opportunities for paid employment are the reasons for the popularity for the Programme among the Youngsters. Other Prime Agers stand second in this matter whereas, the Third Agers come last. Only 3 respondents have high level of education from Third Agers.
2. Claims on the popularity of the SBLP are questionable because majority of the members of SBLP are members of other networks and there is high chance for multiple memberships as well, which supports the claim that the success of the SBLP can also be attributed to the multiple memberships across the country.

3. Inter district wise also the respondents differ significantly with regard to participation in other networks and multiple membership. The development status of the districts has influenced the participation of those with membership in other networks to be part of the SBLP. Kottayam ranks first in this case and Palakkad the last.

4. One third of the total Sample enjoys fallback. There is significant district wise difference among the participants with regard to fallback. Probably, the women of Kottayam, who have the privilege of better support of assets ensuring fallback at large, have a better option than joining SBLP. The fact that more than one third (33.6 per cent), are with fallback protection is, prima facie, supportive of the argument that there is chance for Self Selection into the programme by candidates with high degree of chance for success.

5. Respondents with fallback from each district are a homogenous lot when viewed from the point of religious affiliations. Intra district, each sample is a homogeneous group and is not influenced by religious affiliations when seen from the point of view of fallback. When seen from Inter district, the fallback position of Christians and Hindus from each district differ significantly, while the respondents belonging to Islam are a homogeneous group irrespective of the districts to which they belong.

6. Among all the respondents interviewed, savings is the least popular asset the respondents could have taken recourse in order to ensure fallback at the time of joining the programme. Only a total of 16 respondents constituting 2.1 per cent of the entire sample were able to take recourse to any kind of savings as a fallback cushion. Interestingly, there was only one Christian respondent who had savings in her name at the time of joining the programme.

7. Share in ancestral property is still the most popular factor in determining the fallback for the respondents. More than half of the participants who are Muslims enjoy a share in the ancestral property (50.5 per cent), whereas Christians have the least proportion with a claim in the ancestral rights (36.6 per cent).

8. It is among the third agers at the time of joining the Programme that there is the highest proportion of respondents with fall back.
9. Fallback of the respondents of each district does not differ age wise. It means that there is no statistically significant difference among the respondents of each district (intra district) as regards fallback. However, it is seen that both Youngsters and Third Agers are homogenous groups irrespective of district, when fallback is considered. On the contrary, the fallback characteristics of Prime Agers are different from district to district. The highest proportion of Fallback is among the respondents of Trivandrum.

10. It is in Palakkad that the highest proportion of respondents is from richer individuals. It is prima facie evidential to that there are chances for Self Selection among the respondents. In poorer settings richer individuals are more likely to exploit the opportunities generated from poverty reduction programmes. Problems connected with targeting of the Programme are more visible in poorer macro settings. And, the least proportion of richer respondents is from the most advanced district of the Sample, Kottayam.

11. If one picks a self employed head of the household, there is almost 50 per cent chance that the person is from the district of Palakkad; out of the total 101 self employed heads of the household 49 persons are from Palakkad. In other words, it testifies to the argument that backwardness go hand in hand with more chances for self employment. It is because that the poorest usually will have only few labour skills and scant capital to make investment so that they will be forced to engage in self employment rather than seeking remunerating jobs capable of generating stable income.

12. NGOs have been able to delve into the religious community with some perceptible results only in Trivandrum. Apart from the district of Trivandrum, any semblance of influence by NGOs is visible only in Palakkad where 3.93 per cent of the respondents have taken the suggestions of NGOs while deciding to join the Programme.

13. Behind the influencing factors among the respondents in opting for SBLP, friends and acquaintances who account for social capital among the participants of SBLP is district specific. One fifth of the total respondents State that they have been influenced by friends and acquaintances in joining the SBLP. It is among Hindus that the highest proportion of those who as a result of the membership in closely knit social network joined the Programme and Christians have the least proportion of respondents having been influenced by Friends and Acquaintances. District wise, Palakkad has the highest proportion of those initiated by Friends and Acquaintances, whereas Kottayam and Trivandrum has almost
equal proportions. It is natural that in backward macro settings the chances for development of social capital is higher.

14. Of the total respondents, 18.45 per cent has been assortatively matched while selecting members in SHGs. Muslims, Hindus and Christians, in that order are being influenced by other members in the groups. Assortative matching happens in the order of the development status of the districts, with the most backward district, Palakkad, ranking the highest and Kottayam, the most developed among the sample districts, ranking the least.

15. Only one fourth of the respondents needed the support by the family in joining the SBLP. It is Christians who needed the permission from husbands and other members of the family to join the Programme the least, whereas about two fifths of Muslims needed

16. The inter district religion wise distribution of those who have taken the suggestions of Local Leaders before joining the Programme do not vary significantly from district to district. However, it is in Palakkad that the influence of Local leaders is the maximum. And, the influence of Local/Religious leaders is most prominent among the Muslims.

17. Among the various person/s influencing the respondents in taking a decision as to joining the Programme, the least influencing factors are religious leaders and ‘others’ including government officials with whom the respondents are likely to have interfaces with and bank officials or some other persons with whom they are likely to have some informal meeting.

18. It is clear that decision by self is the most common factor influencing the choice to join the Programme in the districts except Palakkad. Exactly half of the total sample has decided by their own to join the Programme. Self Decision is the most common factor in Kottayam, indicating that in advanced districts more respondents are capable of arriving at decisions on their own. It shows that the highest probability for opportunity entrepreneurship is among those from Kottayam.

19. It seems that, in surroundings characterised by less development in macro settings like that of Palakkad, the chances for assortative matching is higher than in other places.

20. In Kottayam - the highest ranked among the sample districts - the probability for a respondent to have been attracted into the Programme by other members of SHGs is almost one third of that of Palakkad. In Kottayam, women are ushered into the Programme more as
a result of their own decision. They are capable of weighing the pros and cons and arriving at an appropriate decision.

21. Among the three districts, respondents from Kottayam constitute the highest proportion of those who took Self Decision, whereas, the respondents from Palakkad are the most reluctant lot while facing with the requirements of taking a decision, and Trivandrum falls between. Sample from each district is heterogeneous as regards Self Decision.

22. Among Youngsters, the highest proportion of self decided respondents come from Kottayam, where 83.33 per cent chose the Programme on their own, whereas the least proportion of Youngsters is from Palakkad, where only 20.72 per cent decided to enter the Programme on their own. It is interesting that the Youngsters from advanced macro settings are more enterprising, and it varies according to the development status of the macro settings as is evident from the fact that the least proportion of Youngsters venturing into the Programme is from the district of Palakkad. Likewise, among Prime Agers as well as Third Agers, the highest proportion of self decided respondents comes from Kottayam, whereas the least proportion comes from Palakkad. In other words, the capacity to arrive at a decision also varies according to the general development status of the macro settings.

23. Although comparison of samples district wise shows that the samples are heterogeneous as regards Self Decision, sample from each district is a homogeneous lot, when the proportion of Self Decided respondents within each age group is taken into consideration.

24. The factor that most influenced the respondents joining the Programme is decision by self.

25. Religion wise, Christians have the highest probability of taking the decision as to joining the SBLP. Hindus come second.

26. The highest probability for assortative matching is among Muslims, with Hindus closely behind them.

27. It is among the Hindus that Friends and Acquaintances are the most influential.

28. About one third of the respondents of the survey are self selected into the Programme with the highest proportion of Self Selected respondents from the district of Kottayam and the least from the most backward district Palakkad. It supports the idea that
during the implementation of the programme designed for the poor, comparatively well equipped are more likely to walk away with the benefits. This State of Self Selection is more pronounced if the implementation is in developed macro settings.

29. The distribution of the respondents having the possession of any of the variables entering into the group of determining variables of Self Selection is according to the development status of the districts; there is only one respondent in Kottayam who is devoid of any of the variables making her eligible to be counted in the Self Selection Index, while the most of such respondents (69.09 per cent) are from the backward district Palakkad. And, Trivandrum occupies the middle position with 16 respondents belonging to the category.

30. The most popular variable entering in the computation of Self Selection Index is Membership in other Networks. It is quite strange that a total of 510 respondents constituting 70.34 per cent are members in some other networks including religion based networks or other types of groups. Nonetheless, the most decisive variable entering into the computation of the Index of Self Selection is Self Decision,

31. Self Selected respondents from each district form distinctive homogeneous group. Age wise distinction among the respondents does not influence the chances of Self Selection intra district. Inter district wise the status of self selection significantly differ if viewed from the point of view of age wise classification of respondents. Self Selection status of Youngsters and other Prime Agers of each district differ from one another, whereas the Third Agers form a homogeneous group irrespective of district. It means that Third Agers from the three districts form a homogeneous group. It means that as people advance in age, the probability for being self selected into the programme remains the same irrespective of the developmental status of the macro settings; only that those who venture into entrepreneurship at the later stages of life are small in number.

32. Among the respondents of the survey, Christians have the highest probability of Self Selection (42.67 per cent of the Christians have self selected into the Programme), while Muslims have the least probability; only 28.26 per of the Muslims have self selected into the Programme

33. Intra district religious affiliations do not influence Self Selection in any of the districts.
34. Hindus and Christians are homogeneous lots as regards Self Selection. Only Muslims retain heterogeneity based on district wise representation, when viewed from the point of Self Selection

35. It is seen that Self Selection occurs at the highest rate when the Programme was introduced and the rate diminishes with the advancement of the Programme

36. It is statistically supported that Self Selection is at higher rates during the initial periods of the intervention. However, district wise the picture is different. In Trivandrum and Palakkad, the case is similar to that of the combined sample; it is during the initial years that the case of Self Selection is more prominent as compared to the later years. But it is only in Trivandrum that the downward change in the proportion of Self Selection with the advancement in years of implementation is statistically significant. The case is still different in Kottayam, where the trend of the rate of Self Selection, as the number of years of experience in the Programme advances, is to increase, though the rate of change is not statistically significant. It is in advanced macro settings that the chances of Self Selection are on the increase, whereas the reverse is true in the case of other districts.

37. There is evidence to support the argument that Self Selection exists among the members of the SBLP. There is significant difference between the districts with regard to Self Selection among the respondents. Development status of the districts influences Self Selection status.

8.5.5 Empowerment status of Self Selected and Not Self Selected respondents of the three districts

8.5.5.1 Empowerment at the Household Level

1. Of the total respondents, two thirds (66.28 per cent) have attained an improvement in the standard of living, and thereby economic empowerment. The apparent difference in the attainment of improvement in the standard of living of the respondents is not statistically significant. Status of the districts according to WDI is not a decisive factor in the proportion of those who have improved their standard of living.

2. The Chi Square value and p value generated testifies to the fact that the standard of living attained does not significantly differ among the Prime Agers and Third Agers of the three districts
3. The proportion of those who have improved their standard of living increases successively according to the length of the period they remain in the Programme.

4. Of the total 780 respondents, 426 respondents (54.62 per cent) stand empowered at the Household Level. This shows that participation in the SBLP does not, by default, ensure that the women will receive due recognition at the households. District wise, it is in Palakkad that the highest proportion of respondents got empowered at the Household Level. Empowerment benefits accruing at the Household Level seem to be more relevant to the backward macro settings.

5. It is among the Not Self Selected participants in the Programme that the probability for attainment of empowerment at the Household Level is higher. Not Self Selected category belonging to the backward macro setting as that of Palakkad benefits more as compared to their counterparts in other surroundings from other districts.

6. Respondents from each district constitute a homogeneous group when viewed from the point of view of empowerment status of the respondents according to Self Selection status at the Household Level. Self Selection status of the respondents from each district does not influence the Household Level empowerment status of respondents from each district internally.

7. Empowerment at the Household Level, as per the conceptual framework of the study, arises as a result of the empowerment at the economic level. Out of the total 780 respondents, 285 respondents (36.54 per cent) have been empowered at the Economic domain as well as at the Household Level. In other words, it is only in the case of these respondents that the conceptualized process of empowerment beginning from economic empowerment holds good. Besides, there are 122 respondents who are not empowered at economic front or at the Household Level. Theoretically, these respondents can also be taken to be not following the conceptualized empowerment process. Thus, are only 407 respondents (52.18 per cent of the total respondents), in whose case the process of empowerment can be claimed to have been according to the conceptualization.

8. The claim that the conceptualized process of empowerment is to begin from the Economic contribution to the households holds the highest probability in the case of the Not Self Selected respondents of Palakkad. The argument is further augmented by the fact that, contrary to the nature of the category of respondents having been empowered at the
Household Level according to the conceptualized process of empowerment, among those who are empowered at the Household Level without effectively contributing to the economic well being of the household, the proportion of Self Selected respondents is higher in the districts of Palakkad and Kottayam, whereas the reverse is the case in Trivandrum. This shows that the Self Selection comes more prominently to play into the households in backward as well as advanced settings.

9. Contrary to the expectations, it is the Self Selected respondents that constitute majority among those who are not capable of attaining Household Level empowerment in spite of perceptible contribution to household economic domain.

10. There is no significant difference between the categories based on Self Selection, if one examines the district wise respondents who are not empowered either at the economic front or at the Household Level. In a nutshell, the conceptualised pathway to the Household Level empowerment beginning from the improved contribution to the economic domain of the households and subsequent role in household level decision making holds good only in the case of 407 respondents (52.18 per cent of the total respondents). Moreover, the results of the test of correlation between Standard of Living score and Household empowerment score show that there is no statistically significant correlation between the district wise and Self Selection wise classification of respondents, therefore, it is concluded that empowerment at the Household Level is not generally set off from the economic empowerment of the respondents alone.

11. As far as the Household Level is concerned, the Programme is more beneficial in empowering the Not Self Selected respondents from backward macro settings.

12. There are 354 respondents (45.38 per cent of the total) who are not empowered at the Household Level. Of these, there are 232 respondents (29.74 per cent of the total) who could not assert their presence at the households in spite of effective contribution to the economic domain. The remaining 122 of 354 respondents are those who have not been able to make any ripples in the economic domain of the household. Their income has not helped the household to improve the standard of living to the extent of ensuring economic betterment of lives. Even Self Selected respondents find it difficult to assert themselves at the households in spite of the positive contributions to the economic well being of the family. There are 90 Self Selected respondents who, in spite of sufficiently large contribution to the
economic front of the Households, are unable gain effective recognition at the household level. To be more specific, the proportion of Self Selected respondents is higher in this case.

13. It is the Self Selected respondents that are more likely to be not receiving enough recognition at the household level even after economically contributing to the household except in Palakkad.

14. There are 141 Participants constituting 18.08 per cent of the total Sample who have attained empowerment at Household Level even though they have not effectively contributed to the household economic domain. More detailed enquiry into the features of these respondents shows that the chances for getting the voice recognised at the Household Level is more among the Self Selected respondents of Palakkad and Kottayam, whereas, in the case of Trivandrum, the Not Self Selected respondents have attained empowerment more at the Household Level without contributing to a perceptible improvement at the economic domain of the household.

15. District wise, it is the respondents from Trivandrum that have been benefited most at the Household Level from the memberships in SHGs – interfaces at the organisational Level; while 72.92 per cent of those empowered at the Household Level defying the conceptualised requirement for being empowered at the economic domain in Trivandrum are exclusively by virtue of their membership in organisations; while in Palakkad and Kottayam their proportions are 25.54 per cent and 23.68 per cent respectively. On the other hand, in Palakkad and Kottayam, probability for empowerment at the Household Level without economic empowerment is more if the respondent is exposed to the Socio Political as well as the organisational Life at the same time, because in these two districts, 70.91 per cent and 68.42 per cent of the said category of respondents respectively have been empowered at Household Level only because they are members in organisations and at the same time have been having interfaces at the Socio Political Level.

16. In advanced macro settings like that of Kottayam, the probability for the voices of the respondents to be heard at the Household exclusively by their membership in SHGs is more if the respondents are Self Selected into the Programme.

17. Out of those who are empowered at the Household Level without the backing of economic empowerment 87 respondents (11.5 per cent of the total 780 sample respondents) have attained empowerment at the Composite Level with the backing of empowerment at
the Organisational Level alone or Organisational Level and Socio Political Level. It is interesting to note that it is the Not Self Selected respondents of the advanced district Kottayam that have been able to attain the final Composite Level of empowerment without effective contribution to the economic domain of the household the most. Two points are worth noting in this connection; first, the benefits of empowerment accrue to the Not Self Selected respondents more. Secondly, requirements at the economic front do not stand in the way of empowerment of the respondents in case they are Self Selected ones from advanced macro surroundings as much as in the case of those from backward macro settings. On the other hand, in the case of Palakkad and Trivandrum, it is the Self Selected respondents who have been more successful in reaching the Composite Level of empowerment after receiving empowerment benefits either from Organisational Level or from Socio Political Level or both.

18. Most popular need financed with income from IGAs is Consumption, that too with statistically significant difference among the respondents from the three districts. It is in Trivandrum that the largest proportion of respondents has opted for meeting daily consumption needs of the household out of the income from IGA. Palakkad comes only the last with regard to this aspect.

19. While comparing spending for consumption according to Composite Empowerment status of respondents from the districts, it is also found that it is among those who are Not Empowered that the preference for consumption expenses is higher than among the Empowered. And, Self Selection status of respondents does not dissuade them from spending income from IGAs on consumption.

20. It can be surmised that the respondents, especially Self Selected ones from advanced macro settings take the membership in SHGs as a source for meeting livelihood needs rather than for needs with a long term outlook.

21. It seems that it is those who are empowered at the Composite Level apportion the income from IGA among different needs more judiciously.

22. Among the various avenues for utilising income from IGAs, spending for education of children is the second head of preference among the respondents. This is irrespective of the empowerment status. Education is regarded as an important avenue for deployment of
income by the respondents of Kottayam and Trivandrum rather than by those from Palakkad.

23. It is interesting to note that those who are Self Selected and empowered at the Composite Level from Palakkad are more concerned with education of their children, while in the case of Not Self Selected and empowered at the Composite Level, the highest probability for spending on education is among the respondents from Kottayam. And, if it is Self Selected ones, Kottayam has the least probability also. The respondents from advanced macro settings are more inclined to use the income from IGAs for purposes with short term implications.

24. Income from IGAs is also helpful in coping with shocks in life like medical emergencies. Meeting emergencies is the third preference among the respondents. Among the least preferred avenues of deployment of income from IGAs is savings and investment in domestic animals, though there are differences among the different groups of respondents like empowered as well as not empowered at the composite level and Self Selected and Not Self Selected ones.

8.5.5.2 Empowerment at the Organisational Level

25. The conceptualised process of empowerment emanating from the Household Level and progressing towards Organisational Level is proved to be true from the correlation of the Empowerment scores at the Household Level and at the Organisational Level.

26. However, the empowerment at the Organisational Level of the Self Selected respondents from Kottayam and that of the Not Self Selected respondents of Palakkad is significantly correlated to the empowering attributes of the organisations. In advanced macro settings like that of Kottayam, the respondents are capable of taking advantage of the empowering nature of the SHGs if the respondents are Self Selected into the SBLP and in the backward macro settings, it is the Not Self Selected ones that benefit from the feature.

27. Of the three levels of empowerment recognised in the Conceptual Framework, Organisational level is the most empowering level. There is significant difference between the proportions of the Not Self Selected respondents and Self Selected respondents who have gained empowerment at this level. The district of Palakkad bears the highest proportion of empowered respondents at this level, while the most advanced district Kottayam remains at the last.
28. There is clear upper hand for the Not Self Selected respondents in the matter of empowerment at this level. It can be stated that it is the Not Self Selected respondents from the backward settings that gets the maximum benefits of empowerment from the organisational set up of SHGs.

29. The respondents of each district constitute a homogeneous group irrespective of Self Selection status when viewed from the point of empowerment at the Organisational Level. But, as is evident from the earlier facts, there is difference in the empowerment status inter – district

30. It has to be noted that empowerment at the Organisational Level as well as at the Economic Domain of the Household does not automatically ensure empowerment at the Household Level. On fourth of the total respondents (25.77 per cent) are not able to assert their presence at the Households despite their economic contribution and empowerment at the Organisational Level. Interestingly there is no significant difference between the Self Selection categories of the districts in this regard.

31. The probability for one to receive due recognition at the household, once she contributes to the economic domain of the household and is empowered at the Organisational Level is the highest in the most advanced district among the samples.

32. A total of 440 respondents constituting 56.41 per cent have stated that they will now seek loan from a bank in case the SHGs in which they are members are unable to cater to their loan needs. And, it can be regarded as a feat achieved by the novel intervention- SBLP. Viewed from totality, there is not much difference in the Self Selection status of respondents in this regard. It is in the district of Palakkad that the most respondents depend on banks as primary resort of financial source after SHGs. It is in Kottayam that respondents prefer banks the least. It seems that the preference for banks gets relegated to back seat as the development status of the districts gets enhanced.

33. Although the total proportion of Self Selected respondents and Not Self Selected respondents with regard to preference for banks does not differ much, it can be found that in every district, it is the Self Selected respondents that prefer banks more as compared to the Not Self Selected ones.

34. Another fact worth mentioning is that it is among the not empowered at the Composite Level that there are more respondents preferring banks for financial needs than among the
empowered lot It can be surmised that empowerment enables the respondents to widen their social network as is evident from the fact that 40.68 per cent of the empowered respondents prefer to approach friends and relatives if they are faced with the need for additional funds rather than going to banks, while only 26.53 per cent the not empowered respondents prefer friends and relatives under similar circumstances.

35. Friends and acquaintances constitute the second most sought after source among the respondents after banks.

36. It is in the district of Kottayam that friends and acquaintances constitute the secondary source of finance for most of the respondents. As stated earlier, respondents from the district of Kottayam have developed more social connections and are capable of raising finance from friends and relatives in case their requirements are not met from SHGs. Dependence on friends and relatives is less in the backward district because of the generally weak financial status of those in the vicinity.

37. Between those who are empowered at the Composite Level and those who are not empowered, it is the empowered that are more likely to seek from friends and acquaintances.

38. There is only less dependence among the respondents on the money lenders for financial assistance. It is seen that only 10.64 per cent of the total respondents have stated that they will seek finance from local money lenders in case there is paucity of funds in the SHGs.

39. Moneylenders, as a source of finance, are less popular among the Not Self Selected respondents.

40. District wise it is in the backward macro settings that the Programme has achieved the target of freeing people from the clutches of local money lenders the most.

41. It is those who are not empowered at the Composite Level that depend more on money lenders for additional loans than those who are empowered. The SBLP has been successful in lessening the dependence of the respondents on moneylenders, and it is among the not empowered that the dependence on the moneylenders as a source of secondary finance is more.
42. Respondents take loans from SHGs for financing various long term purposes such as investing in IGAs, constructing or modifying houses and financing for the education of children as well as short term purposes like consumption, meeting emergencies, life cycle needs, liquidating former loans and other expenses.

43. The most popular needs for which loans taken from the SHGs are used by the respondents in general are for consumption and education of children. Meeting the financial needs of the IGAs is not as popular a need as the other needs stated above,

44. Financing IGAs is a matter of prime concern among the Not Self Selected respondents of Kottayam over other needs, whereas, in Palakkad the same need is popular among the Self Selected respondents. In a nutshell, recognizing the importance of IGAs is clearer among the Self Selected categories, if the circumstances are of backward macro setting as that of Palakad.

45. It is intriguing to note that the poor need loans for ensuring that consumption goes on unbroken. It is to be noted that a Programme meant for inculcating the culture of entrepreneurship among the participants primarily cater to the needs of consumption of the participants rather than for financing IGAs.

46. Among the empowered, it is the Self Selected ones that consider spending for education of the children more important.

47. Among the districts, it is in Trivandrum that the highest proportion of respondents spends on education (59.5 per cent), while the lowest proportion is from the backward district, Palakkad, where only 28.6 per cent of the respondents take loans from SHGs for financing education of children.

48. Among the not empowered at the Composite Level also, spending for education from loans taken from SHGs is very popular. In a nutshell it can be stated that educational expenses are an important reason for the respondents to depend on loans from SHGs.

8.5.5.3 Empowerment at the Socio Political Level

49. There is proof for the fact that the final level of empowerment – Socio Political Level – level receives and gives empowering contributions from and to the other two levels of empowerment.
50. With the advancement in the level of empowerment, the proportion of empowered respondents gets decreasing. It is at the Socio Political Level that empowerment status is the least among the respondents. Unlike the other two levels, at this level, the most empowered lot comes from the Self Selected category of respondents, that too, from Kottayam.

51. District wise, it is the respondents from Palakkad who have attained empowerment most at this level; whereas, the respondents from Trivandrum comes the last. In the case of Socio Political Level also, it is the Not Self Selected respondents that dominate in all the three districts. However, the highest probability is for the respondents from the district of Kottayam.

52. Respondents of the two districts, Trivandrum and Palakkad, constitute homogeneous groups as regards their empowerment status at the Socio Political Level irrespective of Self Selection status, whereas, the Not Self Selected respondents dominate in the case of Kottayam.

53. And, empowerment, consecutively till the final level, is most visible among the Not Self Selected respondents of Palakkad. In other words, it is the people from backward macro settings who have poorer economic life as in the case of Not Self Selected ones, that benefit more in terms of empowerment. It is they who have benefited most in all the three domains of empowerment. It is interesting that it is in Trivandrum, which is having neither the most advanced nor the least advanced macro settings, that the process of empowerment is least complete among the sample districts.

54. District wise, it is in Trivandrum that the SHGs are the least successful in radiating the empowerment benefits to the other levels as well; 43.33 per cent of the total respondents from the district have to be content with the benefits of empowerment at the levels of SHGs of which they are members.

55. Socio Political Level is the least empowering level on its own, because there is only 1 respondent who has been empowered exclusively at this level only.

56. There are only 3 respondents whose empowerment benefits ended with the Household Level only. They could not take it beyond the intimately known comfort zone of household level.
57. The activities at the SHGs have enabled most of the respondents gain empowerment at the Household Level.

58. As stated earlier, Organisational Level is the most empowering level of the three levels. The activities at the SHGs have enabled most of the respondents gain empowerment at the Household Level. There are a total of 415 respondents (53.21 per cent of the total respondents) who have been able to assert their presence by virtue of their membership in the Programme. Empowerment at the Organisational Level has enabled 84 respondents (10.77 per cent) to be assertive at the broader Socio Political Level even though not successful in ensuring a respectful role in the Household Level.

8.5.5.4 Empowerment at the Composite Level

59. Empowerment viewed as a holistic outcome of empowerment at the component levels such as Household Level, Organisational Level and Socio Political Level. A respondent is regarded as empowered in its full sense, if she is found to be empowered at the Composite Level. As in the case of individual levels of empowerment, here also the highest probability for a respondent to be empowered at the Composite Level is if she is from the district of Palakkad.

60. Respondents from a district like that of Trivandrum, which is neither the most advanced nor the backward show rather a lukewarm attitude towards the Programme with respect to the achievement of the ultimate goal – empowerment.

61. Another point is that, as in the case of other levels of empowerment, in this case also, it is among the Not Self Selected respondents that the probability for empowerment at the Composite Level is the highest.

62. Respondents of Palakkad and Trivandrum constitute homogeneous groups as regards their status of empowerment at the Composite Level and Self Selection. In Kottayam, there is significant difference in the proportions of status of empowerment at the Composite Level.

63. District wise, it is in Kottayam that the highest proportion of those who have been guided to the final empowerment at the Composite Level after being empowered at the Household Level are there; in Kottayam, 80.17 per cent of those who are empowered at the Household Level reached successfully at the Composite Level.
64. It is seen that only about half of the respondents (49.17) empowered at the Organisational Level could make it to the Composite Level. And, they are dominated by Not Self Selected category. And, it is the respondents from Palakkad that have been guided to the ultimate Composite Level armed with the empowerment at the Organisational Level.

65. It is surmised that prevalence of empowerment benefits is more pronounced among the respondents of Palakkad because the respondents here were having the least life status at the time of entry into the SBLP due to the backwardness of the district. On the contrary, the reason is just the opposite in the case of Kottayam, where the respondents have already experienced the benefits of advanced macro settings and are able to extract maximum from the membership in the SBLP.

66. In all the three districts, it is the Not Self Selected respondents that are dominating in this group of respondents.

67. Of the three levels, it is the Socio Political Level that guarantees final level of Composite empowerment more than the other two levels. It is in Palakkad that the probability for one reaching the final level of empowerment, once being empowered at the Socio Political Level.

68. Empowerment is a multilevel construct, each level holistically related to one another in as much as that it gives and takes empowering contributions to and from one another. Empowerment in any two of the three levels recognised in the Conceptual Framework also do not guarantee much a scope for empowerment at the Composite Level, which explains the comprehensive nature of the concept of empowerment.

8.5.5.5 Self Esteem

69. Except in the case of Not Self Selected respondents of Palakkad, there is no significant correlation between Index of Empowerment at the Composite Level ($ComE$) and indices of Self Esteem at various levels. Correlation between Index of Empowerment ($ComE$) and Index of Self Esteem at Socio Political Level ($IS_{3}$) is not found to be significant.

70. The Programme is not sufficiently designed to generate specific Self Esteem at the broad arena of Socio Political Level.
71. It is only among the Non Self Selected respondents that the membership in the Programme has been a reason for enhancing the Self Esteem.

72. The high percentage of respondents with high degrees of Indices of Self Esteem from the district of Kottayam is due to the higher base line status of Level of Self Indices of respondents emerging from the here.

73. The aims of Poverty reduction intervention of SBLP is fully attained in case the respondents who are not only from less developed macro settings, but also from poorer individual backgrounds as that of the Not Self Selected participants of microfinance programme of the most backward district of Palakkad.

8.6 Summary of hypothesis testing

8.6.1 Efficiency in loan management

1. There is significant difference among the States of India with regard to the efficiency in management of credit linkage as measured by the Index of Efficiency in Management of Credit Linkage (IE) by financial institutions towards various States/Regions regarding recovery of loans over each year of study.

2. There is significant difference with regard to the efficiency in management of credit linkage, as measured by the Index of Efficiency in Management of Credit Linkage (IE), in each state by financial institutions as regards their policies towards recovery of loans over the period of study.

Repeated Measures ANOVA is employed to test the hypothesis and the results of Wilks' Lambda show that there is significant difference in the efficiency of loan management of the States over each year of study (the p value between years being ‘.00’), but there is no significant difference between the States grouped into various Regions (the p value between years being .829). In other words, the efficiency in loan management of financing institutions changed with the passage of years, but there is no significant change in the loan management attitudes of financing institutions towards the States and the Regions.

8.6.2 Non Performing Assets (NPAs) of the SBLP

3. There is significant difference among the States/Regions in the percentage of Non Performing Assets (NPAs) during the each year of study.
4. There is significant difference in the percentage of NPAs of states grouped into regions as the progressive years have influenced the percentage of NPAs.

Results of Wilks' Lambda from the Repeated Measures ANOVA show that there is significant difference in the percentage of NPAs as the years pass by (the \( p \) value between years being ‘0.00’), but there is no significant difference between the States grouped into various Regions (the ‘\( p \)’ value being 0.688). In other words, the percentage of NPAs of financing institutions engaged in SBLP changed with the passage of years, but there is no significant difference between positions of States grouped into Regions.

8.6.3 Index of Financial Inclusion (IFI)

5. There is significant difference in the IFI of States grouped into regions.

6. There is significant difference in the IFI of each State as years progress

The distribution of IFI across various Regions and States over the period of study has been subject to Repeated Measures ANOVA and results of Wilks' Lambda show that there is significant difference in the IFI as the years pass by (the \( p \) value between years being ‘0.00’), but there is no significant difference between the States grouped into various Regions (the \( p \) value between Regions being ‘0.652’). In other words, the IFI of the States grouped into Regions change with passage of years, but the comparative status of States grouped into various Regions with regard to IFI does not vary significantly. In other words, whatever position each State has been occupying with regard to its financial inclusion remains without significant change since the beginning of the period of study. However, the financial inclusion achievements of the States differ significantly from one another throughout the period of study. The inclusionary achievements of the States have not been influenced so as to change the status of the States throughout the period.

8.6.4 Index of SBLP (ISBLP)

7. There is significant difference in the Index of SBLP (ISBLP) of states grouped into regions.

8. There is significant difference in the ISBLP of each State as the years progress.

The distribution of ISBLP across various Regions and States over the period of study has been subject to Repeated Measures ANOVA. The results of Wilks' Lambda show that there
is significant difference in the ISBLP as the years pass by (the $p$ value between years being ‘0.003’), but there is no significant difference between the States grouped into various Regions (the $p$ value between Regions being ‘0.225’).

9. There is significant difference in the proportion of the respondents from the districts as to their distribution within Prime Age group.

The various age classes within Prime Age group are district specific; Chi Square test as regards the Prime Age distribution among the samples renders a ‘$p$ value of 0.0 and a Chi Square value of 26.58 which means that the intra Prime Age classification differs from district to district in a statistically significant manner.

10. There is significant difference in the proportion of the respondents from the districts as to their distribution within Third Age group.

The Chi Square test of the age classes of Third Age group shows a ‘$p$’ value 0.69 and Chi Square value of 2.24, which testifies to the independence of Third Age classes, which means that, with regard to the prevalence of entrepreneurial preferences among the older classes, there is no influence of the basic characteristics of the macro settings.

11. There is significant difference in the proportion of the respondents from the districts as to their income level.

The income status of the respondents is district specific as the Chi Square test produces ‘$p$ value’ and Chi Square value of 0.00 and 15.87 respectively, which means that the distribution of respondents relating to income level varies according to districts.

12. There is significant difference in the proportion of the respondents from the districts as to their status of education.

Chi Square test of level of education of the respondents vis a vis the districts gives a $p$ value ‘0’, which means that the status of education of the respondents of the study is district specific.

13. The stint of the respondents belonging to the different districts in the SHGs is significantly different.

Chi Square test gives a ‘$p$’ value of ‘0’, which means that the distribution of the district wise respondents is district specific.
14. The occupational status of the heads of the households of the respondents belonging to the different districts in the SHGs is significantly different.

*Chi Square* test gives a *p value* of ‘0’ and a *Chi Square* value of 46.33, which testifies to the district wise specificity of the occupational status of the heads of the households.

15. The Fall Back position of the respondents is significantly differs according to districts.

*Chi Square* test gives the result of *Chi Square* value of 17.16 and *p value* of ‘0’ implying that the fallback is different according to the districts.

16. The Self Selection status of the respondents from the three districts is statistically different.

*Chi Square* value and ‘*p value*’ of the distribution being 59.998 and ‘0’ are respectively, implying that the status of Self Selection among the respondents vary from district to district.

17. There is significant difference in the district wise Self Selection status among the respondents empowered at the Household Level.

The *Chi Square* value and *p value* of the district wise distribution of respondents empowered at the Household Level who are grouped into Self Selected ones and Not Self Selected ones are 48.62 and ‘0.0’ respectively, implying that the Self Selection status of the Respondents empowered at the Household Level varies from district to district.

18. The intra district distribution of empowerment status of respondents at the Household Level according to their Self Selection status is statistically different in each district.

There is no significant difference in the Self Selection status among the respondents intra district as to their Self Selection status as is evident from the *Chi Square* test results; the ‘*p values*’ of Trivandrum, Kottayam and Palakkad being 0.55, 0.57 and 0.02 respectively.

19. The Self Selection status of the respondents of the three districts who are empowered neither economically nor at the Household Level is significantly different.

*Chi Square* test shows that there is no significant difference between the respondents of three districts as regards Self Selection status of those who are empowered neither at the
economic front nor at the Household Level. The Chi Square value and p value are 3.71 and .16 respectively.

20. The preference for supporting children’s education using the income from Income Generating Activities (IGAs) among those who are empowered at the Composite Level of empowerment differs according to Self Selection status of the respondents’ district wise.

Chi square’ test on the proportion of those who spend for education from the income from IGA segregated into self selected and not self selected categories testifies to that the preference for investment in education of the children of the respondents differ according to districts; the value of chi square and p value being ‘17.46’ and ‘0’ respectively.

21. The spending habits of respondents of the three districts on consumption from the income earned from IGAs differ according to Self Selection status significantly.

Chi Square test on the consumption expenditure pattern of the Self Selected respondents and the not Self Selected respondents of those who are empowered at the composite level from the three districts gives a ‘p’ value of ‘0’ and ‘chi square’ value of 26.66 which testifies to the significant difference between the districts as to the nature of respondents as regards spending habits on consumption.

8.6.5 Empowering properties of SHGs

22. The empowering properties of SHGs (organisations) and the empowerment status of the respondents at the Organisational Level are significantly correlated.

There is significant correlation between the total Empowering Organisation Score and the total score for the Organisational Empowerment gained by the respondents. The result of the significance test shows the ‘r’ value and ‘p’ value as 0.145 and 0 respectively.

23. There is significant difference between the proportions of the Not Self Selected respondents and Self Selected respondents who have gained empowerment at the Organisational Level in the sample districts.

Chi Square Test proves this fact with a Chi Square value and p value of 56.96 and 0 respectively.

24. The respondents of each district constitute heterogeneous groups irrespective of Self Selection status when viewed from the point of empowerment at the Organisational Level.
There is no significant difference in the Self Selection status among the respondents intra district as to their Self Selection status at the Organisational Level as is evident from the *Chi Square* test results; the ‘*p*’ values of Trivandrum, Kottayam and Palakkad being .69, .42 and .26 respectively.

25. There is significant correlation between the empowerment status of the respondents at the Household Level and the Socio Political Level.

Non parametric correlation test shows both the scores of Empowerment at Household Level and the scores of Empowerment at Socio Political are significantly correlated with an *r* value of 0.637 and *p* value of 0.

26. There is significant correlation between the empowerment status of the respondents at the Organisational Level and the Socio Political Level.

Non parametric correlation test shows both the scores of Empowerment at Organisational Level and the scores of Empowerment at Socio Political are significantly correlated with an *r* value of 0.605 and *p* value of 0.

27. There is significant difference in the district wise empowerment status of respondents at the Socio Political Level.

The empowerment status of the respondents at the Socio Political Level is significantly different from district to district. *Chi Square* value and *p* value are 59.997 and 0 respectively testifying to the district specificity of empowerment status of respondents at Socio Political Level.

28. The respondents of each district constitute heterogeneous groups irrespective of Self Selection status when viewed from the point of empowerment at the Socio Political Level.

The empowerment status of the respondents in the district of Kottayam at Socio Political Level is significantly different as is shown by the *Chi Square* value and *p* value which are 10.55 and 0 respectively. However, there is no significant difference in the Self Selection status among the respondents intra district as to their Self Selection status at the Socio Political Level as is evident from the *Chi Square* test results; the *Chi Square* values of Trivandrum and Palakkad being 0.06 and 0.51 respectively. The respective *p* values are .80 and .47.
29. The Self Selection status of respondents who are empowered at the Composite Level is significantly different from district to district.

The Self Selection status of respondents who are empowered at the Composite Level is significantly different from district to district as is evident from the Chi Square test results, which show the Chi Square value of 167.1 with a ‘p’ value of ‘0’.

30. Respondents from each district constitute homogeneous group as regards their status of empowerment at the Composite Level and Self Selection.

The empowerment status of the respondents in the district of Kottayam at Composite Level is significantly different as is shown by the Chi Square value and p value which are 4.78 and .029 respectively. However, there is no significant difference in the Self Selection status among the respondents intra district as to their Self Selection status at the Socio Political Level as is evident from the Chi Square test results; the Chi Square values of Trivandrum and Palakkad being 0.0158 and 0.890 respectively. The respective p values are .899 and .345.

8.7 Conclusion

The study proves that the SBLP creates conditions for promoting empowerment of participants. It helps them to move from marginalisation within household decision making arena to positions of decisive roles and from conditions of exclusion within the community to one of higher centrality and voice.

IGAs financed by microfinance through SBLP have an immediate impact in economic terms generated from the IGAs financed by the programme. It has created chances for the participants to come together for a common purpose and to involve in some organisational as well as income generating activities. Coming together into organisational forms of SHGs has enabled them to be familiar with the dynamics of group activities, which, in fact, is empowering to more than 95 per cent of the participants at the Organisational Level. However, transforming this result into subsequent levels of empowerment is a more complex process. The study shows that membership in SBLP gives chances for initial level changes in empowerment by way of participatory activities in the SHGs. The transformative properties of the SBLP are not visible in all cases. The achievements in the Organisational Level do not always translate into enhanced Standard of Living or better bargaining power at the Household Level or improved relationships at the Socio Political Level. Whatever
economic empowerment gained from participation in the SBLP does not seem to be sufficient to establish stronger presence for the respondents at the Household Level or at the broader Socio Political Level. It rather proves that the economic empowerment translates into socio political empowerment the least indicating that changes at the Socio Political Level is the toughest to materialise.

Empowerment, in a holistic sense, is a process. However, the argument of the nature of empowerment as a process does not apply to all the participants of the SBLP nor to all of the conceptualized levels of empowerment. Membership in SHGs itself is an empowering factor for the participants of the SBLP, for 95.56 per cent of the respondents have been empowered at the Organisational Level of empowerment or, in other words, at the level of SHGs, which is the foundation of the poverty reduction endeavours initiated by the SBLP. However, being a participant of the SBLP does not, by default, ensure empowerment of the respondents in its conceptualized holistic sense. It has been conceptualized that empowerment has to be perceived in a context specific way. Given the advanced human development status of the State of Kerala, the construct of empowerment has to be understood as more than just enhancement of agency at a particular domain with which a prospective participant in a particular poverty reduction programme come to have interfaces with. Keeping this point in view, if one examines the empowerment statuses of the respondents of the survey for the present study, it can be easily understood that the concept of empowerment in its conceptualized sense has not materialized in the case of all. This argument is further strengthened by the fact that the proportion of those who are empowered at each successive level gets decreased. And, still fewer are those who are able to assert that they have gained specifically attributable benefits from the membership in the SBLP.

The phenomenal success of the SBLP is also due to the entry of Self Selected members. However, of the two categories of respondents, it is the Not Self Selected category that has got more probability for being empowered from the membership in SBLP than the Self Selected ones. It is still more encouraging that it is from the most backward macro settings as that of the district of Palakkad that the intervention has provided most benefits of empowerment. Thus, it still holds well that the empowering property of the microfinance programme is more appropriate to poorer participants from weaker macro surroundings.

SHGs as organisations of microfinance are clearly empowering. Interestingly, 720 respondents from the Sample of 780 constituting 92.31 per cent have received
empowerment benefits at the Organisational Level; only 7.69 per cent of the total has missed the opportunity at this level, constituting the most empowering level. It is phenomenal by any standards and shows the role of SHGs in inculcating a culture of moving in groups and organizing personal as well as activities connected with IGAs in an effective manner.

SBLP is still a livelihood supporting programme. It provides livelihood opportunities to the poor and they mostly tend to remain in the programme without showing much interest in graduating out. This is clear from the fact that 57.06 per cent of the total sample has been members of SBLP even after a period of 8 years. A total of 605 respondents constituting 77.56 per cent have utilized income for consumption. It means that consumption is still an issue looming large among the poor. Besides, the empowerment status of the participants of the programme like SBLP does not dissuade the respondents from utilising the income from IGAs for consumption. It is clear from the fact that of the respondents even from the most advanced district, Kottaym, 83.72 per cent utilise the income from IGAs for consumption. Choice for microfinance as a source for financing consumption is still greater if the participants of the SBLP are more endowed category from advanced macro settings. The participants of the SBLP consume more rather than investing in their futures. This may be a symptom of the credit programme which is to target the poor, which involves lending only small amounts. Such programmes by all probability will encourage consumption rather than investment.

The process of empowerment cannot be expected to be a constant; rather it is a continuum which is subject to dynamic evolution. The sources of powerlessness of women will evolve and take new shapes according to environments. Microfinance will not be a panacea for coping with every perceivable form of disempowerment under all circumstances. The very concept of empowerment is criticised as individualistic and conflict generating rather than encouraging cooperation. Empowerment has to involve a process of conscientizing the less empowered and oppressed themselves, mobilizing others who share the same consciousness, and creating a new order in society.

8.8 Suggestions

1 Loan delivery mechanisms such as repayment schedule, size of loan and type of investments to be financed should be designed keeping the interests of women in view.
2 Achievement of the empowerment of the poor is constrained by the political, social and familial structures within which the poor are supposed to remain and the assets and capabilities they possess. Attempts to improve the assets and capabilities of the poor have to be augmented with steps to remove the barriers emerging at these levels, for which the implementation should spread beyond providing opportunities for starting and maintaining IGAs to inculcating the culture of obtaining information from the respective levels at which the participants are to operate and claiming accountability.

3 Collective action among the members must be encouraged. Apart from organising into groups for the purpose of microfinance, the women must be encouraged to share ideas and opinions and to come together to seek the support of the broader group to solve both domestic and common issues. Collective action may be organised at group, locality, community and area levels, which at times have to cross the boarders defined by specific SHGs or conglomerations of SHGs organised at ward level or at the levels of local bodies.

4 Providing external financial sources need not always lead to empowerment in all cases, because the recipients may respond to the financial interventions passively, therefore, they need help to revamp their attitudes and beliefs about fate, for which a thorough rebuilding of the views about social and cultural values is required. Nodal agencies should frame activities to achieve this goal.

5 The delivery mechanism of microfinance has to be regarded in the broader perspective as something that is likely to impact on power relations, resources and interests rather than as a technical financial decision. The size of the loans, repayment schedules, savings requirements and opportunities to be financed have to be considered in the interests of the women.

6 There should be external agents, who can be officials, government employees or NGO staff members, to build relationship founded on trust with the participants of the programme. Although the agent does not hold solutions to the problems faced by the participants, he/she should be able to help the participants to develop the necessary skills to resolve a problematic situation as emphasised in the studies by Bock, (1980) and Pinderhughes, (1983). The external agents are to help the participants to make a power analysis which involves identification of the sources of powerlessness as well as their strengths. The external agents should take steps to teach interpersonal and social
competency and self advocacy skills, which will help the participants to sharpen their resources. Care should be taken to ensure that the external agent assumes the role of a consultant rather than an instructor. They should also take steps to train the participants in various technical aspects of IGAs.

7 If a woman has to continue with the same burdens of household chores as earlier, the empowerment discussed here will actually cause disempowerment, because the entire process only burdens her additionally. Under such circumstances, for empowering of women to be truly effective, there must be a reorientation of gendered relationship at the households and the behaviour of men to change drastically. In order to ensure this, the programme should be revitalised with the intention of making the male members also the co signees of the programme participation of their females.

8 The financing agencies must develop a directional conceptual framework of empowerment of the participants of the SBLP. The framework should define the term empowerment clearly and direct the gender preferences and strategies towards achieving the objectives.

9 There should be a coordinating agency among the financing institutions which is to function for the training of the members of the programme both in the realms of technical aspects and for ensuring the empowerment in the various dimensions of personal life.

10 Policies for promoting empowerment with the participation of women should be incorporated in the overall developmental strategies, especially, in activities related to women development.

11 Measures for promoting empowerment must be framed and undertaken by agencies involved in microfinance according to contexts.

12 How the concept of empowerment is viewed is also important in specifying the direction of the future course of action. Empowerment can be viewed either as an end in itself or a means to an end. If empowerment is viewed as a means to an end, empowerment has to be conceptualised as interdisciplinary outcome and the financing agencies/government authorities have to take it into account while formalising the training programme under SBLP.
13 A culture of awareness of financial concepts of loan management should be nurtured among the members of the SBLP. The programme will backfire, if the members depend on loans without taking into account the interest rates and competence for making timely repayments.

14 While framing empowerment methodologies, the matter to be taken into account is the power dynamics. Empowerment is not exactly “power over”, but it is rather “power with” the other gender and ultimately materializes into “power within”. It is a question of surmounting the visible and invisible structures legitimizing isolation of women from the mainstream life. Such a goal can be realized only by appropriate actions both at the organisational level and community level. Microfinance can be a guiding light for that. Moreover, empowerment of women cannot be understood in isolation from the empowerment of men. Empowerment is actually “power with” men. As a way forward, it is suggested that future strategies have to be framed enlisting men also as change agents along with women.

15 Empowerment to be taking the final shape, the members of the SBLP should gain sense of Self Esteem in the respective realms of Self Esteem. They must be aware of the benefits derived from the SBLP. Frequent gatherings led by nodal agency officials or representatives where assessments are made about self awareness may be conducted

16 The meetings of the SHGs must provide chances for discussing the current issues related to family, group, society and governance. It is at the Socio Political Level the chance of empowerment is the least among the respondents.

8.9 Policy recommendations

1. The implications of the results of the study have to be viewed from two broad perspectives; from the broader macro perspective and from the perspective of the members of the SBLP. In the macro perspective, the financing institutions have to realise that the Programme has shown symptoms of saturation in certain States and Regions except where the programme is yet to make inroads as it has attained in other Regions/States; therefore, the financing institutions must frame separate policies for the less penetrated Regions and States. Northern, Central, and North eastern Regions are less matured and more risky. It is here that the change in policies keeping in view the requirements for further popularisation of SBLP are likely to be more effective. On the contrary, policy changes with growth in
view are less relevant in saturated markets of Southern Region, where there is already evidence for high patronage by financing institutions. The high patronage by financing institutions also indicates probability for decrease in portfolio quality; therefore, more deliberate changes in policies of the financing institutions are expected. In other words, the financing institutions have to adopt separate policies for highly popularised regions and for rather neglected Regions and States. In saturated States like those of Southern Region, the methodology to be adopted has to be one with the intention of mitigating risks. The financing institution may adhere to stricter criteria of evaluation of market potential of activities to be financed, more cautious approach towards fixing targets and attempts to achieve targets, ensuring better financial awareness of the group members and better evaluation of financial indebtedness and repaying capacity of the participants.

2. Cooperative banks and RRBs, which are, by their very nature, shaped to have closer interactions with the people should be encouraged to be involved more towards promoting savings as well as credit linkages. The commercial banks at present are concentrating more in places which are more likely to be actively participating in the Programme like the Southern States. Instead, they must be, by way of reorienting policies, encouraged to concentrate in lagging Regions and States.

3. Demand for microfinance is not uniform across the various States and Regions. The Government must take steps to ensure that the financing institutions initiate steps to estimate the annual micro finance demand according to incidence of poverty and different socio cultural surroundings across the States and Regions, before framing the annual budget of microfinance implementation. The regions lagging behind in participation of the programme have to be catered to the entrepreneurial as well as micro financial needs after redesigning the programme in an innovative way which is responsive to demand for microfinance in each region.

4. Facilitating institutions involved in SBLP should frame conceptual delineations of empowerment and frame policies of gender strategy. Empowerment policies which have to be framed in partnership with the enabling institutions should necessarily be context specific. Establishing their conceptual framework of empowerment by facilitating institutions will lead to evolve more suitable vision for empowerment and enable the participants to challenge the structural constraints which will to equitable redistribution of power. Personal empowerment is the key that unlocks the other areas of disempowerment;
therefore, the facilitating institutions should take care to invest in leadership training, technical support and education. This will help women to muster more strength to invoke fundamental changes. Loans may be combined with skill training, marketing support and social support in education and health.

5. There was a time when the SBLP used to be acclaimed as causing the least proportion of NPAs. But, as of now, the claim does not hold good. The proportion of NPAs is increasing alarmingly. The policy makers and financing institutions must take cognizance of this fact.

6. Generation of income is the central theme of SBLP as in the case of any other poverty reduction intervention; the difference being that it seeks to achieve the objective of income generation by enhancing the financial inclusion. Having reached almost a saturation point, SBLP has to shift priority to gender dimensions such as inequality. Reprioritisation of the programme is essential because of two reasons; one of the declared objectives of SBLP is the empowerment of the participants of the programme. Empowerment is a holistic concept involving many levels and dimensions. The basic level understanding of the construct of empowerment is limited on the perception that it is essentially concerned with necessary economic advancement in the lives of the participants of a programme of microfinance. In other words, this view of empowerment does not take cognizance of the fact that economic empowerment alone need not always result in more autonomy at the basic level of empowerment – the Household Level, let alone holistic empowerment in all levels and domains of life of a participant. It is still visible that traditional factors defining and limiting gender status still remain without change. This is why income earned by the participants of SBLP need not always ensure due recognition for the participants at the Household Level – the basic arena where there is ongoing gender conflict. More comprehensive and context-specific strategies to increase women’s autonomy must be resorted to. The strategies should be formed with a view to enabling the participants challenge traditional norms based on gender inequalities facilitating the acquisition of life skills.

7. The process of empowerment to be initiated must be essentially involving challenging the pre disposed power relations in various domains of individual lives of women. In other words, it must also take cognizance of the institutionalised surroundings. Empowerment goals will be meaningful only within the institutional constraints and goals; therefore, closer attention must be paid to the broad cultural, social, political and economic structures, perceptions of human rights, practices according to which women and men survive, which,
by all probability differ, according to different geographical, economic and cultural settings. Thus, there requires a rethinking on the conceptual perception of empowerment according to contexts.

8. The structural factors causing the marginalisation of the poor have also to be taken into account while framing policies of implementation of the programme. Women’s participation in rural development programmes is restrained by the requirements for their presence at households, where highly gendered division of labour is likely to exact high cost from them. Promoting enterprises that are designed to get around this problem by concentrating on improving the productivity of women’s homestead-based work, which allows them to fulfil their domestic responsibilities simultaneously, may be advocated.

9. The design of the present SBLP as regards the eligibility criteria for participation in the SBLP have to be revamped and followed strictly. This requirement is all the more important because of the involvement of Self Selected ones in the SBLP to the extent of more than one third of the total respondents. The involvement of the Self Selected respondents will produce exaggerated results.

10. Designing poverty intervention programmes requires consideration of long term implications from the social perspective; therefore, it is high time that policy changes with regard to micro finance programmes like that of SBLP were considered from a long term point of view. This becomes more important because the programme has reached a saturation point to such an extent that richer people have also taken on the opportunity as good as the poor ones. The incentives to continue in the SBLP have to be according to the stint of the members in the programme. The eligibility requirements to join the programme have to be strictly adhered to. The members of the programme should be encouraged to graduate from the programme.

11. It is also important to recognise the non financial constraints faced by the poor. Whatever be the nature of the services offered, there would a group which is marginalised. The SBLP has to be revitalized keeping this point in view. For some, the programme may not be attractive on the fear that loans taken cannot be repaid. For such people, besides being entrepreneurship oriented, other financial services like insurance may be added against the likely business losses. In other words, innovative financial services for the poor which are context-specific and adaptable to changing needs of the poor have to be incorporated with micro financial services.
12. About one third of the respondents of the survey is Self Selected ones and are richer. This is in contrast to the findings of the studies by Khandker (2003), who claims that 90 per cent of the participants of Bangladesh in the year 1991/92 and 70 per cent of the 1998/99 survey are poor and of Montgomery (2005), according to whom 70 per cent of microfinance clients of the Khushhali Bank in Pakistan are poor. However, given the findings of the present study, there is a need for reorienting the target groups of the SBLP.

13. Implementation of the poverty reduction programme like SBLP should take cognizance of the risk of repression of women by and older women and men and other key players in the society. The planners and policy makers should be ready to address the established gendered norms of the society.

14. Poverty is not limited to scarcity of economic resources only. Ultra poor people are constrained by economic means of existence as well as chances of social inclusion. Whatever means of interventions are introduced, there will be certain segments of the society who are excluded from the benefits of the intervention. Ultra poor, who face not only scarcity of economic means but are ordained to remain beyond outreach programmes due to the existence of various barriers to their participation, should be brought within the net of specifically constructed programmes which might consist of minimum livelihood protection coupled with health and other developmental inputs. The aim of such programmes should be graduating the beneficiaries to credit receiving capability at later stages. Microfinance enabled by SBLP may not be the best type of help to them.

15. Absence of baseline data is a serious drawback for undertaking assessment of the results of SBLP. If baseline data are not available, the researchers will have to depend on comparison groups which will largely have to be on the assumption of possessing similar characteristics to beneficiaries living in similar areas. Under such circumstances the results will invariably be contaminated by the assumption of similarity even if some controls for known biases are incorporated, because the two groups are made up of different people, which is always open to question. If baseline data are available, assumption of similarity of groups is not required because the before and after groups are identical. Agencies involved in SBLP must be aware of the advantages of baseline data and initiate steps like budgeting for baseline data, in this direction.

16. The present conceptual framework adopted for evaluation of the SBLP is rather context specific and purpose specific. Given the advanced macro surroundings and human
development status prevailing in Kerala, the programme of microfinance promoted by the SBLP might not have produced a hundred per cent flawless empowerment benefits for the participants.

### 8.10 Suggestions for further research

1. The analysis of the secondary data shows that the Southern States lead in the implementation of the SBLP. Certain studies have stated that the socio cultural features of the different regions are responsible for the varying degrees of success of the programme in different parts of the Country. Such conclusions have been arrived at without making an in depth analysis of the enterprising nature of the poor belonging to different Regions and States; therefore, a study which goes deeply into the nuances of the entrepreneurial abilities of the poor from different States may be compared. Sample States have necessarily to include States in the forefront of the SBLP like Andhra Pradesh and backward States in the matter of implementation of the SBLP. Then a comparison of the entrepreneurial capabilities of the people from the different socio cultural and economic settings of the States may be undertaken.

2. The SBLP is a success as regards the breadth of outreach as is evident from the scale of growth; but where the depth of outreach is also a measure of success, the present research has not endeavoured into it. A suggestion is to examine the depth of outreach in as much as the extent to which it has been helpful in reaching out to the poorest.

3. The survey for the present research finds that the members of the SBLP are engaged in 44 different kinds of IGAs. The IGAs are not similar in their remunerative nature. It would be interesting to know the relationship between the kind of enterprise and the empowerment attained by the members in different domains of life. In other words, the present research enquires the nature of change in the women but not as a relative perception to the returns of various enterprises undertaken by them. The impact of the economic component of the various types of entrepreneurial activities is critical to assessing the pathway of change in the lives of the participants of the SBLP; therefore, the future research may be designed to understand this aspect.

4. The present study is based on the reflexive comparison of the statuses of the respondents at the beginning of the membership in the SBLP and at the time of the survey. A future research programme should be devised so as to include a longitudinal study with repeated
rounds of investigations at intervals decided in advance. Along with the longitudinal interviews, methodological design of future research may incorporate techniques to disentangle impacts—economic as well as non economic—of other factors than the influence of SBLP on the respondents.

5. The present framework is designed to measure the changes at the individual level reflected at the different levels with which the respondents are likely to have interfaces. Future research may be directed towards measuring the changes at the broader societal level reflected in the institutions that affect women’s lives such as marriage, inheritance and labour markets.

6. There is a need for assessing the productivity of the economic activities undertaken by the participants of the SBLP. The specific research questions may be: what is the productivity of selected IGAs or mix of IGAs? Which types of IGAs are most productive? What are the inputs needed to make the activities most productive? What are the constraints faced by the participants of the SBLP in enhancing the productivity of the IGAs and how can the financing agencies or other facilitating offices help the entrepreneurs overcome these constraints?

7. The success of the SBLP also depends on the graduation of participants. Graduation may be to high return activities from low return generating ones or to a situation where the participants no longer requires loans from SBLP. In both the cases, the enquiry has to be based on the questions related to market opportunities, changes in the technological and other inputs and mobility of factors. The specific research questions may be related to the proportion of the participants who have shifted to higher levels of economic activities, the ideal economic status of the participants after a definite period of membership, the factors encouraging the members to graduate or prohibiting them from graduating and the specific programmes to be devised to help the participants achieve graduation.

8. The present study is conceptually framed on the premises of economic benefits derived by the participants of the SBLP from operating IGAs. SBLP is not concerned with productive tangible capital alone. Non credit services are also part of the programme. Non credit services are costly to deliver and usually their contribution to the successful achievement of the empowerment goals is not properly valued; therefore, it is suitable to study about the non credit aspects of SBLP in improving the productivity of self employment activities and in achieving the empowerment goals.
9. Difference in the empowerment status of the participants of the SBLP according to the type of IGAs undertaken by them can be taken to be a point of enquiry. Efforts to address this question may need a study of the different types of IGAs undertaken by the participants of the SBLP, technical support needed by each type of IGA, the contribution to the respective household economies and the relative chances of progress to the advanced levels of empowerment and subsequent chances for graduation.

10. It is also found that many of the members who have started IGAs encouraged by the microfinance facilities offered under the SBLP have exited from the IGAs or from both IGAs and SHGs. An enquiry into the dynamics of exit from microfinance programmes will help to revamp the SBLP in a more effective manner.