

**TRENDS AND DETERMINANTS OF
RURAL NON-FARM EMPLOYMENT OF WOMEN
A COMPARATIVE STUDY OF VISAKHAPATNAM AND SRIKAKULAM
DISTRICTS IN ANDHRA PRADESH**

By

ARANGI VENU M.A., M.Phil.



Dr. G. RAMACHANDRU

M.A., Ph.D., D.A.S., B.L.

Professor of Economics (Rtd.)

Department of Economics

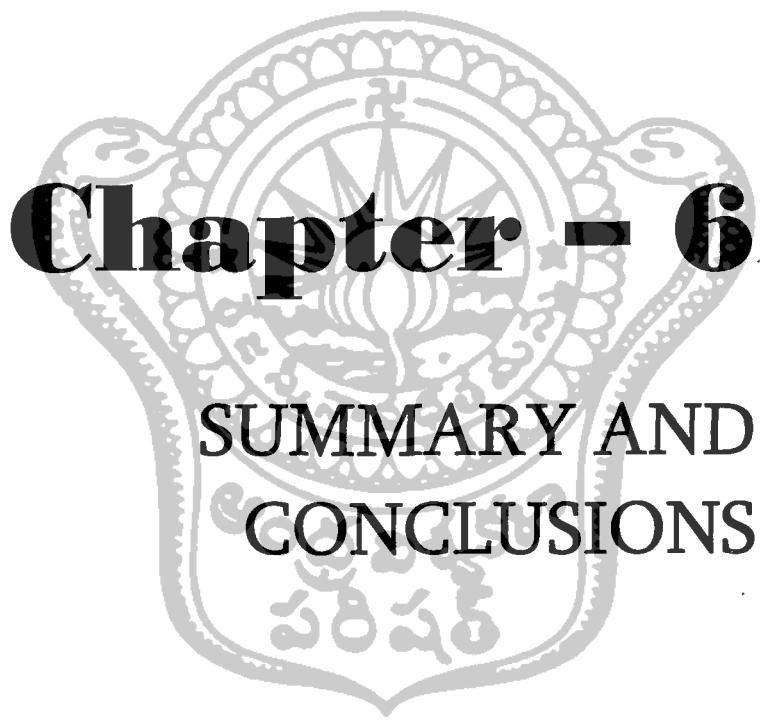
Andhra University

**THESIS SUBMITTED TO THE
ANDHRA UNIVERSITY, VISAKHAPATNAM
IN PARTIAL FULFILLMENT FOR THE AWARD OF THE DEGREE OF
DOCTOR OF PHILOSOPHY IN ECONOMICS**

SEPTEMBER - 2011



Andhra University, Visakhapatnam



Chapter - 6

SUMMARY AND CONCLUSIONS

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SUMMARY AND CONCLUSIONS

6.1 Summary

The non-farm sector in India is a relatively under-researched component of the rural economy. Drawing on a large nationally representative household survey for rural India in 1994, we have indicated that non-farm incomes account for roughly one third of household income, on average. This estimate is most likely an understatement of the importance of non-farm incomes in rural areas, as our calculations are based on incomes from primary occupations only. We thereby are unable to document the importance of non-farm earnings from secondary, possibly seasonal, occupations.

Non-farm income shares vary considerably across states of India and also across population quintiles. We have indicated that a helpful three-way classification of non-farm activities distinguishes between casual non-farm wage labour, own-enterprise activities and regular, salaried non-farm employment. This ordering of the three categories reflects their respective importance as sources of income to the poor. While in aggregate terms total non-farm incomes are not particularly more important for the richer quintiles than the poorer quintiles, the poor tend to earn significant shares of total income from casual non-farm wage employment. The rich earn mainly non-farm incomes from salaried employment. Own enterprise activities appear to comprise both low-productivity activities as well as well remunerated activities, such that the share of total income accruing from this category of activities is highest among the middle quintiles.



The states in which average non-farm income shares are particularly high are the states of Himachal Pradesh, Tamil Nadu, West Bengal and the Northeast. In these states non-farm income shares typically rise with income quintiles. This can be contrasted with those states in which average non-farm income shares are particularly low: Gujarat, Madhya Pradesh, Andhra Pradesh, Maharashtra and Karnataka. In these states, non-farm income shares tend to fall with per capita quintiles.

Analysis of non-farm employment probabilities and earnings finds strong evidence of the importance of education in determining access to non-farm occupations. There is clear evidence that education improves prospects of finding non-farm employment and that with higher levels of education the odds of employment in well-paid regular non-farm occupations rises. An important aspect of this general finding is that relative to no education at all, even small amounts of education can improve prospects considerably. This has important policy implications because it suggests one might expect to see appreciable changes in non-farm employment patterns and levels, even with incremental improvements in general education outcomes.

The non-farm sector appears to offer relatively few real opportunities for women in rural India. Irrespective of region, women are markedly more likely to be employed in agricultural labour than in non-farm activities and to earn lower non-farm incomes. A weaker, but still significant, similar pattern applies to individuals from scheduled caste, scheduled tribe backgrounds. Not only do these groups typically possess much lower levels of human capital, but controlling for these assets, they face



additional constraints on employment and earnings in the non-farm sector.

Wealth also seems to influence access to non-farm occupations. The evidence strongly suggests that the odds of non-farm employment relative to agricultural wage labour are considerably higher for those with larger per capita land holdings. We have suggested that a possible mechanism driving this finding is that per capita land holdings act as a proxy for an ability to pay bribes and for access to networks of contacts. Although per capita land holdings influence non-farm employment probabilities in a positive direction, the evidence suggests that this variable has a generally negative association with non-farm earnings. We have suggested that as non-farm earnings are a composite of the wage rate and the duration of employment, the negative association between earnings and land holdings may be attributable to a choice by the relatively large land holders to work shorter spells even though their land holdings do provide them access to the higher wage occupations.

Non-farm employment probabilities are not uniformly related to community and district-level characteristics across the country. This is not surprising given the heterogeneous nature of non-farm activities as both residual sources of income and sources of genuine upward mobility. In the western region of India (comprising of Gujarat and Maharashtra), for example, average non-farm income shares are quite low and tend to be higher for the poor than for the non-poor. In this region, higher agricultural productivity is associated with lower odds of non-farm employment relative to agricultural labour. It thus seems as though the Non-farm sector acts as a substitute for



agriculture when agriculture is not productive enough to sustain adequate incomes. In other regions, where the non-farm sector is more clearly productive, growth in agricultural productivity is positively (although nowhere significantly) related with non-farm employment probabilities. In terms of non-farm earnings the same pattern is observed (although here non-farm earnings are also weakly and positively related to agricultural productivity in the North-Central region).

The relationship between non-farm employment probabilities and earnings and village population density also varies across regions. In the West, higher population densities are clearly associated with higher odds of non-farm employment (relative to agricultural labour) and also higher non-farm incomes. In other regions, employment probabilities are not systematically related to population densities, but in all regions non-farm earnings tend to be higher in more densely populated villages. While population density may not generate additional non-farm employment opportunities, it seems likely that non-farm employment spells (and therefore incomes) of those with a non-farm job are higher in locations in which their contribution to family cultivation is less urgent.

The analysis of non-farm employment probabilities and earnings suggests that the poor are not particularly well placed to benefit from expansion of this sector. Low education levels, wealth and social status, all appear to restrict access of the poor to the relatively more attractive non-farm occupations, those which are most likely to be able to lift them out of poverty. Clearly, a very significant expansion of the non-farm sector might be expected to dilute the nature of the handicap that these



characteristics impose on the poor. If the rationing of non-farm employment is gradually relaxed, it is likely that factors such as networks of contacts, or ability to pay bribes, might diminish in importance. However, in the absence of such a large, non-marginal, expansion of the non-farm sector it is difficult to see on the basis of the evidence presented here how the poor are going to feature among the main direct beneficiaries of a larger non-farm sector.

We have indicated however that the indirect impact of an expanding non-farm sector on agricultural wage rates (the sector in which the poor are most represented and likely to remain represented in the short run) can be considerable. This was found to be particularly the case with an expansion of employment in construction. Construction activities do not typically have a high skill requirement, yet they are generally preferred over agricultural wage employment. Expansions of construction employment opportunities is thus likely to syphon labour out of the agricultural labour market and thereby raise agricultural wage rates. A significant increase in agricultural wages can have a powerful impact on rural poverty. The analysis presented here thus suggests that policy makers seeking to maximise the impact of an expanding non-farm sector on rural poverty should concentrate on two fronts. First, efforts should be focused on removing the barriers to the entry of the poor in the non-farm sector. This involves first and foremost, improving educational levels in rural areas. The evidence presented here suggests that even relatively small gains in educational outcomes may yield considerably improved employment prospects in the non-farm sector. Attention should also be paid



to the possibility of discrimination against population groups of low social status (most of whom are poor) and to the evidence that the process of job-search seems to favour the non-poor (because of their better contacts and greater ability to pay bribes).

Second, policy makers should note the strong evidence of an impact on agricultural wages of expansion in rural construction employment. The Government of India has long availed of public works programs as a means to respond to drought and other natural disasters. The evidence here suggests that an important distributional impact of such programs might be via their impact on agricultural wages. This implies that evaluation of employment programs (such as the EGS program in Maharashtra and the JRY in India more generally) requires looking beyond the incidence of employment creation to looking, as well, at agricultural wage trends.

6.2 Hypothesis

The macro-economic policies of Liberalisation, Privatisation and Globalisation (LPG) in India are causing severe strains on rural micro economy. Socially disadvantaged groups and women are excluded from the gains of macro-economic growth. Only more educated and skilled groups are more benefited. The poor are still depending on farm activities with lower productivity and hence lower incomes.

The state of Andhra Pradesh (AP) has a long history of initiating policies and programmes that aim at social justice. As early as in 1980s Development of Women and Child in Rural



Areas (DWCRA) has been implemented effectively to achieve women empowerment. At present the state is topping in the implementation of SHG programme through World Bank assistance for Andhra Pradesh District Rural Poverty Initiatives Project (APDPIP) and Andhra Pradesh Rural Poverty Reduction Project (APRPRP) projects. The much popular programmes of Bank Linkage to SHGs has changed the work schedules of many poor women, who are now taking up many non-farm activities. Thus the hypothesis is that the SHG movement in AP has a tremendous impact on women economic and social activities.

6.3 Objectives of the study

1. To analyse the trends in Work Participation Rate (WPR) of women as well as men workers in non-farm employment.
2. To examine the impact of Self Help Group (SHG) movement in promoting women employment in rural areas.
3. To examine the strategies adopted for providing micro-finance to women enterprises.
4. To analyse the problems of women micro-enterprises.
5. To suggest appropriate employment policy measures for rural non-farm employment among women.

6.4 Methodology of the study

The study has been conducted in the two North Coastal districts of Andhra Pradesh, namely: Srikakulam Visakhapatnam. First of all secondary data were collected from DRDA's of the respective districts on the women micro-enterprises organised by the SHGs including petty business



(either individual or collective ones). In each district, the best performing units are selected, based on the following criteria: year of establishment, capital investment from bank linkage programmes of the SHGs and number of workers employed. Three instruments have been used for collecting primary data. A structured and pre-tested household schedule for women who runs micro-enterprises, another schedule for the SHG leader and the third village schedule.

In each district, master list of micro-enterprises with a cumulative loan from Bank linkage of Rs. 50,000 or more and employ more than two workers has been prepared. After arranging them in descending order, the top best performing women micro-enterprises have been selected. Thus, the study selected 133 in Srikakulam District and 167 in Visakhapatnam District. The reference date is 31-03-2009 and all the information relates to the financial year of 2008-09.

In the multi-variate analysis the multiple regression analysis has been used in order to find out the factors affecting the success or otherwise of the women enterprises in the study area. The method of estimation is the Ordinary Least Squares (OLS).

6.5 Conclusions Based on the Secondary Data

- ❖ According to 2011 census, the population of Visakhapatnam District was 42,88,113 and Srikakulam District was 26,99,471. In Srikakulam and Visakhapatnam Districts female population is marginally higher than that of male population. Visakhapatnam District the total



population of is higher when compared with Srikakulam District.

- ❖ It is concluded that the Scheduled Caste population in Srikakulam District reported higher (9.05%) than Visakhapatnam District (7.59). Among Scheduled Caste, the percentage of male population 50.41 in Visakhapatnam District and 49.53 in Srikakulam District and while the percentage of female population 50.47 in Srikakulam and 49.58 in Visakhapatnam District.
- ❖ In case of Scheduled Tribe population, Visakhapatnam District had highest percentage 14.54 and it is only 5.96 in Srikakulam. Scheduled Tribe male population (49.93%) is marginally higher in Vishakhapatnam, when compared to Srikakulam.
- ❖ The total literacy rate accounted for 62.30 in Srikakulam District and it was 67.70 in Visakhapatnam District. The literacy rates for males 72.25 and 74.47 for Srikakulam and Visakhapatnam Districts respectively. Female literacy rate is reported 52.56 in Srikakulam and 60.00 in Visakhapatnam District.
- ❖ The density of population per square km is significantly higher in Srikakulam District (438) compared to Visakhapatnam District (344).
- ❖ It is clearly shows that the percentage of cultivators and other workers are more in Visakhapatnam District; where as the percentage of agricultural labourers and household industry are more in Srikakulam.
- ❖ It shows that the major source of irrigation in Srikakulam and Visakhapatnam Districts is canal followed by tanks.



- ❖ It is conclude from the analysis is that total geographical area is more in Visakhapatnam District when compared to Srikakulam.
- ❖ There is a large number of 62488 and 122784 Agricultural and Non-Agricultural Enterprises are registered in Visakhapatnam District and 25775 and 116088 Agricultural and Non-Agricultural Enterprises in Srikakulam District.
- ❖ There are large number of persons (548204) working in Visakhapatnam District. Out of this 66.82 per cent are adult male and 33.17 per cent are adult female. Similarly there are 279875 persons are working in Srikakulam District among this 73.44 percent of adult male and 26.55 percent of adult female.
- ❖ It is clearly observed that the chemical factories are established in Srikakulam District which provides more employment opportunities to the persons. The remaining industries are not able to facilitate more employment opportunities for the persons in the two sample districts.

6.6 Conclusions Based on Primary Data

The following are some of the major findings of the study:

- ❖ Among the respondents *Backward Classes* constitute about 56 per cent while Scheduled Castes and Scheduled Tribes together constitute 20 per cent and others are Open Categories.
- ❖ Educational status of the respondents reveals that about 34 per cent of them are illiterate while 12 per cent are literates without any formal education, 26 per cent have primary



education and 24 per cent having secondary level education. Higher education respondents constitute 4 per cent.

- ❖ Among the respondents 54 per cent of the respondents are living in Pucca houses.
- ❖ About 82 per cent of the respondents have nuclear family.
- ❖ There is an increased participation of the rural poor in the Community Based Organisations. Major proportion of the sample respondents (46%) are effectively participating in MGNREGS. About 12 per cent of the respondents are in one or more CBOs of the village including PRI, CBO and *Rytumitra* organisations.
- ❖ As regards the economic status of the respondents, 76 per cent of the respondents are poor, while 18 per cent belong to the poorest of the poor category and 6 per cent are non-poor.
- ❖ The highest motivation for joining SHG seems to be by the influence of neighbors (59%) followed by friends (19%) and family members (12%). The influence of the government officials seem to be very little.
- ❖ As regards the type of rural micro-enterprises, petty business constitute about 37 per cent, dairying 22 per cent and kirana shop 15 per cent of the micro-enterprises.
- ❖ About 44 per cent of the respondents are still using traditional methods of production and management in their enterprises while only 20 per cent use modern technology.
- ❖ As high as 97 per cent of the respondents have not received any entrepreneurial training either from government or NGOs.
- ❖ Almost 53 per cent of the respondents acquire the raw material from the nearest town while using auto for transport. Very few (3%) respondents have their own transport facility.



- ❖ On an average 47 per cent of the enterprises have employed three workers. This shows that potentiality of Micro-enterprises in absorbing rural surplus labour.
- ❖ As regards marketing their products, almost 59 per cent of the product is sold in local market alone and 31 per cent sell their product in nearby town.
- ❖ Vast majority (91%) of the respondents are not advertising their product. Among the 9 per cent who have used advertisement, majority of them used posters and paintings on walls as the medium of advertisement.
- ❖ The average annual income during 2008-09 financial year is estimated at Rs. 56,387 and expenditure at Rs. 40,038 growth and net profit is Rs. 16,349 which comes out to be Rs. 1,362 per month. This profit or net income is very low. This shows productivity of these micro-enterprises is not at all encouraging.
- ❖ There is 141 per cent increase in money incomes of the household. The highest income increases are reported from the occupation groups of Artisans (427%), Petty Business (233%), Poultry (207%) and Dairy (148%). It is noticed that agriculture is not at all a profitable profession, since it is recorded an income increase of 79 per cent.
- ❖ The rural households give top priority for improving housing conditions and acquisition of economic assets. It is really surprising that the rural people are preferring mobiles and phones, TV, Radio, Gold and Silver and Scooter. The percentage increases in the number of mobiles and phones are 1003 per cent followed by Scooter/Motor Cycle (767%), Sewing machines (640%) and TVs (183%).



- ❖ Earlier, rural money markets were dominated by money lenders consisting of 64 per cent of the amounts borrowed are from them, followed by 21 per cent from friends and relatives, rural banks (7%), commercial banks (3.5%) and cooperative banks (2.7%). These patterns have changed now. About 55 per cent of loans are borrowed from Commercial Banks, followed by money lenders (23.5%), rural banks (6.9%) and cooperative banks (5.6%).

However, money lenders still rule the roost, meeting the needs of the SHG members by 24 per cent of the total outstanding loans.

- ❖ Increased incomes led to rapid growth of consumption of non-vegetarian, oils, pulses, sugar and milk. This is by and large a welcome feature, keeping in view of the lower nutritional levels of the rural people. As regards, changes in non-food items, the rural people are spending a higher amount on entertainment (215%), fuel (89%), education (82%) and cosmetics (76%). It is a disturbing feature to note that there is an increase in expenditure on smoking and alcohol by about 51 per cent.
- ❖ There is a remarkable change in the rural employment. Before joining SHG, the number of days worked was only 221 days in 365 days. After joining SHG, the number has increased to 290 days. Percentage of days unemployed was 39 per cent which declined to 21 per cent during the period under study.
- ❖ Srikakulam District got a score of 447 out of 500 and Visakhapatnam got 429. Srikakulam District has



achieved a greater degree of women empowerment when compared to Visakhapatnam District.

6.7 Results of the Regression

It is estimated linear regression model for each of the district and combination of the two districts, namely: Srikakulam and Visakhapatnam. The model is Employment Model.

Women Employment is largely explained by the following Explanatory Variables.

1. Education
2. Total income
3. Occupation
4. Technology
5. Training
6. Women Empowerment Index

It is obvious that Women Employment by and large depends on the total income which has been observed from the above regression analysis. Occupation (Type of work) is the most important determinant of women employment. The other significant variables like education, technology, training and women empowerment index are the other determinants of the employment of women entrepreneurs.

6.8 Policy Recommendations

Entrepreneurship development among women may be looked from two angles. One is to create the environment needed for healthy and sound entrepreneurship and the other is to have



more and more rational motivational campaigns. The emergence of entrepreneurs in a society depends to a great extent on the economic, social, religious, cultural and psychological factors prevailing in the society. Therefore, there is an urgent need to nurture and create an enabling entrepreneurial climate.

There is a need for designing appropriate strategies for bringing more and more women into the entrepreneurial arena and providing them with organisational support. The recommendations in this regard derived from the analysis of primary data are given under the following:

- ❖ Examine women's stereotypes for socially desirable traits in their cultures.
- ❖ Explore the qualities, women value in themselves and determine what type of personal support they want.
- ❖ Discuss various types of discrimination and constraints like psychological, socio-cultural and economic and others that might hamper their entrepreneurial aspirations and suggest measures to overcome them.
- ❖ Provide access to formal and non-formal course/training in skills, management of money and enterprise.
- ❖ Explore new avenues for self-enterprise, upgrade their knowledge, skills and provide them with suitable technical guidance, financial and marketing support and infrastructural facilities.
- ❖ Identify training institutions, which impart vocational training programmes to develop entrepreneurial skills and make women aware of the support they could expect from



developmental agencies.

- ❖ Give greater priority to development and provision of infrastructure in rural areas such as access to water, fuel, housing, primary health care and child care centers. Better facilities help them to change in life style and subsequently in their attitudes towards their family, society and the Nation.
- ❖ Undertake research studies to examine individual and cultural barriers, to understand the psychology of rural women. Such findings would help make the promotional programmes more realistic.
- ❖ The whole SHG movement in Andhra Pradesh should be reoriented towards training women for starting micro-enterprises by providing prompt and needed amount of loans. In this era of globalisation, there is a wide scope for encouraging micro-enterprises to manufacture machine tools, components of TV, Radio, Watches, Cosmetics and even microchips of the computers and other electronic goods. Such cottage industries exist and flourish in China, Korea and Singapore. Indian women can create history if they are helped to rise to the occasion for more productive jobs and absorb surplus labour in the rural areas. This is the real women empowerment, which is not impossible.
- ❖ District Industries Centres and District Mahila Pranganas have to be geared up to organise massive awareness programmes for women in exploring the possibility of starting micro-enterprises. Women have to be given not only initial capital but also help in marketing their products.



- ❖ Private micro-financial institutes are charging very high rate of interest i.e. 24 per cent which affects the financial sustainability of the micro units. Hence necessary steps are to be taken to assure the micro units to avail the sufficient finance at a marginal rate for a certain period (gestation period). The implementer should monitor not only the disbursal of money, but also the end-use of money for productive income generating activities/ micro-enterprises.
- ❖ Policy makers need to recognise the potential of micro-financial services to support investment and growth in key economic sectors and hence to contribute significantly to national economic growth.
- ❖ Due to variation in the price of different quality animal, the loan amount should be as per members' actual requirement. The recommendations of the group members should also taken in to account which fixing the cost of the dairy unit.
- ❖ In order to encourage more women towards setting up of micro-enterprises the subsidy amount should be increased and at the same time the subsidy should be linked to the promptness of the repayment.
- ❖ The government should give necessary instructions to the developmental agencies to co-operate with the financial institutions in conducting recovery drives.
- ❖ Banks and IKP functionaries at the field level need to synergise their efforts that will strengthen the programme and the branch officials should make effective use of tools



like of community based recovery mechanism for sustaining the recovery performance.

- ❖ The IKP staff should compulsorily attend the group meetings so that they can facilitate the strengthening of group dynamics. A careful assessment of forward and backward linkages, additional income generating capacity and the unit costs of the schemes should be made before advancing loans by the IKP officials.
- ❖ A portion of the income generated out of the IKP financed activity should be used for the further development of the business/economic activity.
- ❖ The innovative forms of financing is imperative to supplement credit strategies for meeting the 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 and also to build material trust and confidence between bankers and the rural poor and to encourage banking in a segment of population that formal financial institutions usually find difficult to reach.
- ❖ Present repayment structure is not suitable for promotion of micro-enterprises. Though the loan recovery period is fixed for 36 installments but in reality the loan is recovered in 18 to 24 monthly installments.
- ❖ It is necessary to further reduce the influence of the private money lenders by taking measures such as further branch expansion, motivating the staff to be more receptive and



responsible and by giving promotional and financial incentives linked with their loan recovery performance.

- ❖ Timely and adequate finance by bankers will drive away MFIs/money lender. The banker should understand that SHG lending is a viable business proposition for them and this is avoid multiple borrowings and defaults.
- ❖ Policy changes are to be initiated by the financial institutions to inject transparency in transaction, fixing specific time schedule for releasing of the loan, for accepting sureties and continuity of flow of credit etc. The financial institutions should not to resort to “Automatic Adjustments” while releasing the credit to the beneficiaries.
- ❖ Bank point persons/bank mitras may be appointed by IKP staff who will be responsible for initiation and scrutiny of the credit proposal, timely sanction, ensuring proper utilisation and prompt recovery of credit.
- ❖ Establishment of marketing information centre at district level for enhancing the opportunity of marketing outside of locality.
- ❖ One of the major problems of the micro-enterprises is marketing of the products and services. There is a continuous and constant demand for dairy and other related products, but some products like readymade garments, plantation, jute based products etc. there is no assured market on continuous basis. Hence, it is advised that government agencies should come forward bulk purchase of these items. It is also suggested that mandal



level, divisional level and district level fairs, exhibitions should be arranged for mutual benefits of the all the stockholders.

- ❖ Government should provide infrastructure for training of SHG members in micro-enterprise as also marketing infrastructure for marketing of the products.
- ❖ Strong marketing network is required for effective and proper marketing of products and services of micro-enterprises linked SHGs. They need marketing support and institutional capacity to handle marketing activates independently. Multiple Enterprise Development Programmes are to be organised so that awareness for setting up of micro-enterprises could be attained.
- ❖ The availability of natural resources, skills and potentiality is to be thoroughly analysed while initiating the micro-enterprise. Concerned government official should counsel, advice and support the SHG members in this regard.
- ❖ Capacity building of the community based organisation is not up to the mark and additional inputs are required to handle the micro-finance as well as for the development of micro-enterprises.
- ❖ In spite of the existence in group mode for more than a decade, the groups dynamics still not strong and awareness about group objectives beyond thrift and credit at member level was limited. Capacity building for the group members should be a continuous process.
- ❖ Select a few Mandal Samakhya and support livelihood projects based on local resources and skills to promote



entrepreneurship and give required confidence to groups to manage the business operations.

- ❖ Entrepreneurial and management skills such as risk bearing, enterprise planning, product innovation, need perseverance, financial resource mobilisation, production, marketing demand forecasting, cost control, HR related aspects should be properly imparted among the SHG members for commercial viability of the enterprise.
- ❖ Encourage weekly meetings, at least initially stages of SHG formation so as to early grasping of group dynamics since day one of the group formation.
- ❖ The programme should be designed taking into consideration the needs of women at the micro level. Planning for self-employment for women needs a multipronged strategy.
- ❖ Strict supervision should be maintained by the concerned bank officials on the proper utilisation of finance for productive purpose and also to avoid diversion of funds for other purposes.
- ❖ Training programmes should be prioritised and annual specific programme oriented. Different training programmes should be conducted for different nature of micro-enterprises and for different management functions.
- ❖ Value oriented workshop for both the stakeholders and the respondents.
- ❖ Opportunity of experiential learning, attending training and exposure visit for stakeholders and rural entrepreneurs



should be increased in proportion in to the increasing number of target groups.

- ❖ Systematic efforts needed to impart skill development training to the groups and to motivate suitable groups to take up micro-enterprises.
- ❖ To organise refresher programmes to groups to reinforce the basic tenets and create better awareness and to strengthen group dynamics.
- ❖ For the beneficiaries of IKP scheme, the training programmes should be conducted periodically with the help of experts available in the nearby universities/departments.
- ❖ Institutional and human capacity building programmes should be organised to train the IKP staff and likeminded NGOs activities, volunteers, panchayat representatives, members of youth clubs on promotion of small savings and divert them to set up micro-enterprises.
- ❖ Suggested to organise activity oriented training programmes based on the group's choice to initiate the groups into income generating levels.
- ❖ For encouraging more diversified activities in the non-farm sector the group members may be advised by the IKP officials to undertake income generating besides dairy which are suitable to women respondents.
- ❖ Group leader should enforce certain discipline among the members for prompt attendance as well as ensure regular contribution towards group savings, as this would faster growth of saving as well as good recovery performance.



- ❖ A lone group of poor rural women, stands a lesser chance of being effective than a confederation of such groups. A confederation would offer the strength of numbers and solidarity to its constituents. There are certain areas where SHGs need wider support, crisis-resolution, marketing, networking, effective mobilisation, tackling social issues.
- ❖ Proper measures are required to execute timely payment of wages to the female respondents on weekly basis.
- ❖ There is a general feeling that post-office may not be an ideal institution to distribute the wages. Several problems including the possibility of corruption are observed. Payments through banks appear to be the best solution, since payment through SHGs also is found to be not smooth.
- ❖ It has been decided to remove the intermediary agency between the government and contractual staffs and government will directly appraise the staffs with regard to continuing or discontinuing their services.

The study clearly brings out the fact that the policies and programmes for promoting women entrepreneurship have not been fully grounded. This is more so among rural women. The good work done by SHGs has some impact on motivating women for social, political and economic development. Women Empowerment can be sustainable only if earning capacities of women improve substantially through non-farm activities. There is a lot of scope for



women entrepreneurship even in the context of rural poor and low literate women, who have hidden potential. These women have to be identified, motivated, oriented and trained for becoming potential entrepreneurship. This requires financial, technological and managerial expertise in preparing and implementing the entrepreneurship programme in the context of rural areas. The IKP has taken roots deep into the hearts of the rural women through certain institutional mechanism. These institutions can be strengthened and reoriented towards encouraging women to take up innovative non-farm activities.

