Chapter VI

Summary of Findings & Suggestions

- The CBs in Karnataka are ahead in linkage of SHGs as compared to the other agencies.
- KVG Bank has played a key role in linkage as well as credit linkage of SHGs in study area.
- Out of the total respondents, 98 per cent are women.
- Out of the total respondents, 78.80 per cent are young.
- 36.40 per cent have completed primary level education and 32 per cent have completed high school level of education.
- Out of the total respondents, 46.40 per cent belongs to OBC.
- 87.60 per cent of the total respondents are married.
- The entrepreneurs of nuclear families (77.20 per cent) have undertaken the entrepreneurship.
- 68 per cent of the total entrepreneurs have family size of 1-4 members.
- The role of newspapers is negligible in creating awareness about the SHGs.
- Out of total entrepreneurs, 41.60 per cent paid membership fee of ₹ 10.
- 38.94 per cent and 33.34 per cent of SHG Entrepreneurs joined SHGs to improve financial conditions and promote savings respectively.
- The meetings of SHGs are conducted on weekly basis as it was opined by 64 per cent of total respondents.
- 90 per cent of SHG Entrepreneurs recorded the proceedings of meetings.
• The internal loan lending and getting banks loan were the main items of agenda of the meetings.

• Out of the total respondents, 71.20 per cent are aware of the schemes of SHGs by themselves.

• Out of the total respondents, 95.20 per cent borrowed funds to undertake entrepreneurship.

• The amount of savings of the SHGs is the base for sanction of loan. Further, the 94.54 per cent have borrowed for productive purposes.

• Out of the total respondents, 70.59 per cent have borrowed loan of more than Rs 5000.

• 92.86 per cent of the respondents pay the interest at rate between 1-4 per cent.

• The majority entrepreneurs (52.52 per cent) prefer to repay on weekly basis, as it is convenient for them to repay on market days.

• Out of the total respondents, 74.80 per cent buy the raw materials locally.

• Out of the total respondents, 50 per cent buy the raw materials on weekly basis.

• 91.20 per cent of the total entrepreneurs sell their products through direct marketing.

• Quality of products is major reason for competition among SHG Entrepreneurs as it was expressed by 79.66 per cent of SHG entrepreneurs.

• 51.60 per cent of entrepreneurs of SHGs expressed their satisfaction of the business.

• Out of the total respondents, only 26 per cent have undergone training and 60 per cent have been trained in skill management.
• 46.24 per cent have undertaken the farm activities and remaining have undertaken the non-farm activities.

• 40.65 per cent entrepreneurs have undertaken dairy activities.

• 39.15 per cent of total entrepreneurs have started tailoring.

• The primary and high school level of education, age group of 21-30 years and caste OBC have significant influence in creating the awareness about SHGs among SHG entrepreneurs.

• Primary and high school level of education, age group of 21-40 years and nuclear family of SHG Entrepreneurs have significant influence on the farm activities.

• Primary and high school level of education, nuclear family and age group of 21-30 years of SHG Entrepreneurs have influence on non-farm activities.

• There is an association between the Castes of the SHG Entrepreneurs and the farm activities. The entrepreneurs belonging to OBC have undertaken the entrepreneurship.

• There is an association between the source of awareness of SHGs and the non-farm activities. The friends of SHG entrepreneurs have wide impact on them to undertake the non-farm activities.

• Joining SHGs has brought change in occupation.

• There has been significant improvement in earnings of the entrepreneurs after joining SHGs.

• The number of income earners in the family has considerably increased after joining SHGs.
• There has noteworthy improvement in the material possession and generation of employment after joining SHGs.
• The entrepreneurs of SHGs have considerably increased properties of family after joining SHGs.
• There is no improvement in investment pattern of entrepreneurs of SHGs.
• The expenditure on food, clothing, education of children and social ceremonies has found notable change after joining SHGs.
• The membership of SHGs has improved the amount of savings of entrepreneurs.
• The entrepreneurs of SHGs are taking purchase and education decisions independently after joining SHGs.
• There has been remarkable improvement in the marriage decision of their children of SHG Entrepreneurs.
• Formation of SHGs empowered members economically, politically and socially.
• There is significant difference in political and social responsibility of respondents after joining SHGs.
• There has been significant improvement in participation of female in legal matters.
• Out of the total respondents, 52.40 per cent have not carried survey. Further, it is revealed that survey is not carried on scientific basis.
• 87.60 per cent of total entrepreneurs of SHGs are self-motivated to start the entrepreneurial activities.
• The entrepreneurs of SHGs have undertaken significantly micro and small enterprises, as they require less capital investment.
• Out of the total respondents, 74 per cent carry on their business at household premises, as it is easy to manage.

• Out of the total respondents, 58 per cent have expressed the inadequacy of supply of raw materials.

• 45.52 per cent of SHG entrepreneurs do not have proximity of raw materials to the production place.

• Out of total respondents, 76.80 per cent use the machinery in their activities.

• The acquisition of machinery takes place either locally or within state, as these activities are tiny and small scale. The entrepreneurs have the knowledge of operation of the machinery. The use of machinery has increased their value of business.

• Out of total respondents, 84.90 per cent have expressed that they do not have any problem with respect to maintenance of machinery.

• 47.60 per cent of the total respondents have said that quality is the basic characteristic feature of their products/services. Varieties are found in homemade products.

• Out of total respondents, 79.20 per cent pack products themselves.

• The SHG entrepreneurs prefer direct marketing, as they can save promotion expenses.

• Out of total respondents, 87.20 per cent sell their products/services locally as they have an idea about the local market.

• 40 per cent of total SHG entrepreneurs expressed problem of advertisement of their products.
• Out of total respondents, 70 per cent expressed their satisfaction of recovery of credit sales.
• Out of total respondents, 72.80 per cent have borrowed loans from SHGs to commence their activities.
• 81.87 per cent of entrepreneurs expressed that there is problem in obtaining loan from group. The opposition by the other entrepreneur is the main problem in obtaining credit.
• The entrepreneurs do not adopt any scientific method in estimation of funds.
• Out of total respondents, 91.60 per cent have not availed any support from the government.
• 20.80 per cent expressed that lack of communication skills is the major problem.
• Out of total respondents, 33 per cent have expressed that they cannot do justice to their domestic work and 17 per cent of total entrepreneurs do not get support by their family members.
• The entrepreneurs of SHGs make use of all types of labour. They have greater problem of higher wages, which is followed by labour absenteeism.
• Out of the total respondents, 54.80 per cent have knowledge of maintaining the books.
• The entrepreneurs of SHGs manage the books with the help of anganwadi teachers, others and hired people. They pay nominal hire charges.
• Family commitment and non-justice to domestic work are the major problems in managing the business.
• The entrepreneurs of SHGs have really been satisfied with their changes and resulted into empowerment of entrepreneurs of SHGs.

• Out of total respondents, 67.60 per cent have planned to expand the business.

• All the activities are well performed and satisfaction level is high.

• There is no association between the level of education of entrepreneurs and the sources of awareness of SHGs.
Suggestions

Setting up of a Separate Cell by Banks

All banks in India have been actively involved in the linkage of SHGs to eradicate poverty. However, the collection of data relating to SHG bank linkage is difficult due to non availability of separate records. The same difficulty is also with Lead District Banks of the concerned district. The MCID of the NABARD has been involved in publication of SHG bank linkage for the last many years. Recently, it has stopped the publication of SHG Bank Linkage due to non availability of suitable data. Therefore, it is essential to set up a separate cell to keep the record of data relating to SHG bank linkage.

Counseling to Members of Family of SHG Entrepreneurs

It is revealed that women entrepreneurs are playing multiple roles at a given time. In view of this, they cannot make justice to either to their domestic work and their children or to their entrepreneurial activities. Hence, NGOs should counsel the other members of the family to support the women entrepreneurs. The cohesiveness among the members of family will definitely assists in reaching the objectives.

Control of Multi Membership

The entrepreneurs are the members of the SHG formed by them and at the same time they also become the members of the SHG formed by the NGOs. As a result, they become the members of more than one SHG and are availing the benefits of multi membership. Multi credit tempts them to divert funds for unproductive purposes. This affects adversely to their production activities and
financial health. Hence, it is essential to avoid multi membership of SHG entrepreneurs to bad consequences.

**Increasing Revolving Fund Assistance**

The loans sanctioned to the members of SHG depend on the amount of revolving fund from the government under various schemes. The revolving fund of the government under various schemes is not sufficient to meet the financial requirements of undertaking entrepreneurial activities. Therefore, the government can think of increasing the revolving fund at least to double of the existing amount in its budget allocation and release the same to the beneficiaries.

**Proper Monitoring of Utilization of Funds**

Entrepreneurs borrow loans from SHG out of revolving fund and borrow from banks to undertake entrepreneurial activities. However, many entrepreneurs divert the credit for unproductive purposes which in turn affects adversely to their repayment capacity. Proper monitoring of utilization credit is essential for proper utilization of funds. Hence, there is a need of setting up of monitoring committee consisting of members from banks, Women and Child Welfare Department, NGOs and representatives of the SHGs.

**Encouraging Non-farm Activities**

The majority of families in India depend on farm and its related activities for their livelihood. The return from farm and their related activities are always gambling with monsoons. Therefore, entrepreneurs are need to be motivated to undertake non-farm activities along with farm activities like tailoring, basket
making, beauty parlours, and undertaking food supply during ceremonial activities to enhance their standard of living by earning higher income.

**Awareness of Training Programmes**

The NGOs have been providing various types of training to unemployed youths for self-employment. However, many entrepreneurs have not undergone training due to low level of awareness and education. Therefore, NGOs and government organizations can invest in creating awareness by using local print and audio video media. They also create awareness by rendering yeoman services with respect to training programmes for self-employment. The entrepreneurs of SHGs have limited level of education. The programmes of NGOs have not reached these SHGs entrepreneurs. Even though information is provided by the NGOs through their own channels, the entrepreneurs are unaware about this. Hence, NGOs should join their hands with the WCWD and ZPs in educating about the various training programmes.

**Appropriate Training**

The training improves the efficiency and capabilities of entrepreneurs of SHGs in smooth management of their undertakings. No doubt, the NGOs and government organizations have been training the entrepreneurs in various skills by inviting experts from outside and from experts of their own organization. The entrepreneurs require need based training in areas like accounting, marketing, production, financing, quality control, packing, branding, etc.
Establishment of B-School

The level of education of majority of entrepreneurs is primary and secondary. The entrepreneurial related content is not formed as a part of the syllabi either at primary or at secondary level of education even at smaller extent. The success of any entrepreneurial activity depends on the quality of entrepreneurial education in entrepreneurs. Therefore, there is need of establishing more number of B-schools to educate and train the present and potential entrepreneurs by making linkage between funding agencies and these schools. It is also necessary to make compulsory to all entrepreneurs to undergo training in such schools to avail the benefits of funding agencies under various schemes of the governments.

Performance Based Funding

The banks and MFIs have been sanctioning credit to the SHGs based on their amount of savings deposited in their savings account. In addition, the government also providing revolving funds to support the SHGs. The SHGs in turn use the credit and revolving funds to finance the entrepreneurs to undertake entrepreneurial activities. The amount of credit sanctioned is not sufficient to meet the financial requirements of entrepreneurs to invest in fixed and working capital. Therefore, instead of tagging the funding with amount of savings of SHGs and their members, it should be based on the performance and their proposed proposals.

Guidance on Farm Activities

More number of entrepreneurs of SHGs have undertaken dairy as their activity in addition to farming by considering this as one which is closely related to
farm. Very few entrepreneurs have undertaken sericulture, vermin-composting, floriculture, honey bee rearing and poultry, etc. Many of them are unaware of these activities even though they add more income to their current income with less investment. The WCWD and NGOs should form the cluster of SHGs and make linkage with University of Agriculture Sciences and Horticulture to organize internship programs to existing and potential entrepreneurs to guide and encourage them to undertake entrepreneurial activities.

**Extension of Women Bank in Study Area**

The Rastriya Mahila Kosh is working in a traditional way. The government of India has already established the bank for women only as women bank for their benefit. There are no such women banks in the study area to support women to undertake entrepreneurial activities. Hence, the authorities of women bank can open the branches to throughout the country in general and study area in particular to cater the needs of women who constitute nearly fifty per cent of the population.

**Introduction of Certificate Courses**

The undertaking of entrepreneurial activities requires special skills in all areas of production and distribution. However, majority of entrepreneurs posses less skill in managing the entrepreneurial activities. The certificate courses after secondary level of education can help the women to undertake entrepreneurial activities without any hindrances.
Improving of Packing of Products

It is observed during the study that entrepreneurs of SHGs practiced traditional mode of packing. The users do not have any information of products regarding price, expiry, contents etc. The poor packing affects the quality of products. There is a need for improving the packing of products by using good rappers and packing machine instead of stapling of products especially in home made products. They should label the products to provide requisite information.

Online Marketing

The advantage of technology relating to marketing of products is not utilized by SHG entrepreneurs. Instead of depending only on the exhibitions to market their products, they should advertise their products with online marketing agencies such as Flipkart, Amazon or Snapdeal. This ensures wider publicity and reduces the bottlenecks in marketing of products. NGOs should make necessary efforts in this direction.

Formation of Men SHGs

Poverty is not only predominantly referred to women. Formation of WSHGs has created sense of responsibility. At the same time, more of their counterpart depends on them for their financial support. There is a need for formation of men SHGs to make them still more responsible. The hands of men should join with hands of women. The growth of economy can be achieved only when both men and women work together to the best of their abilities.
Developing Leadership among Members

Presently, the members of SHGs rotate their leaders on yearly basis. The other members are not at all interested to take leadership. Preferably, the educated members will be the leader of group. It is advised that every member should compulsorily become leader of group at an interval of every six months. This enables the members to acquire leadership qualities such as organizing, coordinating abilities etc. The very purpose of forming SHGs is to develop leadership among everyone and so that they can be socially empowered.

Women Marketing Co-operatives

The entrepreneurs of SHGs have limited education and exposure. They are less aware of prevailing marketing conditions. The GOs and NGOs should arrange for marketing co-operatives to promote the products of entrepreneurs of SHGs. The existence of co-operative marketing ensures mutual help among entrepreneurs of SHGs. This ultimately overcomes their problems of marketing.

Capacity Building Programmes

The NGOs and WCWD should organize capacity building programmes in order to build confidence among the members of SHGs. They should create a sense of social responsibility among them. These should organize awareness programmes on effects of social evils. They have to arrange training programmes related to development of entrepreneurship regularly. This ensures improvement of socio-economic status of entrepreneurs of SHGs.
Conclusion

The Government of India has been making significant provision of financial resources out of annual budget to address the problems of poverty. As a part of poverty alleviation, the Governments at the centre and at the state have adopted strategies to finance the members of SHGs to carry out their economic activities on small scale. The programme of Micro Finance should be revised by the Government of India, State Government and Apex in the Banking system not only to extend timely credit but also to ensure repayment without coercion and influence. Microfinance institutions target the poor; with the aim of empowering the weaker sections particularly women.

The Governments have launched a number of schemes for removal of poverty and unemployment but the SHGs have almost replaced the same. In the fast, women were restricted to the four walls of kitchen but of late things have changed and they are participating in all economic activities due to their awareness their rights and duties and skill. They are participating at par and even more than their counterparts. Empowering women is a prerequisite for development of a good nation. When women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to development of a good family, good society and ultimately a good nation. The confidence of women has increased due to participation in formation of SHGs and by undertaking entrepreneurship.

The present study reflects that the SHG entrepreneurs have significantly improved their occupation and family properties. They have determination to improve their financial conditions. Their entrepreneurial skills have harvested
with internal lending of loan among the group entrepreneurs. The hidden talents of the entrepreneurs of SHGs have given exposure and have become instrumental in alleviation of poverty. The development of entrepreneurship not only increases the rate of employment but also the status of women and ultimately leads to women empowerment. The NGOs have been playing their own role in discharging of social responsibilities by joining their hands with the governments. They need to identify the real beneficiaries and train them to bring to main streamline. The morale is to be built up among the entrepreneurs of SHGs to enable them to avail financial assistance from the funding agencies. The potentials of the underprivileged sections have to be tapped in achieving the millennium development goals. The formation of SHGs is boon for under privileged sections of the society. The SHGs are instrumental in bringing the people to formal channel of banking. It is win-win situation for both the banks and people. They create a sense of independence among the entrepreneurs of SHGs through the process of empowerment. The Government can make use of the SHGs model to reach everyone in the society along with the existing measures of welfare. If India to be the super power of 2020, it has to give prime importance to women who has been neglected earlier. Nobel Laureate Amartya Sen has emphasized that unless women are empowered, issues like health, literacy and population will remain unsolved problems of the developing countries in this part of subcontinent. Caution must be taken that these SHGs shall not become the pawns in the hands of politics. Emancipation of women is possible only through the formation of SHGs. People’s involvement is also necessary in this direction.