CHAPTER IX
FINDINGS AND RECOMMENDATIONS

The concept and practice of SHG-based microfinance has now developed deep roots in many parts of the country. Despite several studies it is hard to measure and quantify the effect that this Indian microcredit experience so far has had on the poverty situation in India. Without doubt a lot needs to be accomplished in terms of outreach of microfinance to make a serious dent on poverty. However, the logic and rationale of SHG-based microfinance have been established firmly enough that microcredit has effectively graduated from an “experiment” to a widely-accepted paradigm of rural and developmental financing in India. This is no mean achievement.

Though several studies are available on the women empowerment through SHGs but there is dearth of study on the impact of SHGs in the non-farming sector. The present study is an attempt in this direction. The impact of microfinance through SHGs in non-farming sector is discussed in detail in the previous chapters through the study of SHGs from the Aligarh District. Based on this and through the general observation in the field and also through the analysis of various secondary data available, an attempt has been made in this chapter to provide some useful suggestion for further improvement in non-farming sector through the availability of microfinance, especially in the rural areas.

NABARD has been playing a key role in the growth and development of SHGs in India. Through the SHG Bank Linkage
programme the RBI and NABARD have tried to encourage relationship banking, i.e., improving the existing relationship between the poor and bankers with the social intermediation of NGOs. Various credit delivery innovations such as Grameen Bank Replications, NGO networking, credit unions, and SHG federations have been encouraged by NABARD for increasing the outreach. It has also established a Micro Credit Innovations Department for developing, spreading, and facilitating the microfinance movement.

Since 1996, SHG’s has become a regular element of the Indian financial system. Financing through SHG’s ensure several benefits such as: (i) an economically poor individual gains strength as part of a group; (ii) because of the group a poor get access to the required amount of appropriate credit at a relatively low interest rate which he might not got, if he is working as an individual; (iii) financing through SHGs reduces transaction costs both for lenders and borrowers; (iv) tremendous improvement in recovery (in some case recovery is recorded to be as high as above 90 per cent); and (v) remarkable empowerment of poor women (both socially and economically).

The study indicates that the availability of loans through the SHGs have helped the growth and development of non farming activities in the surveyed groups. But these nonfarm activities are generally of traditional type and provide low returns. Beside these activities are run by the SHGs using the same old age techniques. Findings of the study also indicate that SBLP has also helped the rural poor women to achieve social rights. Responses from the beneficiaries suggests that social empowerment of women has increased over time since joining the SHG movement. The study also found that the
participation of women members in household decision making processes has considerably improved. One has to understand that the progress of any nation is inevitably linked with social and economical condition of women in that particular country. Rural women play a significant role in the domestic and socio-economic life of the society and therefore, holistic national development is not possible without developing this segment of the society. Empowerment by way of participation in SHGs can bring enviable changes and enhancement in the living conditions of women in poor and developing nations. What a women cannot achieve as an individual, can be accomplished as a member of group with sufficient understanding about her own rights, privileges, roles and responsibilities as a dignified member of society in par with man. When she becomes a member of SHG, her sense of public participation, enlarged horizon of social activities, high self-esteem, self-respect and fulfillment in life expands and enhances the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. After examining growth of SHG’s movement and its various aspects in detail (especially through the field study in Aligarh District), various aspects come up. These are briefly summed up below:

- Usually a common fund is created by the group members, through their small savings on a regular basis. Groups manage pooled resources in a democratic way. Loan requests are considered by groups and loans (usually small in amount) are provided for short duration and are mainly for conventional purposes. The rates of
interest vary from group to group and it is generally higher than that of banks but lower than that of moneylenders.

- The role of credit is very important in livelihood promotion, as the viable economic activities require simultaneous expansion of the supply of quality credit. The SHGs have proved to be successful in this aspect as it is found that the rate of growth of credit absorption of SHGs is much higher than individual borrowers under the priority sector. Also bank’s transaction cost of dealing with SHGs is obviously lower than that of individual borrowers.

- Banks have also been able to reduce the operating cost of forming and financing of SHG’s, through the involvement of NGO’s and youths for their formation and nurturing, as found out during the field visits.

- Through the SHGs an effort has been made to evolve supplementary credit strategies for meeting the credit needs of the poor by combining the flexibility, sensitivity and responsiveness of the informal credit system with the technical and administrative capabilities and financial resources of formal financial institutions. An attempt has also been made through the SHGs to build mutual trust and confidence between bankers and the rural poor and to encourage banking activity in a segment of the population which is generally ignored by the formal financial institutions.

- The groups develop their own management system and accountability for handling the resources generated. The
interaction among the members is based on participatory mechanism in terms of decision-making.

- The banking institutions provide bank credit on the basis of savings of the groups and individual members. Small savings of rural peoples can generate the required resources, which can wean the people away from the exploitation of moneylenders. Thus, these voluntary small savings can constitute the key for economic progress. Promotion of SHGs will help in bringing women into the mainstream of economic development.

- Through the SHGs women’s ability to save and access credit would give them an economic role, not only within the household but also outside it as well. Investment in the economic activities of women would improve their employment opportunities.

- Group approach through the creation and nurturing of SHGs, can ensure wider coverage of poor families through bank credit, as it is very difficult for the banks to reach each and every poor.

- SHGs if created and nurtured in a proper manner can go a long way in creating a unique, alternative need based credit delivery mechanism for poor by pooling their paltry resources for catering to their consumption and production requirements.
9.1 Major Findings
The study covers 50 SHGs spread over five blocks of Aligarh district. A total of 250 SHG members spanning over 50 SHGs became the final sample frame for the study. The impact of the SBLP on selected SHG members and information about the various non-farm activities in which they are involved is based on the assessment of the detailed information obtained from a primary sample survey. The sample respondents selected for the study are indulged in the number of non-farming activities like dairy works, small kirana shops, tailoring, pickle manufacturing, candle manufacturing, carpet weaving, vegetable selling and leaf plates manufacturing.

9.1.1 Major Findings on the Level of SHGs

- The study covers 50 SHGs spread over five blocks of Aligarh district. The distribution of SHG members by caste indicates that the percentage of SHGs with members from only the SC/ST category is 24.0 per cent and SHGs with members only from OBC group, is 38.0 per cent. SHGs with members only from the general category were 18.0 per cent whereas the percentage of sample SHGs with members from different caste is equal to 20.0 per cent.

- The number of members in the sample SHGs varied from 09 to 20 with an average group size of 11.5 members. Majority (76 per cent) of the sampled SHGs have got 10 to 13 members.

- The average distance of the sample SHGs from the link bank is around 4.5 kms. The average distance of the SHGs
from the market to sell product is about 5.9 kms and the average distance is nearly 18.9 kms from the district.

- Meeting on monthly basis was observed to be the common phenomena followed by majority (80.0) of the sample SHGs. The level of attendance was 76 to 99 per cent in case of about 58 per cent of sample SHGs. More than two-third of the SHGs (68.0 per cent) reported that decision-making is done on the basis of consensus. About 50.0 per cent of the sample SHGs reported that their office bearers use to maintain records without outside assistance whereas NGO staff maintained accounts and records for about 24.0 per cent of the SHGs.

- The sample SHGs saved from a lowest of Rs.50 to a high of Rs.200 per member per month. Majority of sample SHGs (54%) reported to save Rs.100 per member per month. 46 per cent of sample SHGs reported about an increase in savings rate over a period of time. The SHGs use their funds for internal lending among their members and generally charge interest at the rate of 2-3 per cent per month on these lending. The average amount of own funds available per SHG worked out to Rs. 14,056 whereas average amount of borrowed funds is equal to Rs. 1,48,900.

- The study revealed that SHGs provided loans to members for initiating various IGAs (Income Generating Activities), consumption purposes, settlement of old debt taken from money lenders and contingency purposes such as health related expenditure and other social functions like,
marriage ceremonies and funeral, etc. About 62 per cent of SHGs reported that all of their members had taken up one or other IGAs from out of SHG loan.

- When it comes to stability 46.0 per cent of sample SHGs reported no change in their size, whereas 26.0 per cent of the sample SHGs reported increase in their size since the beginning. Overall 28.0 per cent of the sample SHGs reported about decrease in their respective sizes. The very fact that the sample SHGs, in spite of the diversity in their composition and poverty levels, continue to operate and provide financial services for an average of 5.1 years after getting bank-linked, goes a long way to prove their organizational sustainability.

- 46 per cent of the sample SHGs reported 100 per cent repayment by members while 28 per cent reported about 90 to 99 per cent recovery of credit from their respective members within the specific time and only 10 per cent reported about less than 50 per cent of loan recovery. Natural calamity, inadequate peer pressure blocking of payment from buyers of products sold by the SHG’s member, poor health and illness were important reasons for default as reported by the SHGs.

- To a certain extent, the selected SHGs have helped their members to attain management skills. However, SHG members are of the view that they require technical, financial and marketing skills particularly related to nonfarm activity in which they are involved.
• The SHGs have come up with suggestions for changes in the activities of SHPIs to make them more useful. For instance, more time may possibly be fixed for training and group discussions. Moreover, only a very small percentage of SHGs reportedly received support from financial institutions/Banks in book keeping, as well as for financial activities. They are also not satisfied with the frequency of visits from the personnel of FIs/Banks.

• The survey results on performance indicators of the three types of SHGs suggest that all women SHGs seems to be performing better than other types of SHGs (i.e. all men SHGs and mixed SHGs).

9.1.2 Major Findings on the Level of SHG Members and Their Households

• The relevant data was collected from a sample of 250 SHG members spanning over 50 SHGs. Majority of the respondents belong to middle age group. The average age of the beneficiaries has come out equal to 34.90 years. Out of the total sample size 24.8 per cent were illiterates and 24.0 per cent can only write their names. Most (70.8 per cent) of these respondents were found to be married. Overall more than 85 per cent of the respondents reported about having more than 4 members in their family.

• While 45.2 per cent of the respondents reported that they are mainly involved in non-farm activity more than one-fifth of the respondents (20.4 per cent) said their primary
occupation is labour. 15.2 per cent of the sample respondents reported that their main occupation is agriculture whereas 14.4 per cent reported to be simple housewives.

- Most of the respondents either does not possess any land or have got very small land holdings. While 54.4 per cent of the respondents do not possess any land, 27.6 per cent of the respondents have got land holding of size less than one acre.

- The family income for the sample respondents is found to be low. Average annual household income for the sample respondents has come out equal to Rs 33,746.00. A good number (37.2 per cent) reported about having annual household income between Rs. 15,001 to 25,000 per annum whereas 28.0 percent said that their family income is in between Rs. 25,001-35,000. On the other hand 30.4 per cent of the respondents reported about having family income above Rs 35,000. Most of the respondents reported about positive effects of linkage with SHGs on their household income. Substantial part of the household income of the sample respondents comes from livestock and self-employment in non-farm activities.

- Generally the respondents were the ordinary members of their groups and they were motivated mostly by NGO workers and by other people from the same village. According to the respondents income generation, to get credit support, self-employment and to improve quality of
life are the most important reasons for the formation of a Self Help Group.

- Before joining the SHGs the respondents mainly used to depend upon the money lenders for their credit needs which have reduced up to a large extent after linkage with the SHGs. Now majority of the respondents said they depend upon their SHGs for their credit needs.

- Most of the beneficiaries said that they have availed both internal loaning as well credit from the bank. 74.0 percent of the sample beneficiaries reported that they used to take the loan both for personal and occupational use.

- On the question regarding the time taken by the financial institutions/banks to provide the loan to their respective SHGs, 46.8 percent of the total respondents reported that they have got the loan within 2 to 3 years while 28.4 percent of the total sample size reported that they got loan after one year. Majority of the respondents use the loan mainly for non-farm activity.

- The respondents reported that radio, TV ads, newspapers and magazines were the most influential sources for providing information regarding non-farm loans. Generally family/relatives, friends and panchayat members were the most important people who help in taking the decision regarding the loan products according to the beneficiaries.

- According to the respondents low interest rate and easily availability of loan are the most important reasons which they thought about while deciding about a particular credit
source. The beneficiaries also pointed out that repayment process and simplicity of loan are the most important procedures which they considered while taking a loan from a particular source. Attitude of bank employees and timely information on loan balance and payments are also very important according to them.

9.1.3 Progress of Micro-credit for the Investment in Non-farm Economic Activities

- The SBLP generated a significant change in the borrowing habits of households. After linkage with the SHG respondents are investing more from the borrowed amount than from their own capital.

- The study found that borrowing from informal sources (like moneylenders, friends, relatives etc.) by the respondents which stood at 37.6 per cent initially decline to 11.6 per cent in 2010. On the contrary the borrowings from formal/semi-formal sources (RRB, Commercial Banks, SHGs etc) increased from 62.4 per cent in startup year to 88.4 per cent in 2010. This suggests that SHG’s have created conducive environment for growth and development of income generating activities in non-farming sector and people have started borrowing from formal sectors instead of non-formal sector from where they used to borrow earlier.

- The investment of respondents in non-farm economic activities has increased from Rs 32,69,000 initially to Rs
260

57,22,100 in 2010 which is an important indicator of the development of business of non-farm economic activities. Also it indicates that the non-farm activities which have started through the borrowings from the SHGs are viable in the long run.

9.1.4 Various Non-farm activities in Which Selected SHG Members were involved and Various Factors Affecting Viability of these Non-Farm Activities

- On the question regarding the non-farm activity it is found out that most of the respondents were involved in dairy works. Beside dairy business, small kirana shops, tailoring, candle works, pickle manufacturing, carpet weaving, leaf plates manufacturing and goat rearing are the other significant non-farm activities in which the sample respondents were involved.

- Activity wise analysis of non-farm activities suggests that selected SHG members are mainly involved in activities which require lesser amount of forward and backward linkages. The activities requiring more linkages and service inputs have not been successful to that extent.

- Skill development of the sample size in various aspects of micro-enterprises is called for. Marketing, training, documentation and publicity are required for sustainable development of micro-economic enterprises. In all these aspects sample respondents were found to be lacking.
During the study it is observed that the availability of raw material for the manufacturing oriented non-farm activities initiated by SHG members was not satisfactory.

No institutional arrangements for marketing of products were available in the case of selected members of various SHGs engaged in diverse activities.

Field observations pointed to the need for technology upgradation. The selected units were running with a very low scale with limited fund, limited raw materials as also with limited marketing opportunities.

For 52.4 per cent of the respondents engaged in non-farm activities, the market where they used to sell their products was 5 or more kms away from the village. Only 66.0 per cent of the respondents reported that they had access to public utilities like good roads, water supply, medical and other public infrastructure facilities.

9.1.5 Constraints and Problems in Non–Farming Activities

The major constraints in the non-farming activities according to the respondents are fear of business failure and fear of getting into debt, lack of institutions for necessary training, lack of technical knowledge and illiteracy/poor education.

Respondents pointed out that lack of capital/money and high interest rates are the biggest obstacles in starting a small business. Besides that lack of credit institutions, rigid banking process and non availability of timely credit are
the other important financial constraints in starting a viable non-farm activity.

- According to the beneficiaries lack of market is the most important market related constraint. Beside that low price of output, long way market places and large number of intermediaries are some other major marketing related hurdles in the effective functioning of SHGs in the non-farm activities.

- Lack of proper infrastructural facilities is also very much responsible for absence of non-farm economic activities in the rural areas. Lack of machines/equipment, lack of storages facilities and lack/shortage of power are the major infrastructural barriers according to the beneficiaries.

- Poor quality of inputs is also a major source of worry in the sustainability of non-farm economic activity according to the respondents. Beside that high perish-ability of raw material and non-availability of raw-material are the other limiting factors.

9.1.6 Impact of Microfinance on Women Empowerment

- Linkage with the SHGs have enabled women in improving their access to information and awareness, confidence level, self respect, self-esteem, mobility/freedom of movement, development of skills, greater access to market linkages, social networking/interaction with outsiders, recognition in the family and recognition in community. Awareness has also been significantly improved among the women
members regarding the health, nutrition and family planning.

- As far as economic changes in the lives of selected women SHG members are concerned. Most of the selected women beneficiaries stated that linkage with the SHGs has resulted in improving access to credit sources and asset building. More than 70 per cent of the respondents reported improvement in family income while around 57 percent reported about improvement/significant improvement in individual income.

- The linkage with the SHGs has also enabled the women beneficiaries to attend training/workshops, to actively participate in meetings, to exercise their vote independently and to help in the loan arrangement for the family.

- Linkage with SHGs has also helped in political empowerment of the selected women SHG members, as large number of women respondents reported about improvement/significant improvement in issues like active participation in development programmes, active participation in meetings, autonomy to vote and in voicing their concern.

- Women’s contribution and share in decision-making both at the family level and societal level has increased as a result of linkage with the SHGs. The impact of SHGs on women’s empowerment can be seen from their increased role in childbearing decisions, spouse selection, marriage of
girls/boys, education of children, purchasing, savings, asset building, IGAs (Income generating activities), interaction with outsiders and in community decision-making.

9.2 Recommendations

- Government need to recognize the potential of micro-financial services to maintain investment and expansion in key economic sectors and hence to add significantly to national economic growth.

- As a matter of fact poor do intensely use the limited knowledge and experience at their command without a sufficient return. If we want to bring about the significant change in the lives of the poor than we have to bring in significant inputs of a kind that the poor want but they don’t have. For this it is important to find out what they do know and have. It is only then, that schemes can be devised that can give right inputs in right quantities.

- A good regulatory framework for micro-financial services is necessary to reduce the transaction costs and also to bring in much needed transparency and accountability. This will also helps in bringing long-term sustainability. The safety of small savers, ensuring proper terms of credit, instilling financial discipline and having a proper reporting and supervision system should be put in place.

- Through proper guideline and supervision it must be ensured that micro-financing organizations are run
prudently and must help the poor people in increasing their income through the proper livelihood activities.

- Organizations which are involved in the SHG movement in the country like RBI, SIDBI (Small Industries Development Bank of India), NABARD and others must evolve proper means for monitoring, managing, directing and controlling of micro financial institutions as well as SHPIs (self help promotion institutions). State Government and Central Government agencies must also ensure proper monitoring of SHGs, SHG promoters, PIAs (Project Implementing Agencies) and other development functionaries.

- Mass media must be used widely for the spread of concept of SHG idea into the villages. Through the mass media potential and benefits of SHGs can reach to a large section of people and subsequently it will help in further increase in the number of SHGs in the villages.

- One of the very important challenge is to ensure that high quality groups are created and maintained, and that concerns over numeric targets of group formation and linkage do not take priority over attention to group quality and resilience. After going through the various available studies conducted in India regarding the growth of SHGs and through the field study it is observed that the thrust of the government till now is more on the number of SHGs created, rather than the quality of the SHGs. Efforts must also be there to improve the quality of existing SHGs.
Experiences across the world suggest that the target approach i.e., providing targets to the implementing agencies for group formation etc., usually lead to compromises in the quality of groups formed and hence are not successful in the long term. Linking the ‘quality’ aspects to the incentives provided to NGOs can also be explored. Currently, the incentives for NGOs (the formation, cost, training cost, support cost etc) are linked only to the number of SHGs and not to the quality of the groups formed thereby not providing any sort of motivation/incentives for the NGOs to improve the quality of the groups formed.

In particular, the success and sustainability of SBLP (SHG Bank Linkage Programme) depends significantly upon greater clarity about who is to play the key role of maintaining quality, and how the costs of doing so are to be met.

The awareness of the Bank/SHPI staff with the local issues and the local people will help in the success of the SHGs in a long way. For the success of SHGs close association of Bank/SHPI staff with the SHGs at all stages of programme implementation is necessary, right from identification of the viable non-farm economic activity to planning for all the elements of this non-farm economic activity. Post credit monitoring and loan recovery is also very much important for the success of SHGs.
• The procedure for applying, seeking and releasing of credit from the banks must be simplified further. During the study it is observed that the procedural difficulties are one of the major stumbling block, which has denied rural people from taking the financial benefits of the banks.

• Efforts should be made to motivate banks to take active interest in the non-farming projects and to organize the customer-contact-programmes for the rural people to spread the information of various schemes and financial needs of poor.

• The bank functionaries who deal with SHGs and branch managers should be exposed to SHGs sensitization programme especially designed for them. Motivational training programmes should be organized for bank functionaries to generate in them a sense of cooperation and positive orientation towards SHG members. There is also a need to sensitize bank staff towards the needs, constraints and inhibitions of rural poor especially poor rural women.

• The officials of SHG-promoting organizations (like SHPIs, NGOs etc) should also be exposed to SHGs sensitization programme so that they do not hold skeptic views towards SHGs and must have full faith in the SHG’s ability to alleviate rural poverty

• NGOs should not be deployed only for the formation of SHGs they must stay and work with the SHGs till they mature. As it is find out during the study that generally those groups with whom there is continuous association of
NGO’s are working better than the other groups. Also it helps in creating the faith of the villagers in the NGOs.

- The NGOs should actively help the SHGs in both backward and forward linkage and provide them with market support in particular.

- Beside the income generation activities micro credit must also be made available for consumption needs arising out of emergencies, crisis, as also for housing, sanitation and for provision of other basic amenities. Because it is observed during the field survey that many SHG members have been taken the loan in the name of livelihood activity and have used it for the other purposes.

- Efforts must also be put in for the quick release of funds and its channelization to the related departments and agencies so that it can reach the target SHGs faster. During the field study in some cases, it is observed that because of the long term delay in release of funds quite a few people have lost their faith in the SHG concept and some of the members of the SHGs have left their respective SHGs because of unavailability of funds on time.

- The funding to the SHGs must also be increased as most of the SHG members complained that the amount of money which they are getting currently is not sufficient to start a suitable business which may be sustainable and profitable in the long run. Consolidation of SHGs at high levels requires access to large funding.
• For empowerment of women it is essential that the attitudes and perceptions of organizers be radically changed. Women must be seen not just as reproducers and home makers and supplementary earners but as productive members of the economy and society.

• The micro credit as a component should reflect in the policies and plans oriented towards women empowerment to enhance women’s participation at social, political and economic levels. Women’s agency must be given primacy. Women’s access, control and decision-making needs to be ensured in all programmes components.

• The programmes for the villagers about SHGs awareness should lay greater emphasis on creating faith in the people about the potential of SHGs, rather than stressing upon the procedural and formal aspects of SHGs.

• One of the most influencing factors on the performance of SHGs is individual’s initiative and drive. Improvements, therefore, can be mainly achieved through “internal drive” when SHG and its members start realising the benefits of efficient/proper functioning and start adopting it for their own benefit. The SHPIs can help in this by exposing the target SHGs to visible success stories. Tangible successes achieved by already existing mature SHGs can be a major performance driver for new SHGs. This can be made possible by exposure visits, interactive sessions during the training programmes, sharing of successes through newsletters etc.
A fully mature group is one that achieves capability to handle issues alone related with the group both financial and non-financial. The group should learn to solve issues related with the leadership, problem solving and economic activity successfully with minimal help. It should also be in a position to maintain its records and other books of accounts independently. Efforts must be there from all the party involved to strengthen the SHGs to this level.

Efforts must be there to increase the education level of the SHG’s members as this will go a long way in increasing the effectiveness and sustainability of the SHGs. Increase in education level will also help the SHG members in understanding the scope and future benefits of the SHGs.

Over the time in addition to the institutional sustainability, the group should also become economically viable. Economic viability of the group is said to be achieved when the group is able to cover its operational costs from its own income. The general view of public in India (also observed during the field visits) is that government should take care of everything. SHGs can be used as a tool to change this mindset. These SHGs can be used as a powerful tool to create a responsible civil society which can took care of themselves with minimum support from the government.

It is also observed during the field visits that many of the SHGs have got the same office-bearers since the beginning; this restricts all round development of several members of SHGs. For the overall development of members in various
aspects, rotation of office-bearers of SHGs at regular intervals should be made mandatory.

- A single stand alone group has limited visibility and importance for both the broad community as well as development agency. An individual-group of rural poor people, stands a lesser chance of being successful than a confederacy of such groups. A confederacy would offer the strength of numbers and solidarity to each of its constitutes. There are certain areas where SHG’s need wider support, crisis resolution, marketing, networking, mobilization for effective action or social issue etc. Thus, networking of SHGs into a federation is called for.

- During the field visits most of the sample SHG’s member were found to be engaged in low technology and less productive traditional activities and the income gains to SHG’s member through these activities were found to be low. This suggests that there is further need to search for non-farm economic activities that are profitable and sustainable in the long run.

- Professional agency must be hired to identify local activities, accessibility of raw material and ability as well as the skill of the people. The non-farm economic activities must be chosen only after careful feasibility report based on market studies and local resources. Efforts must be there to make it sure that the proposed activity matched skill sets/capabilities of the group. NGOs/SHPIs should not aspire for enterprises that are beyond the capacities of members.
• The choice of the activity, throughout the course of action, was to be guided by the viability, ready market, availability of the required infrastructure and the potential to generate appreciable incremental income.

• There is also a need for training in income generating activities, as large number of respondents during the survey reported about lack of training. The training for the income generating activities must be thoroughly planned and must be provided by qualified people who are well-informed about modern technology. The hiring of such professionals can help in a big way to build the capacity of the SHG members. Training should be provided regarding various operational aspects of nonfarm economic activities like procurement, negotiations, marketing, etc.

• Efforts must be put in for capacity building of SHG members in aspects like technical knowledge, education level etc. Development in these aspects will help in a big way in establishment and running of viable non-farm economic activities.

• SHPIs should organise exposure visits for SHGs to new earning opportunities, arrange visits to local markets and sharing of experiences with other SHG’s members. SHPIs should come up with a team of facilitators to work on non-farm enterprises/livelihoods, training a few selected SHGs on enterprise planning, studying selected economic activities with potential for scaling up, launching case
studies of women and enterprise initiatives, preparing business/credit plans, etc.

- At the same time it must be ensured that the activities that the SHG members are encouraged to undertake are more productive and remunerative than what they have been doing traditionally.

- Mere starting and survival of non-farm enterprise is not important but what required is the prosperity of such enterprises as well as their growth. It means that for a viable non-farm economic activity there is a need of better infrastructure in terms of enterprise needs like continuous supply of sufficient power, better roads to take in and take out goods from the villages, continuous supply of raw material and better training of local labor-force. Efforts must be put in by the concerned departments to improve upon all these aspects.

- Selling of the finished products appears to be the biggest problem in the continuation of non-farm economic activities. Education and training regarding marketing and quality of finished products is very much essential for the survival of non-farm economic activities. SHGs need marketing support and institutional capacity to handle marketing activities independently. NABARD’s schemes for rural haat, REDPs (Rural Entrepreneurship Development Programmes) etc, may be considered for promotion of non-farming products produced by the SHG members.
• Encouragement must be provided to SHGs to work in a group, as this will help in reaping economies of large scale production.

The above mentioned interventions will help the SHGs towards their evolution and growth and long term sustainability. Implementing the above recommendations will help the SHGs in rising into sustainable micro-enterprises.