CHAPTER-3
METHODOLOGY AND PROFILE OF THE STUDY AREA

This Chapter presents the profile of the study area and methodology of the study. It is divided into two parts. Part I summarises the profile of the Uttar Pradesh, and the selection districts, Meerut and Muzaffarnagar. Part II presents the methodology of the study.

Profile of the Study Area

“Uttar Pradesh is most populated state in India. It has of the 7 wonders of the world, i.e. the Taj Mahal. Uttar Pradesh has been one of the oldest states in the country and in every single way reflects the life and culture of India as a whole. The state is divided into four economic regions viz. Western Region, Central Region, Eastern Region and Bundelkhand. The state shares an international boundary with Nepal and is bordered by the Indian states of Uttarakhand, Himachal Pradesh, Mariana, Delhi, Rajasthan, Madhya Pradesh, Chhattisgarh, Jharkhand and Bihar. The state is between latitude 24°-31°N and longitude 77°-84°E. Area wise, it is the fourth largest state of India. The Gangetic Plain occupies three quarters of the state. A new state Uttarakhand was carved out of the state of Uttar Pradesh in 2000 and it now covers about 7% of India’s total area. Total area of Uttar Pradesh is 240,928 sq. km. density of Uttar Pradesh is 829 per sq km which is higher than national average 382 per sq km.”

Uttar Pradesh is the heavily populated state in the country accounting for 16.4% of the country’s population. The provisional population of India (2011
Census) is 1,210,193,422 with a male population of 623,724,248 and female population of 586,469,174. The population of Uttar Pradesh stood at 199,581,477 million with male population of 10,459,6415 and female population of 94,985,062.

**Table 3.1: Population of Uttar Pradesh and India 2011**

<table>
<thead>
<tr>
<th>Total Population</th>
<th>Male</th>
<th>Female</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>1,210,193,422</td>
<td>623,724,248</td>
<td>586,469,174</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>199,581,477</td>
<td>10,459,6415</td>
<td>94,985,062</td>
</tr>
</tbody>
</table>

Source: Census 2011

![Figure 3.1: Population of Uttar Pradesh](image)

Literacy level and educational achievement are very important developmental indicators in a increasing nation like India as they are key changeable of measure of development as they point to excellence of life, awareness level and also level of skill of people in the society.

“Literacy standard in Uttar Pradesh as per 2011 Census is 67.68% as against 56.27% in 2001 Census. Of that, male literacy stands at 77.28 percent while female
literacy is at 51.36 percent. In actual numbers, total literates in Uttar Pradesh stands at 114,397,555 of which males were 68,234,964 and females were 46,162,591. In 2001, literacy rate in Uttar Pradesh stood at 56.27 percent of which male and female were 67.30% and 43.00% literate respectively. This growth rate is in tune with all India growth rate and literacy population is 74.04% in 2011 as against 65.38 in 2001.”

Table 3.2: Literacy Rate India and Uttar Pradesh 2011

<table>
<thead>
<tr>
<th></th>
<th>Total Literacy Rate</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>74.04%</td>
<td>82.1%</td>
<td>65.5%</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>67.68%</td>
<td>77.28%</td>
<td>51.36%</td>
</tr>
</tbody>
</table>

Source: Census 2011

“Uttar Pradesh is the biggest economy in India after Maharashtra contributing 83.4% to India’s total. Uttar Pradesh is mostly an agriculture economy with more than 60% of population depends on agriculture for their livelihood. The state is the major producer of food grain in India. Uttar Pradesh had been developing at a very slow rate however, during the 11 five-year plan (2007-12) the state registered a 7.28% GDP growth rate and was one of five states exceeding their growth rate targets.”

“Uttar Pradesh has been making serious effort in improving its poverty level however the poverty level of the state stands at around 33% which is comparatively high as against national level of 27.5% however, the state has posted reasonably better performance amongst the eight states covered under Empowered Action Group (EAG) scheme. The literacy rate of the state has improved. The status of human development in up continues to be for from satisfactory even after more than five decades of development planning aimed at social and economic development of
the people it ranked 13th position in terms of Human Development Index (HDI) prepared by the planning commission.”

**Profile of Meerut District**

“Meerut partition is named after the headquarters city, the name of which is divided from its ancient time name, Mayarashtra. It is situated in western range of Uttar Pradesh. In north of district is bounded by Muzaffarnagar district, in the west Bagpat and south Ghaziabad districts, in the east Bijnore and Jyotiba Phule Nagar district. The district is between at between 28°57’ to 29°02’ North latitude and 77°40’ to 77°45’ East longitude in the Indo-Gangetic plains of India. Total area of Meerut district is 2522 square km. as per 2011 Census. The climate of the district is energetic and characterized by intensively hot in summer and extremely cold in winter. The hot weather generally starts from second week of April and continues till the monsoon begins.”

**Population of Meerut District**

Meerut is 25th normally populous district out of total 71 districts in Uttar Pradesh and it is 94th generally populous district in India. Total population of Meerut district is 3,443,689 with a male population of 1,825,743 and female population of 1,617,946 as per 2011 census. Table 3.3 shows the total population of Meerut district. According to 2011 census the population of the Meerut district is 3,443,689, while the population of Meerut District was 2,997,361 as per 2001 census. The rate of growth of population is 14.89% census 2011. 1,762,573 of the total population resides in rural area and 1,684,832 resides in urban area in the Meerut district.
Table 3.3: Population of Meerut District

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Male</th>
<th>Female</th>
<th>Rural</th>
<th>Urban</th>
<th>Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>2,997,361</td>
<td>1,601,578</td>
<td>1,395,783</td>
<td>1,545,378</td>
<td>1,451,983</td>
<td>24.06%</td>
</tr>
<tr>
<td>2011</td>
<td>3,443,689</td>
<td>1,825,743</td>
<td>1,617,946</td>
<td>1,762,573</td>
<td>1,684,832</td>
<td>14.89%</td>
</tr>
</tbody>
</table>

Source: Census 2011

Figure 3.2: Population of Meerut District

Literacy Rate of Meerut District

In the statistical abstracts of Uttar Pradesh a person who can both read and write with understanding any of the languages is defined as literate. Table (3.4) shows the sex-wise literacy rate for urban and rural population. Out of the total population of Uttar Pradesh, 67.68% are literate in 2011 as compared to 56.27% in 2001. The literacy rate in Meerut district, in 72.84% 2011 as compared to 64.79% census 2001. The literacy rate for rural and urban female areas is 55.61%, 71.68% and male literacy rate for rural and urban area is 78.48%, 81.75% according to census 2011.
Table 3.4: Literacy Rate of Meerut District

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population (%)</th>
<th>Rural Population (%)</th>
<th>Urban Population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>2001</td>
<td>75.00</td>
<td>53.12</td>
<td>64.79</td>
</tr>
<tr>
<td>2011</td>
<td>80.74</td>
<td>63.98</td>
<td>72.84</td>
</tr>
</tbody>
</table>

Source: Census 2011

“Meerut district is one of the few expansion and prosperous district. It has a
fairy good network of mattaled roads, fertile land, ample facilities of irrigation
resources and necessary infrastructure, which is required for planned development.
Although growing urbanization and industrialization the economy of the district is
mainly agricultural. Being situated in the fertile region and in the region of green
revolution the agriculture of the district is quite advanced in comparison to other
regions of the state. Most of its land is plain fertile and irrigated. One could see
green fields of sugarcanes and other crops as well as orchards in the district. Meerut
is a rich agricultural area with such pockets of land that do not fit in for crop
purpose. Being in the immediacy of Delhi it is ideal for industry. It is home to 520
micro small and medium scale industries. As of August 2006, Meerut has about
23,471 industrial units, including 15,510 small-scale units and 7,922 cottage
industries.”

Profile of Muzaffarnagar District

“Muzaffarnagar district comes below Saharanpur region and is situated in the
Do-aab of the Ganges and the Yamuna between the district of Meerut on the South
and Saharanpur on the North. On the West, the Yamuna separates it from the
Haryana, and on the East the river Ganges form the boundary between these districts.”
The district is between at 29°47’ to North latitude and 77°68’ East longitude. Total area of Muzaffarnagar district is 4,008 square km. as per 2011 Census. The city which has main road and rail connections it is a market of agriculture products. Muzaffarnagar district is divided into 5 tehsils Namely Muzaffarnagar, Jansath, budhana, kairana and Shamli. Muzaffarnagar is an important manufacturing town with sugar, steel and paper being the major industries. Muzaffarnagar district has 8 sugar mills. Muzaffarnagar lies in what is called the Sugar Belt of Western Uttar Pradesh. The region is one of the important sugarcane producing regions in the world. Climate of the district is vigorous and characterized by intensively hot in summer and extremely cold in winter. The hot weather generally starts from second week of April and continue till the monsoon begins.”

Population of Muzaffarnagar District

“Muzaffarnagar district ranks 12 in terms of population in the state. According to 2011 Census, total population of the Muzaffarnagar districts is 4,143,512 with a male population of 2,193,434 and female population of 1,950,078. Table shows the total population the total population of Meerut district. According to 2011 Census population of the district are 4,143,512 which are 3,543,362 in 2001 Census. The rate of growth of population is 16.94 % census 2011. 2,952,200 of the total population resides in rural area and 1,191,312 resides in urban area. According 2001 census Muzaffarnagar had a population of 3,543,362 of which males were 1,893,832 and remaining 1,649,530 were females. Muzaffarnagar District population constituted 2.07% of total Maharashtra population in 2001 Census.”
Table 3.5 Population of Muzaffarnagar District

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Male</th>
<th>Female</th>
<th>Rural</th>
<th>Urban</th>
<th>Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3,543,362</td>
<td>1,893,832</td>
<td>1,649,530</td>
<td>2639480</td>
<td>903882</td>
<td>24.65%</td>
</tr>
<tr>
<td>2011</td>
<td>4,138,605</td>
<td>2,194,540</td>
<td>1,950,078</td>
<td>2,952,200</td>
<td>1,191,312</td>
<td>16.94%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

Figure 3.3: Population of Muzaffarnagar District

Literacy Rate of Muzaffarnagar District

Literacy measured in terms of a person old seven and above, who can both read and write with understanding in any language, is treated as literate. A person, who can only read but cannot write deem illiterate. Muzaffarnagar district has been an increased in literacy rate from 71.91% to 78.44% as compared to 2011 Census. The literacy rate for rural and urban female areas is 61.06%, 69.96% and male literacy rate for rural and urban area is 79.19%, 78.91% according to census 2011.
Table 3.6 Literacy Rate of Muzaffarnagar District

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population (%)</th>
<th>Rural Population (%)</th>
<th>Urban Population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Total</td>
</tr>
<tr>
<td>2001</td>
<td>71.91%</td>
<td>47.81%</td>
<td>60.67%</td>
</tr>
<tr>
<td>2011</td>
<td>78.44%</td>
<td>58.69%</td>
<td>69.12%</td>
</tr>
</tbody>
</table>

Source: 2011 Census

“Muzaffarnagar district is a very important industrial city with sugar, steel and paper being the main industries. Many steel companies market their steel products counting angles and bars through media in the country. 70% of the region's population is engaged in agriculture. According to Economic Research Firm Indices Analytics, Muzaffarnagar has the highest agricultural GDP in Uttar Pradesh. It has the largest granary in Uttar Pradesh. Despite of this much of economic power, the city has been absent from the map of the foreign and modern business establishments. The problem of unemployment is increasing rapidly with the growth of population in the district. The problem of disguised unemployment prevails in rural area.”
PART 2: METHODOLOGY OF THE STUDY AREA

Research Methodology

Fred Kerlinger “Research is an organized enquiry designed and carried out to provide information for solving problems”.

Francis Rummel “Research is careful inquiry or examination to discover new information or relationship and to expand and to verify existing knowledge”.

Robert Ross “Research is essentially an investigation, a recording and analysis of evidence for the purpose of gaining knowledge”.

“Research is consequently a unique payment to the obtainable stock of knowledge making for its advancement. It is pursuit of truth with the help of study observation evaluation and experiment. In short the search for knowledge through objective and systematic method of finding solution to a problem is research. The systematic approach concerning generalization and the formulation of a theory is also research as such the term ‘research’ refers to the systematic method consisting of enunciating the problem, formulating a hypothesis, collecting the facts or data, analyzing the facts and reaching certain conclusions either in the form of solutions towards the concerned problem or in certain generalizations for some theoretical formulation.”

The Descriptive research aims at describing an exacting state of matter or an incident. It does not supply any reason as such why, how, when and by whom a particular event happened. It does not consider any facts or findings.
Descriptive research is about finding information a situation that exists, without looking at reasons or trends within the situation. Analytical research takes information that has been gathered and looks at what it shows such as trends.

Survey and questionnaire are typical tools of descriptive research design. In AR, the researcher has to utilize details or information previously accessible, and analyze these to make a vital evaluation of the material.

**Research Method**

“Research can be classified according to purpose or stage in the decision making process, it is claimed that the research purpose or stage in the decision making process, determines the characteristics desired in the research design.” (Silverman, 2005).

**Research Design**

“The research design is a plan of action indicating the specific steps that are necessary to provide answers to those questions, test the hypothesis, and thereby achieve the research purpose that helps choose among the decision alternatives to solve the management problem or capitalize on the market opportunity “a research design is the arrangements of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.” (Claire Sellitz)

“It constitutes the blueprint for the collection, measurement and analysis of data. “A research design is the determination and statement of the general research approach or strategy adopted or the particular project. It is the heart of planning. If
the design adheres to the research objectives, it will ensure that the client’s needs will be served.” (Ronald S Rubin)

**Sampling Method**

“Sampling is the process by which inference is made to the whole by examining a part. The purpose of sampling is to provide various types of statistical information of a qualitative or quantitative nature about the whole by examining a few selected units. The sampling method is the scientific procedure of selecting margins of uncertainty, arising from examining only a part and not the whole.”

**Random Sampling**- The process of collecting and analyzing only a small representative portion of a large group each item must have the same likelihood of being selected.

**Purposive Sampling**- It is a type of non probability sampling in which the researcher consciously selected specific element or subjects for inclusion in a study in order to ensure that the elements will have certain characteristics relevant of the study.

Depending upon the source, statistical data are classified under two categories-

1. **Primary data**

2. **Secondary data**

Primary data is that data which is composed for the first time and which is unique in quality where as secondary data is that data which is previously been collected by the readily accessible from other sources. Such data are cheaper and
more rapidly available than the primary data and also may be existing when primary
data cannot be obtained at all.

The Study Area

Meerut and Muzaffarnagar districts of western Uttar Pradesh purposefully
selected for the study ‘Impact of Micro Finance on Employment and Income
Generation in Uttar Pradesh: an Inter-District Analysis’. There are 12 blocks in
Meerut district 4 blocks namely Daurala, Rajpura, Rohata, Sardhana, selected for the
study. Muzaffarnagar district has 9 blocks only 4 blocks namely Baghra,
Charthawal, Khatauli, Sadar, have been purposely selected for the study. Non
Governmental Organisation has been working in this district for improving living
standard; generate employment for the poor people. “The Ministry of Rural
Development, Government of India has launched a new programme known as
‘Swarnajayanti Gram Swarozgar Yojana’ for rural poor. Now Government of India
has launched National Rural livelihood Mission (NRLM) by restructuring
Swarnajayanti Gram Swarozgar Yojana replacing the active SGSY scheme, efficient
from 1April 2013. NRLM is the flagship program of Government of India for
promoting poverty decrease through construction strong institutions of the poor.”

Swarnajayanti Gram Swarozgar Yojana (SGSY)

“The SGSY Scheme is operative from 1 April, 1999 in rural areas of the
country. SGSY is a holistic Scheme covering all aspects of self employment such as
organisation of the poor into Self Help Groups, training, credit, technology,
infrastructure and marketing. The Scheme will be funded by the Centre and the
States in the ratio of 75:25 and will be implemented by Commercial Banks,
Regional Rural Banks and Co-operative Banks. Other financial institutions, Panchayat Raj Institutions, District Rural Development Agencies (DRDAs), Non-Government Organisations, scientific Institutions in the district will be involved in the process of planning, implementation, and monitoring of the Scheme. NGO’s help may be sought in the formation and nurturing of the Self Help Groups as well as in the monitoring of the progress of the Swarozgaris. Where feasible their services may be utilised in the provision of technology support, quality control of the products and as recovery monitors cum facilitators”.

Non-Governmental Organizations (NGOs)

“A non-governmental organization is any non-profit voluntary citizens' group which is organized on a local national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of service and humanitarian functions bring citizen concerns to Governments advocate and monitor policies and encourage political participation through provision of information. NGOs has formed SHG for the rural people under NABARD, SGSY, and any other micro finance institution.”

National Rural Livelihood Mission (NRLM) - (Aajeevika)

“Ministry of Rural Development Government of India has launched National Rural Livelihood Mission by reformation Swarnajayanti Gram Swarozgar Yojana replacing the presented SGSY scheme, effective from 1April 2013. NRLM is the flagship program of Government of India for promoting poverty reduction through building strong institutions of the poor particularly women, and enabling these institutions to access a range of financial services and livelihoods services. NRLM is
intended to be a greatly demanding program and focuses on demanding application of human and material resources in order to activate the poor into functionally efficient community owned institutions promote their financial inclusion and strengthen their livelihoods. NRLM complements these institutional platforms of the poor with services that include financial and capital services, production and productivity enhancement services technology knowledge, skills and inputs market linkage, etc. The community institutions also offer a platform for convergence and partnerships with various stakeholders by building environment for the poor to access their rights and entitlements and public service.”

Sample Design

A multi-stage random sampling method has been used for the present study. Meerut and Muzaffarnagar districts have been purposively chosen for the study. In the first stage Meerut and Muzaffarnagar districts selected for the study. In the second stage 8 blocks have been randomly selected. And the third stage from each block 15 Self Help Groups has been selected for the study. Thus 400 respondents have been selected for the study. The same is given in the following table.
### Table 3.7: Sample Size

<table>
<thead>
<tr>
<th>Name of Districts</th>
<th>Name of Block</th>
<th>No. of Sample SHGs Selected</th>
<th>No. of Respondents</th>
<th>Total Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meerut</td>
<td>Daurala</td>
<td>15 SHG</td>
<td>20 SGSY 20 NGO 10 NRLM</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Rajpura</td>
<td>15 SHG</td>
<td>20 SGSY 20 NGO 10 NRLM</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Rohata</td>
<td>15 SHG</td>
<td>20 SGSY 20 NGO 10 NRLM</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Sardhana</td>
<td>15 SHG</td>
<td>20 SGSY 20 NGO 10 NRLM</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Baghra</td>
<td>15 SHG</td>
<td>20 SGSY 20 NGO 10 NRLM</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Charthawal</td>
<td>15 SHG</td>
<td>20 SGSY 20 NGO 10 NRLM</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Khatuli</td>
<td>15 SHG</td>
<td>20 SGSY 20 NGO 10 NRLM</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Sadar</td>
<td>15 SHG</td>
<td>20 SGSY 20 NGO 10 NRLM</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>2 District</td>
<td>8 blocks 128 SHG</td>
<td>400</td>
<td>400</td>
</tr>
</tbody>
</table>
Collection of the Data

The study is descriptive in nature. The study has been based on both primary and secondary data. The overall progress of Self Help Groups is being assessed with the help of secondary data which will collected from published sources, Annual Reports and Records of NABARD, Status of Micro Finance in India various year, District Rural Development Agency (DRDA), District Urban Development Agency (DUDA), Statistical Abstract of India, Statistical Abstract of UP, Bulletin of Uttar Pradesh, Annual Reports of Micro finance Institution, Commercial banks and Non Governmental Organizations various magazines and research journals periodicals, newspaper, internet etc.

Primary Data

The primary data has been collected with the help of structured interview schedule questionnaire. In the questionnaire questions related to general information about income, saving, expenditure, income generation activities and self employment etc has been used. The respondents are encouraged to give free and frank information. The relevant data are collected from them by establishing a good rapport by and large; the responses are good and fair. The respondents have extended full co-operation in successful data collection. Information was also collected through discussions with functionaries, like officials of bank branches, officials of NGOs, DDM of NABARD etc in the selected district.

Statistics Used for Analysis and Interpretation of the Data

Statistics is a body of mathematical techniques of process for analyses and interpretation numerical data. The data collected, in connection with this study were
tabulated, coded, edited and analyzed to arrive at results and conclusions. All statistical analysis is performed by using the SPSS 20 for windows considering purpose of the study. Following analysis measures were performed-

- Frequency
- Percentage
- Mean
- Standard Deviation
- Karl Pearson Correlation to find out Association
- Chi Square Test
- Paired Sample T test

The statistical significance level was accepted as $p<.05$ in the study. The research findings were tabulated and illustrated with the help of bar diagrams, and other graphical representation tools.

**Period of the Study**

The researcher has been collected the relevant data belonging to the period 2013-2014 for the purpose of the study.