CHAPTER – 6

CONCLUSION AND SUGGESTIONS

6.1. Conclusion
6.2. Suggestions and Measures for Improvement

‘Every dog has his day;
Poor woman found her way, through Credit.
If U don’t like your Results, change your Approach!’

- Chaithra Swaroopa.G
CONCLUSION AND SUGGESTIONS

6.1. CONCLUSION

The present study has made a deliberate attempt to analyse the performance of Micro Enterprises under SHG-Bank Linkage programme, to understand the importance of Micro Credit on women Micro Enterprises in Mysore district of Karnataka state, India.

Comparative analysis of urban, rural and tribal women entrepreneurs' performance in both Pre and Post Linkage Period clearly shows that the performance of women Micro Enterprises has been considerably improved in the Post Linkage Period with respect to income, repayment of credit and other parameters.

Due to the improved performance in Micro Enterprises, the socio-economic conditions of the respondents and their families' shows improvement in Post Linkage Period than compared to Pre Linkage Period.

The role of banking agencies, government and Non-Governmental Organisations have been central to the success of this greater transformation of women's Micro Enterprises from Pre Linkage Period to Post Linkage Period.

The Micro Finance Programme has been playing major role in alleviating absolute poverty in the study area by providing required credit and other inputs to women to take up and improve their Income Generating Activities.

The evidences in the study clearly establish the positive relationship between not only Micro Credit and poverty alleviation but also between Micro Credit and women empowerment in the Post Linkage Period. Micro Finance Programme has been playing a catalyst role in both poverty alleviation and women empowerment in the study area.
Considering the evidences based on the present study, it can be concluded that expansion of Micro Financing in Karnataka state and India with careful policy measures to government could hope for speedy alleviation of absolute poverty in Karnataka and parts of India.

Although, the state and union government have initiated several measures to expand the programme, the size of population under absolute poverty conditions, clearly demands greater expansion of the programme with effective strategy. Based on evidences of the present study, it has been decided to give following suggestions to improve the over all functioning of the Micro Financing programme and using this programme as an effective strategy of poverty alleviation and empowerment of women in India and other developing countries.

6.2. SUGGESTIONS AND MEASURES FOR IMPROVEMENT

As one element of a strategy to eradicate poverty, the international community should act to increase the availability of basic financial services to encourage micro enterprises in developing countries through the establishment of Global Micro Enterprise Awakening and provide all facility under Micro Finance Programme. The Micro Finance Institutions should aim at outreach and increase scale of finance to micro enterprises. There needs a policy to provide incentives for business' success or progress and insurance scheme against the business loss of an entrepreneur.

Self-Help Groups members must be vigilant enough about other members' entrepreneurial activities and the availing of credit for progress purpose; to avoid misallocation of the credit borrowed for Income Generating Activities purpose. There must be strong financial discipline within the Self-Help Groups, regarding the bifurcation of loans between unproductive and productive loans.
There need of an aggressive policy by the state governments on the provision of marketing facilities was the real need found in the study, that was given little importance under Micro Finance Programme. Government and Non-Governmental Organisations should create awareness and provide up-to-date market information to micro entrepreneurs. A place to market the products must be established in the gram panchayat area / village or the hoblies; so that the respondents can have access to market to sell their products and thereby grow in their business. This in turn reduces the urban and rural migration of the entrepreneurs who travel to market their products.

Besides Council for Advancement of People’s Action and Rural Technology (CAPART), should promote and encourage projects and technology that are appropriate to women entrepreneurs and also impart knowledge on both farm and off – farm activities the technologies used in those enterprises. It should also promote marketing of products under SARAS scheme to encourage poor women entrepreneurs.

There must be a provision of government regulation and protection on marketing of articles made by women entrepreneurs, which needs to be protected from low price and corrupt practices followed by the retailers who buy and sell these goods in turn at a higher price to make profit.

The provision of health insurance scheme under Micro Finance Programme would be an affordable safety net that addresses one of the greatest threats of financial solvency and provides accessibility to a health care of the poor.

There must be provision for the spread of entrepreneurial awareness at the Self-Help Groups level on different types of Income Generating Activities like manufacturing, service and trade activities.
Caste ethnicity must be avoided in the Self-Help Groups’ formation and especially among the poor entrepreneurs. There must be limited scope and interference of the politicians who cause trouble in the growing field of women entrepreneurs under Micro Finance Programme. Further, the moneylenders who are loosing grounds in informal financial sector in recent days are growing jealous at the success of women entrepreneurs’ performance.

The government should give more emphasise on imparting of job oriented courses for poor women entrepreneurs at free of cost, nearby the entrepreneurs locality.

It is strongly recommended for a Constitutional Amendment (CA) for compulsory provision of self-employment to every poor household under Micro Finance Programme. It must become the Fundamental Duties of the State to provide Self-employment to poor people and especially to poor women of that family.

Computerisation of micro finance operations will go a long way in the sustainable development of micro finance sector. This apart, selection of appropriate areas having efficient socio-economic including marketing infrastructure and network of intermediaries will also help to reduce the transaction costs. Last but not the least, in an anxiety to have faster upscaling and mainstreaming of micro enterprise sector, it should not dilute the basic principles of micro finance and load it with bureaucratic pressures as has been experienced in the past in the other segments of formal sector.

Finally to conclude and to recommend, Self-employment proves to be the only best solution and positive Panacea to alleviate poverty of any form and minimize the vulnerability due to it in any type of the economy. If literacy is made compulsory the level of poverty is alleviated.