

CHAPTER 9

MAJOR RESEARCH FINDINGS AND CONCLUSIONS

9.1 Introduction

This chapter summarizes the major research outcomes from the present work. The key research contributions useful for the policy planners, makers, administrators and other stakeholders such as banks and NGOs are also presented. Finally, the limitations of the study are outlined along with possible extensions and suggestions for future research effort.

9.2 Summary of major research findings

The primary objective of this research was to examine the impact of microfinance and women self-help groups towards the development of Mewat. This involved an assessment of the current situation using both secondary and primary data. For this the main microfinance schemes in Haryana and Mewat using secondary data were reviewed and the shortcomings of the microfinance schemes were identified. The Interpretive Structural Modelling technique was applied to identify the key strategic variables among the shortcomings for an area like Mewat.

The current status of economic development indicators was then examined using both secondary data and primary data. It was found that the primary survey results were more or less consistent with the secondary data, with literacy and sanitation being the two prime areas in which Mewat was severely lagging behind. The primary survey helped in identifying the impact and problems at the grassroot level by direct interaction with the actual beneficiaries of the schemes. The five hypotheses formulated for the study on primary data collected were tested using paired sample t-test and the non-parametric equivalent Wilcoxon signed ranks test. All the hypotheses were rejected and it was found that there was a significant difference in the income, expenditure of households (both on education and health), and savings of the respondents before and after joining the SHG. There was an improvement on all counts. Furthermore, the working women were better off as compared to the non-working women as the impact was higher in their case, except for saving which was lower which implied higher expenditure due to more exposure and awareness.

Moreover, though starting a business enterprise was cited as the primary reason by the respondents for joining the SHG group, less than 50% had managed to do so owing to a number of financial and non-financial constraints. The survey also revealed that the self-help group was the main source of loans for the women as opposed to banks. An assessment of empowerment using seven indicators was gauged on the basis of the respondent's perceptions. Almost all agreed that there was an increase in standard of living and economic independence. However, leadership and skill upgradation fared poorly among all the indicators with the latter being at the lowest level. The primary survey also validated that credit alone was not sufficient to put the women on the path towards sustainable livelihood till it is accompanied by supportive credit-plus factors. These findings provided key insights and contributed towards making key recommendations for effective implementation to policy makers and other stakeholders.

The main observations, findings and insights of the study are summarized as follows:

- Mewat is the most backward district in Haryana with a very low level of socio-economic development. This is despite its close proximity to the capital of India and a part and parcel of NCR.
- There is a lot of emphasis on formation of Self-help groups in the district. SHG approach is the most favoured approach.
- The impact of the microfinance programmes has been below the expected and desired level.
- There are a number of shortcomings in the microfinance schemes being implemented.
- The strategic variables which strongly influence the implementation effectiveness of microfinance schemes are mainly extent of government intervention, level of female literacy, socio-cultural mindset of the local population especially with respect to the role of women, attitude of government,

bank officials and other stakeholders, proper coordination, supervision, direction and monitoring among all involved parties.

- Besides the above variables, a conducive macroeconomic environment in terms of the underlying factors such as sanitation, education, health, quality of water, electricity and other basic amenities is critical for the overall economic development of the area. Mewat has made a very slow progress in these areas, especially in female literacy and sanitation.
- The Self-help group approach has had a positive impact on the income, expenditure and savings of the women who are members of self-help groups in Mewat. It has facilitated their economic independence and raised their standard of living. The impact is higher in case of working women. However, the magnitude of the impact has not been as per expectations (as it ought to be) but it is a good beginning. There are a number of constraints not allowing these women to experience the full benefits of microfinance.
- Moreover, microfinance is more than just providing microcredit. It encompasses a wide range of credit plus factors such as insurance, skill development, training, marketing support, social awareness and other support services. In Mewat, only the credit provision part of microfinance is being used.

9.3 Research Contributions

Significant research contributions made with this research are as follows:

- The research has contributed towards making specific recommendations for each of the six strategic variables (role of state, literacy and socio-cultural mindset, sanitation and water, health, self-help groups, private individual initiatives) which appear to have a strong influence on the development of Mewat. Optimum utilization of existing resources with active involvement of SHGs forms the crux of the recommendations.
- A significant contribution is providing referrals of ‘Best Practices’ prevalent in various regions of the country which can be adopted with suitable modifications

for Mewat in each of the key variable segments. Suitable adaptations of these practices can help solve community problems and save the trouble of reinventing the wheel.

- The study can serve as a blueprint for administrators of other backward districts in the country. They can take useful inputs or draw insights from the study. Local conditions – physical relief features and human development levels need to be considered carefully before formulation and implementation of development schemes. An inclusive participatory approach with involvement of local population needs to be adopted.
- In addition, the policy variables that have emerged may be relevant and useful for Microfinance interventions and poverty reduction studies in other backward areas similar to Mewat.

9.4 Summary of Recommendations

The final recommendations are based on six strategic variables bifurcated into four macro and two micro variables. The four macro variables relate directly to the driving or strategic variables which emerged out of the ISM analysis as shown in Figure 9.1 below:

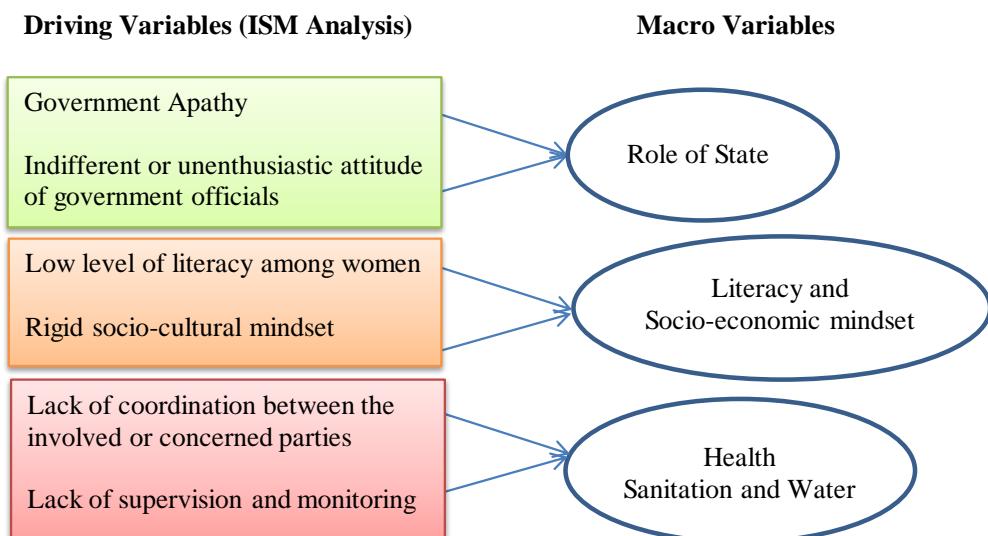


Figure 9.1: Strategic ISM Variables - Macro Variables

Specific recommendations for Mewat relating to the six strategic variables are summarized as follows:

Role of State:

- Efficient governance and regulation of existing schemes.
- Inclusion of Mewat as A BRGF (Backward Region Grant Fund) district.
- Different strategies for different blocks to be employed post a detailed block level study.
- Smart Village development scheme to be implemented.
- The Pradhan Mantri Kaushal Vikas Yojana with training in skills be continued in this area for income generating activities, involving particularly the youth.
- Enable provision of microfinance loans and microinsurance packages for IGAs through microfinance institutions and public sector banks.
- Private industry to be encouraged to set-up industrial units by offering them lucrative investment and tax-free options.
- Transport facilities to be increased for commuting to neighbouring industrial areas where a number of automobile and auto-ancillary units are functioning.
- Special training and awareness programmes for government, bank and other concerned officials involved with microfinance programmes to ensure proper selection of beneficiaries and utilisation of funds without wastage of state money, time and effort.
- Strengthening of Gram Panchayats with special focus on Gram Panchayat-SHG convergence.
- Examples of active participation and involvement of SHGs in Gram Sabhas in other states and districts such as Kudumbashree to be studied and applied in Mewat with appropriate changes.

Literacy and Socio-Cultural Mindset:

- Opening of more schools and colleges and improving infrastructure of existing schools (as per a NITI Aayog Report, the average number of schools (Class V to X) in the district is just 0.62 per village and the average number of senior secondary schools (Class XI to XII) stands at 0.16 per village).

- More measures, such as the newly enacted rule relating to education criteria for panchayat elections (Haryana government made an amendment in the Haryana Panchayat Act, 1994, banning uneducated candidates from contesting polls), by the state government should be undertaken without alienating the local population. This will force the uneducated to go to school and make education a priority rather than a choice.
- Involvement of SHGs in schools in different blocks of Mewat with the help and support of Mewat Development Agency. SHGs can take charge of providing mid-day meals for the school children and be given the task of maintenance and upkeep of schools for which they can be given remuneration by the district administration. Successful examples exist in states such as Orissa.
- Adoption of innovative methods of teaching such as School in the Cloud, a Self-organised learning environment program, already in operation in five locations in India – Delhi, Maharashtra and West Bengal.
- Focus on open distance learning education for women by making efforts to enrol the SHG members in open schooling schemes or any other distance mode to impart education.
- Formation of Self-help Study Groups (SHSG) comprising 4 to 5 SHGs or Community Self-help Group Centres (CSHGC) in each village.
- Classes to be organised and conducted through appropriate Information Communication Tools (ICTs) such as Radio and TV.
- Basic reading, writing and simple arithmetic skills to be taught along with awareness and counselling on environment, health, hygiene and social interpersonal skills.
- SHG members who already have basic literacy skills should be encouraged to undertake courses like the certificate programme of IGNOU (Indira Gandhi National Open University) – ‘Empowering Women Through Self-Help Groups’, which will further increase their confidence, improve their general management abilities and help them to acquire access to credit and resources.
- Linkage of economic incentives and benefits with DE (distance education) modules – for example subsidies can be given in the form of distance education instead of cash and differential rate of interest charged on loans from women

doing any course through open schools or any other mode of flexible and open learning.

- New models of education suitable for this area could be designed by a National Agency like NCERT in the form of an action research project funded by the Ministry of Minority Development and be implemented in this area.

Sanitation and Water:

- Awareness about Haryana State Government measures and incentive based schemes for its districts under the nationwide Swachh Bharat Abhyaan program to be created through Gram Panchayats and Mewat Development Agency.
- Incentive-based schemes for sanitation to be implemented with proper monitoring and supervision on a consistent basis, by district level authorities in all the blocks.
- Community participation in planning and implementation through mobilization of SHGs specifically for establishment and maintenance of watsan (water and sanitation) facilities in villages.
- Government incentives to be provided to SHGs at block level to construct toilets in schools, Anganwadis, government buildings and community toilets for public usage. This will provide dual benefits of employment generation for women and keep the area clean and free from diseases arising out of poor sanitary conditions. The model used by Keerapalayam Village Panchayat in Tamil Nadu, which has the distinction of being declared as the First Totally Sanitized Village Panchayat in Tamil Nadu in September 1998, can be replicated in Mewat with modifications, keeping the socio-cultural environment in mind, as no two communities are alike.
- Success stories of ‘best practices in rural sanitation’ from various states and union territories of India compiled by the Ministry of Drinking water and sanitation, GOI to be used as lessons of inspiration and models for the villages in Mewat at block and district level.
- General public to be educated about the benefits of incorporating safe sanitary practices in daily life through intensive audio-visual and radio campaigns besides interpersonal communication.

- Effective utilisation of the community radio AEM (Alfaz-e-Mewat) introduced in 2012 in Mewat to spread awareness and disseminate information about the government programs and microfinance schemes which function in Mewat for the upliftment of the communities. Regular broadcast of success stories from different parts of the country can provide inspiration, motivation and learning to the SHGs.
- Concerted efforts should be made to fund, sustain and strengthen similar community-led development initiatives in case of both water and sanitation by both public and private agencies using low-cost technology.
- Successful examples of water conservation and management wherein effective waste water-treatment plants have been set-up in two villages of Ferozepur Jhirka block can be used as a role model for the other villages to enable them to get rid of waste water safely.
- Innovative rainwater harvesting structures should be built in schools and public buildings besides households. SHGs should be involved in such projects right from the inception stage.
- The SHG women members can be encouraged to form water conservation committees from among themselves in every village in every block and experiment with simple innovative low cost techniques.
- Water pumps can be installed and efforts made to connect villages to nearby canals with the support of gram panchayats as was successfully done in the case of Nimkheda village.
- For changing the mindset of the people, success stories could be filmed and shown through video. Constant viewing of such pictures/serials/one act plays etc. could change the mindset of the people. For this, Department of Public Relations, Haryana could be involved. Demonstration effect could contribute a lot towards development of this area.

Health:

- Although Shaheed Hasan Khan Mewati Medical College and Hospital has been set-up (came into existence in 2013) at Nuh, yet a proper institutional health

support system and infrastructure is required to be set-up in Mewat, especially for reproductive health care, on a priority basis.

- Incentives should be given to attract doctors and trained medical staff in the form of attractive remuneration, housing and transportation facilities and short term postings on rotation basis.
- SHGs should be involved to achieve synergy between health care providers and users as they can play a crucial role in creating awareness of health issues through regular group meetings with women, by conducting specific capacity-building trainings on health issues and facilitating exposure to important up-to-date medical information.
- SHGs can function as effective watchdogs to curb malpractices such as female foeticide.
- Insights from the various examples in the country, which show the success of the self-help group approach in health care, can be taken and adopted in Mewat with suitable modifications in accordance with its socio-cultural background. Some of the notable ones which have made remarkable progress in executing rural health programmes are SEWA in Gujarat, women-based SHGs under the Kudumbashree programme in Kerala, The Mahalir Association for Literacy, Awareness and Rights (MALAR) programme in Kanyakumari District, Tamil Nadu and women SHGs in Andhra Pradesh.
- Emphasis should be given to set-up more frequent medical camps and village health nutrition days conducted by trained staff.
- An integrated mobile phone channel by the name of MIRA, which provides health information to rural women and connect them with public health services using mobile phones in low-resource settings, is operational in the district with the help of MDA through its SHG federation. This channel has received a positive response and should be strengthened with substantial funding and volunteers so that every woman in Mewat is covered and has access to MIRA.
- More initiatives such as MIRA which employ low-cost, pervasive, user-friendly technology should be undertaken in Mewat as collective and co-operative ventures with the SHGs and their network for the implementation of various rural health programmes with special emphasis on reproductive women and child health programmes.

Self-Help Groups:

- More focus on dairy farming as a livelihood option for the SHG women, as it is a lucrative income generating activity which ensures year round cash flow without the kind of price fluctuations witnessed in agricultural crops. Very few SHG women members are currently engaged in this activity in Mewat. More women should be encouraged to take up dairy farming as a livelihood option with the help of microfinance loans provided by MDA. Mewat with its strategic location, in the NCR, region can exploit the potential of this sector as a strong livelihood option for women.
- Focus on improving agricultural productivity by innovative techniques and methods is required as agriculture is the primary activity here. Innovative use of solar energy for agriculture purposes is one such method. Installing solar panels on farmers' fields at 15-20 feet height above the ground will ensure assured irrigation by reducing the farmers' dependence on grid-linked electricity. Combining solar power with drip and fertigation, farmers can reduce water and fertiliser usage by almost 50% while raising productivity by 25-40%.
- The functioning of the Self-help groups needs to be improved. Regular group meetings per month, mandatory rotation of group leaders, regular orientation sessions to train the group heads for better group involvement, team-buildling exercises and workshops for successful execution of projects are some of the important areas which need to be focused upon.
- The participation of self-help groups in gram panchayats should be encouraged and they should be involved in formulation and implementation of key development projects related to water, sanitation, health and literacy at block level.
- Inter-block and intra-block monthly meetings and seminars may be organised where members get a chance to exchange their views and share their experiences. This will develop group strength by interactions.
- The achievements of the self-help groups should be highlighted by way of bringing out a quarterly or six-monthly newsletter which showcases the work of different self-help groups. Individual and group recognition by way of giving awards to best performing SHGs and its members should be given to motivate and inspire other SHGs.

- The male members of the households of the group members should be involved from the beginning owing to the rigid socio-cultural mindset of the local populace. The local authorities along with MDA and the NGOs operating in the area need to hold meetings with the husbands and fathers to ensure that they do not feel threatened by their women's work and progress.
- Periodic vigilance checks to oversee the functioning of SHGs should be undertaken to ensure that unscrupulous group leaders do not fleece innocent SHG members and wipe out their small savings.
- Skill development and training in key activities identified for income and employment generation should be provided on a regular basis. The training venues need to be easily accessible as women cannot leave their daily household work and travel far for training.
- Proper logistic support for sourcing of raw material and marketing facilities for the sale of products of SHGs should be created. A SHG Haat can be created in Nuh to promote marketing of products. Periodical exhibitions at block-level may be organised for display of products by SHGs. The MDA can help the SHG federations at block-level tie-up with business houses to market their products and with training institutions for capacity building.
- Micro financial products such as tailor-made micro-insurance products for health, crops and assets besides life should be introduced by the microfinance institutions in this region. Campaigns to spread awareness about micro financial products such as micro-insurance and remittances need to be conducted to make the SHG members knowledgeable about the benefits of these products.

Private Initiatives:

- Local leaders, personalities and key achievers in different fields should be involved for motivating the local population.
- Funding agencies in the private sector could be mobilised for taking up projects in this area as part of Corporate Social Responsibility.

In a nutshell, more participation by the SHG women is an effective way to stimulate economic development activities. The influential factors which positively

enhance their role or negatively affect their ability have to be considered and taken care of. The role of development agencies, legislative steps, possible future planning and programs for ensuring proper implementation along with government organisations, NGOs, women's organisations and other stakeholders (private initiatives, civil society etc.) are also important aspects of this policy planning.

With SHGs as the focal point, there is need for a multi-tiered approach to support and develop the microfinance industry in Mewat as shown in the following Figure 9.2:

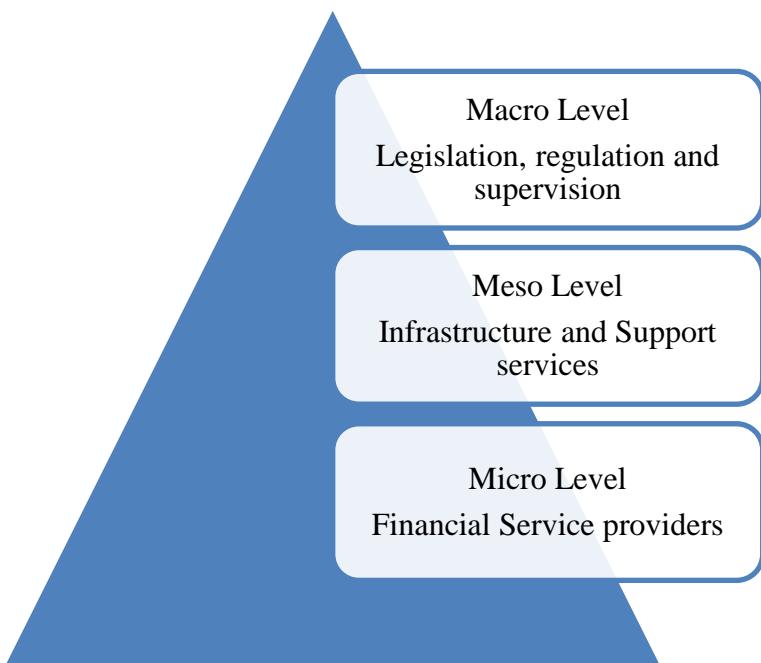


Figure 9.2: Multi-tiered approach

Economic growth and development of a country like India depends on the overall growth of rural areas where small entrepreneurs have a major role to play. According to Bateman [108], in places where the local private sector (that is, small- and medium-sized enterprise) has developed successfully in the past, local governments have played a strong and decisive hand. Europe's post-war recovery, according to Bateman, was managed under broadly Keynesian macro-principles and a tolerance for planning. From northern Italy to the Basque country, from West Germany to Scandinavia, local and regional governments were strongly interventionist in support of their small and medium enterprises (SMEs), and the upgrading of technological capacities was facilitated by access to affordable finance. Hence at the macro level, legislation, regulation and supervision have a major role to play. It is important for local and

national governments to get heavily involved in local development strategies, setting out examples of successful efforts and adopt innovative strategies.

At the meso level, support services and infrastructure are critical elements. There are strong potential synergies between microfinance and the provision of basic social services for clients. The benefits derived from microfinance, primary health, sanitation and basic education are interconnected, and programs have found that the impact of each of these can increase when they are delivered together [177].

At the micro level, there is a need for financial service providers that prioritise sustainable local development, such as credit unions, financial co-operatives, local state development banks, and social venture capitalist funds, with a set of carefully selected policies to support local private sector growth.

9.5 Limitations of the research study

The research presented in this thesis in the available time frame though has contributed significantly in the understanding of and making recommendations for the development of Mewat through microfinance under the SHG framework, yet it still has a few limitations. The four limitations of the research study identified are:

Firstly, the inhabitants of the area mainly Meos and particularly their women folk are not fully aware with the latest schemes launched by the government. The impact of these schemes could be studied in forthcoming research studies/work.

Secondly, during the interviewing process, the researcher faced problems in explaining the questions as most of the respondents are illiterate and living in villages. Therefore, it was too difficult to make them understand terms like monthly household income and the difference between training and skill development.

Thirdly, there may be chances of some errors which can arise in a primary data survey due to a communication gap, as there were constraints due to Mewati local dialect and its accent. However, an attempt was made to get all and true information regarding the members and group during the survey.

Fourthly, updated secondary data is not available even with the State government agency (MDA), normally it is expected that they should be produced in the form of blue-prints (regularly updated). Research work may be encouraged with the availability of funds and other resources.

9.6 Suggestions and directions for further studies

On the basis of outcomes and issues raised in the present study, the researcher would like to suggest some areas which can be studied further. Some of them are listed below.

- The study was conducted in five blocks under one district, Mewat in Haryana. It can be replicated by similar research design in other places of the country where comparable socio-economic and physical condition exists in order to confirm present research findings.
- Further in-depth research can be undertaken to study specific women's groups such as ultra-poor and destitute women or abandoned women (separated, widowed, divorced) so as to get a clear understanding of the problem dynamics using specific criteria.
- The present research deals with women only, however, in future research on male members of self-help groups can be studied and men's views regarding improvement of livelihood through microfinance must definitely be integrated.
- This study did not consider the supply gap of MFIs i.e., to what extent the MFIs are capable to deliver their service to the poor people. Further research could be conducted in this area and for finding the reasons for the gap between demand and supply in terms of microfinance services.
- The role of technology in IGAs conducted by rural women is becoming increasingly important in the current scenario. However, hardly any of these technologies accommodate rural women's particular needs. Further study is needed to find out the lacking of existing technologies, possible solutions, and to introduce new technologies really need for rural women under the existing facilities.

9.7 Conclusion

Microfinance programme has evolved as a development tool over the last three decades. Various different models to deliver microfinance services and schemes to the rural and poor people exist in India, the most popular being the self-help group model. In last ten years, this sector has achieved a great success in outreach of financial services to the participants. However, the impact of microfinance on poverty and income level is not successful all over the nation. In northern, eastern and central

region, it has experienced low growth as compared to the southern region. The literature available on microfinance programme claimed that it enabled people to earn their livelihood, to generate self-employment and to improve their socio-economic conditions.

Mewat area has been in the grip of darkness because of a number of obstacles and impediments in the path leading to all round development. It was a part and parcel of Gurgaon and Faridabad districts, which have made a mark on the world map. Political leaders of this area have taken a political mileage because of the backwardness of the area. The male folk mainly engaged in agriculture and allied activities have been the victim of unnecessary litigation leading them into a trap of indebtedness. All models of growth given by different economists are based on certain assumptions, which are not found workable in this region. The researcher got an insight of the socio-cultural-economic-psychological conditions of this area and could examine that women folk of this area have all potential and could work as an agent of growth. They have the latent capabilities to prove themselves as a good entrepreneur, taking risks and responsibilities on their shoulder for the well-being of the family. Apart from fulfilling the responsibilities of all family members, they are willing to accept the challenges to take up the ventures for income generating activities. Microfinancing as a means through SHG could prove to be a successful model for this area provided they are motivated and given all possible help by the government and its agencies. Some private persons could also make this model successful by giving all possible help in the form of a voluntary organisation.

The study found a positive impact on the socio-economic condition of the participants post becoming a member of a SHG. The SHGs have made an enduring impact on the lives of participants in Mewat. There is an increase in their income, savings and consumption expenditure. However, there is need of some innovative programmes and schemes to alleviate poverty and to improve the living conditions of the people. There should be such services which provide more finance to participants and opportunities for the economic activities so that they can improve their income level through generation of self-employment. Access to financing enables the beneficiaries to expand their business which in turn contributes to economic growth, a larger product and services offering, and job creation. All of these factors support the development of a local economy.

Microfinance is therefore, a necessary but not a sufficient programme for poverty alleviation and enhancing the socio-economic conditions of rural poor. There is also need of identification of livelihood opportunities, emphasis on IGAs, use of loan for productive purpose, training programmes regarding micro entrepreneur skill and awareness, marketing support and capacity building of members. In addition, sustainable local development is needed along with microfinance to achieve economic development (progress is needed with respect to factors such as literacy, socio-cultural mindset, health, sanitation and water as these have a strong bearing on economic development). Further, there is a need for adoption of best practices in operation in other parts of the country by suitably adapting them to the local conditions which will help in making the microfinance programme more successful.

With the help of the present research, various policy makers, programme executives, NGOs' officials and other related officers can implement innovative strategies for the betterment and growth of microfinance across the district after studying the problems regarding microfinance programme. Also, they can implement corrective and supportive measures to strengthen the SHGs approach. Through this study, government officials can measure the success of their programmes and schemes implemented for the improvement of rural poor or BPL families. The findings of this research may be useful for institutions, agencies, government departments, researchers who are associated with microfinance programme.