

**PROBLEMS AND PROSPECTS OF SELF HELP GROUP – BANK LINKAGE
PROGRAMME AND MICROFINANCE TO RURAL WOMEN
ENTERPRISES – A STUDY IN DAKSHINA KANNADA AND UDUPI
DISTRICTS**



*Thesis submitted to Mangalore University in fulfillment of the
requirements for the award of the Degree of*

Doctor of Philosophy in Commerce

Researcher

Mrs SHAKIRA IRFANA

Research Guide

Dr PARAMESHWARA

Assistant Professor

DEPARTMENT OF STUDIES IN COMMERCE

MANGALORE UNIVERSITY, MANGALAGANGOTRI – 574199

KARNATAKA, INDIA

JULY 2020

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*DEDICATED TO MY BELOVED
PARENTS*

Mrs SAPHIYA & Mr ABDUL RAHMAN

&

MY TEACHER

Late Prof.A.Raghurama

*who have always been my source of
inspiration , encouragement and strength
to undertake my studies and to face the
eventualities of life with zeal, enthusiasm
and fear of God*

Dr PARAMESHWARA, M.Com, MBA, Ph.D
Assistant Professor
Department of Studies in Commerce
Mangalore University, Mangalagangothri – 574199
Karnataka - India



CERTIFICATE

Certified that this thesis titled **“PROBLEMS AND PROSPECTS OF SELF HELP GROUP –BANK LINKAGE PROGRAMME AND MICROFINANCE IN RURAL WOMEN ENTERPRISES – A STUDY IN DAKSHINA KANNADA AND UDUPI DISTRICTS”** is a bona fide record of research work done by Mrs Shakira Irfana, Research Scholar, Department of Studies in Commerce, Mangalore University, Mangalagangothri, under my guidance and supervision. This thesis has not been submitted earlier to any other University for the award of any degree, diploma, fellowship, or any other similar title.

Dr Parameshwara
(Research Guide)

Place: Mangalagangothri

Date: / /

DECLARATION

I hereby declare that this thesis titled ***“PROBLEMS AND PROSPECTS OF SELF HELP GROUP – BANK LINKAGE PROGRAMME AND MICROFINANCE TO RURAL WOMEN ENTERPRISES – A STUDY IN DAKSHINA KANNADA AND UDUPI DISTRICTS”*** is the result of my own work carried out under the supervision of Dr Parameshwara, Assistant Professor, Department of Studies in Commerce, Mangalore University, Mangalagangotri and has not been submitted earlier to any other University for the award of any degree, diploma, fellowship, or any other similar title.

Shakira Irfana

Place: Mangalagangotri

Date:

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EXECUTIVE SUMMARY

Without one's own assets, income and employment, the world's impoverished have found it enervating to create continuous revenue generating opportunities. Non-availability of adequate funds and resources have precluded the rural poor to make an investment in income creating opportunities. Hence, non-formal groups whose members have a similar approach of requirement and necessity towards collaborative activities were formed called as 'Self Help Groups'. Self Help Group is a small low-budget oriented similar rapport group of the rural impoverished, joining together voluntarily in order to make affordable amount of savings on regular basis, which is deposited in a general fund to meet the extremity needs and to lend security free loan to the members of the group. The basic features of the self-help group includes teamwork, reciprocated trust, structuring of small and controllable groups, unity of group, spirit of prudence, need based lending, collateral security free women oriented loans, peer group pressure in repayment of loans, skill development, training oriented, integrated development and empowerment. The comprehensive objective of a self-help group is to empower the rural poor both socially and economically. Self –help groups are promoted by microfinance institutions, non-governmental organisations, government agencies or banks called as Self Help Promoting Institutions (SHPI).

Microfinance and Self-Help Group- Bank Linkage Programme with the help of Self Help Promoting Institutions lend loans to needy, disadvantaged, landless, impoverished sections of the society. Microfinance and Self-Help Group- Bank Linkage Programme are facing a lot of challenges and are not able to reach the desired poor due to obstacles involved in financing the rural poor. Hence, there is a need to understand the problems involved in lending the poor, find suitable solutions to overcome the problems and enable smooth flow of funds through microfinance and SHG-Bank Linkage Programme effectively and efficiently.

Objectives of the study

The main objective of the study is to assess the eligibility of the sample SHGs to avail loans, to understand the various problems faced by rural women entrepreneurial members of SHGs in general and in accessing credit, to analyse their level of empowerment and to study the various problems faced by the facilitators in lending loans to rural women entrepreneurial members of SHGs along with the prospects.

Research Methodology

This study has been undertaken in order to understand the various problems faced by rural women entrepreneurial members of self-help groups and also the problems and prospects of SHG-Bank Linkage Programme and microfinance in rural women entrepreneurial members of self-help groups.

The study is both exploratory and descriptive in nature. The study has been conducted in 5 taluks of Dakshina Kannada district (Mangalore, Bantwal, Belthangady, Puttur and Sullia) and 3 taluks of Udupi district (Udupi, Kundapura and Karkala). One microfinance institution i.e. Shree Kshetra Dharmastala Rural Development Project (SKDRDP), two banks i.e. Syndicate bank and Canara bank, two non-governmental organisations i.e. Navodaya of SCDCC bank and Prajna Counselling Centre (were selected for the purpose of study.

The sample size is determined by the researcher is based on the formula given by Yamane (1967) for simple random sampling. The sample size was determined by the researcher at 0.05 level of precision. At 0.05 precision levels, the sample size which is determined with respect to SKDRDP (MFI) was 399, Prajna Counselling Centre (NGO) was 358, Navodaya of SCDCC bank was 400, Syndicate bank was 333 and Canara bank was 208. However, information could not be collected from all the sample size as some of the questionnaires were incomplete. Hence, a sample size of 762 rural women entrepreneurial members of self-help groups were finalised for the study. In order to analyse the problems faced by MFI, NGOs and banks in financing the rural women entrepreneurial members of SHGs, 5 loan lending authorities of each MFI, NGOs and banks from Dakshina Kannada and Udupi districts were selected for the study. The researcher was finally able to collect information from 173 respondents.

The study is based on field survey. Both primary and secondary data were collected for the study. Interview schedules, personal interviews, observation and official documents were used to collect the data. The primary data was collected through five pre-tested questionnaires, one for the leaders of the self-help groups, one for the sample rural entrepreneurial members of the self-help groups and one each for the loan lending authority of MFI, NGOs and banks. Secondary data related to the

different aspects of rural women entrepreneurs was collected from the official records maintained by the banks, microfinance institution and non-governmental organisations in the study districts.

Descriptive statistics were used to calculate the mean and standard deviation. The researcher has utilised the Statistical Package for Social Sciences (SPSS) to analyse and interpret the data which is presented in the study. Techniques like Chi-square test, Kruskal Wallis test, Mann Whitney test, t-test, Wilcoxon signed test, Garretts ranking technique and Factor analysis were applied for the purpose of the study. The researcher has collected the data from July 2013 to December 2014.

Limitations of the study

Because of the low level of literacy and sensitive nature of the respondents, the answers provided may not be a true depiction of the problem involved. Analysis is based on the opinions of the sample respondents and observation, which is considered to be true.

Layout of the report

The present thesis has been organised under eight chapters

Chapter I – Introduction, Chapter II – Review of Literature, Chapter III – Profile of the Study Area and Facilitators, Chapter IV –Self Help Group – Bank Linkage Programme and Microfinance to Rural Women Enterprises – An Overview, Chapter V – Assessment of the eligibility of the SHGs for obtaining loan from banks – An empirical study, Chapter VI – Problems and Prospects of Self Help Group – Bank Linkage Programme and Microfinance to Rural Women Enterprises – Self Help Groups Members Perspective: Data Analysis and Interpretation, Chapter VII – Problems and Prospects of Self Help Group – Bank Linkage Programme and Microfinance to Rural Women Enterprises – Facilitators Perspective: Data Analysis and Interpretation, Chapter VIII – Summary of the findings, suggestions and conclusion

Major findings of the study

1. Findings of the assessment of the SHGs to avail loans

- In case of assessment of the Self Help Groups to avail loans, it is found that the sample SHGs score is 78.23%, which is just close to the minimum requirement of 80%. Hence, it is found that the sample SHGs should be further developed for the smooth flow of microfinance from SHG – Bank Linkage Programme

2. Rural Women Entrepreneurial Members of SHGs Perspective

- Economic problems, problems with regard to access to loan and psychological and personality development problems are the major problems faced by the sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks in the order of their ranking
- The overall social empowerment level, household economic empowerment level, entrepreneurial economic empowerment level and psychological and personality empowerment level of the sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks had improved after availing microfinance from Self Help Groups through Self Help Group- Bank Linkage Programme
- The sample rural women entrepreneurial members are of the opinion that the overall prospects of SBLP and microfinance is high

3. MFI, NGOs and Banks views

- Inability of the SHGs to efficiently market their products and produce and make profit and lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of the SHGs are the major problems faced by the microfinance institution in lending loans to rural women entrepreneurial members of SHGs
- Lack of adequate co-operation from banks and inability of the SHGs to efficiently market their products and produce and make profit are the major problems faced by the sample NGOs in lending loans to rural women entrepreneurial members of SHGs
- Low level of member literacy hampering the account keeping of the SHGs and unregulated proliferation and operation of the SHGs are the major

problems faced by the sample banks in lending loans to rural women entrepreneurial members of SHGs

- The facilitators are of the opinion that the overall prospects of SBLP and microfinance is high

Suggestions

On the basis of the findings of the study, the following suggestions have been made in order to make the flow of microfinance from Self Help Group Bank Linkage Programme more efficient and effective, so that this would help to improve the functioning of the Self Help Groups and lead to better empowerment of the rural women entrepreneurs. The suggestions are structured into three parts: (i) Suggestions to the Government, (ii) Suggestions to the banks, NGOs and MFI, (iii) Suggestions to the members of the Self Help Groups

Conclusion

This research is an attempt to study the problems faced by the rural women entrepreneurs in accessing credit and also in the self- help groups, problems faced by the banks, NGOs and Microfinance Institutions in providing credit to the rural women entrepreneurial members of SHGs and to study the empowerment of the rural women entrepreneurial members of SHGs before and after availing microfinance from Self Help Group - Bank Linkage Programme. From the study, it is found that economic problems, problems with regard to access to loan and psychological and personality development problems are the major problems faced by the rural women entrepreneurial members of SHGs. The study also finds that the social, economic, psychological and personality development empowerment of the rural women entrepreneurial members of SHGs have been improved after availing credit from self help group - bank linkage programme. The prospects of SBLP and microfinance is high both in the opinion of rural women entrepreneurial members of SHGs and facilitators.

Hence, the mechanism of credit coupled with the mobilisation and organisation of women on the basis of strengthening and collective action empowers rural women.

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LIST OF ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
APR	Annualized Percentage Rate
APRACA	Asia Pacific Rural and Agricultural Credit Association
ASSEFA	Association for Sarva Seva Farms
ATM	Automated Teller Machine
BC	Business Correspondent
BPL	Below Poverty Line
BPO	Business Process Outsourcing
CAPART	Council for Advancement of People's Action and Rural Technology
CBS	Centralized Banking Solution
COT	Client Origination and Targeting
CPO	Chief Planning Officer
DCCB	District Central Co-operative Bank
DCO	District Collectorate Office
DPAP	Drought Prone Area Program
DRDA	District Rural Development Agency
DWCRA	Development of Women and Children in Rural Areas
DWCUA	Development of Women and Children in Urban Areas
EIR	Equipment Identity Register
EMV	Europay Mastercard Visa
ERRP	Economic Rehabilitation of Rural Poor
FFDA	Fish Farmers Development Agency
GROW	Goal (Current) Reality Options Will
GSB	Government Savings Bank
HUL	Hindustan Lever Limited
IFAD	International Fund for Agricultural Development

IFCI	Industrial Finance Corporation of India
IGA	Income Generating Activities
IMF	International Monetary Fund
IRDP	International Rural Development Program
IRCTC	Indian Railway Catering and Tourism Corporation Ltd
ISO	International Standard Organisation
IT	Information Technology
ITDA	Integrated Tribal Development Agency
JGSY	Jawahar Gram Samridhi Yojana
JLG	Joint Liability Groups
JVK	Jnana Vikas Kendra
KKS	Karl-Kubel Stiftung (Germany)
KSCAB	Karnataka State Co-operative Apex Bank
KVIC	Khadi and Village Industries Commission
KYC	Know Your Customer
LAMPS	Large Agricultural Multi-Purpose Society
MADP	Modified Area Development Program
MALAR	Mahalir Association for Literacy Awareness
M – CRIL	Microfinance Credit Rating International Ltd
MFAL Agency	Marginal Farmers' and Agricultural Labourers Development
MFI	Micro Finance Institution
MYRADA	Mysore Resettlement and Development Agency
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non- Banking Finance Corporation
NESA	New Entity for Social Action
NGO	Non-Governmental Organisation

NIRD	National Institute for Rural Development
NRLM	National Rural Livelihood Mission
NSSO	National Sample Survey Organisation
NULM	National Urban Livelihood Mission
ORG	Operations Research Group
PACS	Primary Agriculture Co-operative Societies
PCA	Principal Component Analysis
PCC	Prajna Counselling Centre
PMRY	Prime Minister's Rozgar Yojana
POS	Point of Sales
PPF	Public Provident Fund
PRADAN	Professional Assistance for Development Action
RBI	Reserve Bank of India
RFA	Revolving Fund Assistance
RMK	Rashtriya Mahila Koch
ROSCA	Rotated Savings and Credit Associations
RRB	Regional Rural Banks
SAP	Special Assistance Program
SB	Savings Bank (Account)
SCAP	Scheduled Caste Action Plan
SCCS	Swarojgar Credit Card Scheme
SCDCC	South Canara District Central Co-operative Bank Ltd
SEVAE	Society for Education and Village Action and Empowerment
SEWA	Self-Employed Women's Association
SFAC	Small Farmers Agri-Business Consortium
SFC	State Finance Corporation
SFDA	Small Farmers Development Agency

SGSY	Swarnajayanthi Gram Swarozgar Yojana
SHG	Self – Help Group
SHG – BLP	Self – Help Group Bank Linkage Programme
SBLP	Self – Help Group Bank Linkage Programme
SHPI	Self – Help Group Promoting Institution
SIDBI	Small Industries Development Bank of India
SIDC	State Industrial Development Corporation
SIRD	State Institute of Rural Development
SJSRY	Swarna Jayanthi Shahakari Urban Rozgar Yojana
SKDRDP	Shree Kshethra Dharmasthala Rural Development Project
SPSS	Statistical Package for Social Sciences
STEP	Support to Training and Employment Programme
SWIFT	Society of World Wide Interbank Finance Telecommunication
TPEP	Twenty Point Economic Programme
TRDEP	Thana Resource Development and Employment Programme
TRYSEM	Training the Rural Youth for Self Employment
UCDO	Urban Community Development Office
UN	United Nations
UNIDO	United Nations Industrial Development Organisation
USEP	Urban Self Employment Programme
VA	Voluntary Agencies
VSS	Vana Samrakshana Samithis

CHAPTER 1

INTRODUCTION

1.1 Introduction

The economy can be developed only when the quality of life of the citizens of that nation can be effectively improved by raising the standard of living of the people on the street and in backward areas. Social empowerment in general and women empowerment in particular is very fundamental in achieving this goal¹. In India, the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality. Women have been the vulnerable section of the society and constitute a sizeable segment of the poverty –struck population. Women face gender specific barriers to access education, health, employment and social status. Among the poor, the poorest women are the most disadvantaged. They are characterised by lack of education and access to resources, both of which are required to help them work their way out of poverty and for upward economic and social mobility. The problem is more acute for women in countries like India, despite the fact that women's labour makes a critical contribution to the economy. This is due to the low social status and lack of access to key resources.

In the pursuit of economic development and planning, Self Help Groups - Bank Linkage Programs were engineered by a few well thinking planners like the World Bank, NABARD and RBI to generate income and employment to alleviate poverty. Moreover, Self Help Groups - Bank Linkage Programs have come to be regarded as a supplementary development tool that widens the financial service delivery system by linking a large rural population with banks through Self Help Groups.

National Bank for Agricultural and Rural Development (NABARD) initiated the "SHG – Bank Linkage Programme" in 1992 as a pilot project and was brought into mainstream in 1996. The objective of the program is to enable formal banking institutions to provide financial services to the rural poor through the process of savings and credit linkage of Self Help Groups.

The financing of SHGs is a unique contribution to the methods of development intervention for social and economic change that relies on peoples' own resources which gradually supplements its resources from the banking system. It is based on the collective decision making, capacity of people and utilises such a capacity for all round development of the people and the area. Banks have found in SHGs a reliable credit delivery mechanism which is cost efficient. With the imperative need for

avoiding Non Performing Assets, lending through SHGs is accepted as a safer means of reaching out to the poor, especially in rural areas. The phenomenal expansion of the programme has thrown many challenges such as system for monitoring of SHGs, capacity building of SHG members, regional imbalances, SHG lending to agriculture, livelihood promotion among members of SHGs, the pressure for achieving targets, poor survival rate of the groups after the project loan is sanctioned.

During the last few years, there has been an increase in the number of Micro Finance Institutions (MFIs) in India, promoted by banks, NGOs and individuals. Some of them have played a very positive role in extending micro credit in certain areas. In some states, a few of them have come under cloud for using coercive methods to recover their dues, leading to what is termed as micro-credit deaths.

NABARD had devised a model 'Kisan Credit Card scheme' in consultation with major banks and the banks were advised by RBI in August 1998. The Kisan Credit Card scheme aims at provision of adequate and timely credit to the farmers for their cultivation needs in a flexible and cost effective manner.

Self- help groups (SHG), also known as mutual help, mutual aid, or support groups, are groups of poor people who provide mutual support for each other. In a self help group, the members face many problems. Their mutual goal is to help each other to deal with, if possible to heal or to recover them from this problem.

NABARD is presently operating three models of linkage of banks with SHGs and NGOs:

Model 1: In this model, the bank itself acts as a Self Help Group Promoting Institution (SHPI)

Model 2: In this model, groups are formed by NGOs or by government agencies. The groups are nurtured , trained and linked to banks by these agencies.

Model 3: Banks are only funding agencies, NGOs and volunteers act as mentoring and monitoring agencies.

Microcredit program initiated in the 1980s is an ideal poverty alleviation program for women. The program is based on the principle of activating self-help among women and is considered means of social and economic empowerment of women. Till the late

1970s, India was in a developmental state, which believed in taking up a proactive role in shaping the path of its development. The decades of the 1980s and 1990s emerged as a period which defined a minimalist role of the state. The microcredit has not only become an important poverty alleviation program worldwide but it is also considered a magic bullet for women's empowerment. The genesis of this program started with a small experiment in Bangladesh by Mohammed Yunus, now famously known as the "Grameen Model". This model is now being promoted by International development and financing agencies such as The Consultative Group against Poverty.

Empowerment elevates the status of human being in the family and society. Development alone cannot bring prosperity unless social justice and gender equality are ensured. One of the most essential features of development is the transformation of society, which embraces the movement from traditional relations, social norms, traditional ways of health care, education and traditional methods of production to more modern ones. All societies present a blend of traditional and modern methods of production. However, change from traditional to modern is not an end in itself, but only a means to achieve the end. The changes associated with development provide societies as well as the individuals more control and influence over their own destiny. Development enriches the lives of individuals by widening horizons of the choices, and freedoms and at the same time by reducing their sense of isolation. Hence, the development strategy must be aimed at facilitating the transformation of society in identifying the potential catalysts and barriers to change.

The pursuit for social justice and gender equality has resulted in the formation of a large number of self help groups in the country, which mobilise savings and recycle the resources generated among the members. SHGs are necessary to overcome exploitation, create confidence for the economic self-reliance of the rural poor, particularly among women who are mostly invisible in the social structure. The SHGs became a regular component of the Indian financial system since 1996. The SHGs are small, informal and homogenous groups.

Self Help Groups are mostly promoted by Government, NGOs and banking institutions. Although, efforts have been made to improve the performance of SHGs, the impact is not substantial. The financial sustainability and performance of an SHG depends mainly on the availability of loans and also on its repayment patterns.

Notwithstanding 100 per cent refinance from the NABARD, commercial banks perceive financing self- help groups as unprofitable. Hence, only regional rural banks and cooperative banks have taken up such financing². The RBI has been prevailing upon the commercial banks to formulate their respective policies on micro credit and promotion of SHG. The NABARD has been organising the SHGs workshops involving bankers and development personnel to accelerate the process of SHG- Bank Linkage. The SHG – Bank Linkage has reduced the incidence of poverty through increase in income, and also enabled the poor to build assets and thereby reduce their vulnerability³. It has enabled households to spend more on education than non-client households. Families participating in the programme have reported better school attendance and lower drop out rates. It has empowered women by enhancing their contribution to household income, increasing the value of their assets and generally by giving them better control over decisions that affect their lives. It has reduced child mortality, improved maternal health and the ability of the poor to combat disease through better nutrition, housing and health – especially among women and children. It has contributed to a reduced dependency on informal money lenders and other non-institutional sources⁴. It has facilitated research into the provision of financial services for the poor and helped in building capacity at the SHG level. Finally, it has offered opportunities for different stakeholders to innovate, learn and replicate. As a result, some NGOs have added micro-insurance products to their portfolios, a couple of SHG federations have experimented with understanding livelihood activities and grain banks have been successfully built into the SHG model. The RBI has issued circular to the commercial banks to reckon micro credit extended directly to individual borrowers or through intermediaries as part of their priority sector lending. The circular also stated that micro credit should form an integral part of the corporate credit plan of the bank.

What India needs is not another Bank; rather it needs a model which would make use of the existing banking network, adequately decentralised at a low cost and flexible enough to respond to the complexity of individual needs.

Micro Finance is emerging as another powerful instrument for poverty alleviation in the present economy. In India, micro finance is dominated by Self Help Group – Bank Linkage Programme, aimed at a cost effective mechanism for providing financial services to the “unreached poor”. Based on the philosophy of peer pressure and group

savings as collateral substitute, the SHG programme has been successful not only in meeting peculiar needs of the rural poor, but also in strengthening collective self-help capacities of the poor at the local level, leading to their empowerment.

Micro finance for the poor women has received extensive recognition as a strategy for poverty reduction and for economic empowerment. Development practitioners in India and developing countries often argue that the exaggerated focus on micro finance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and livelihood needs of the poor⁵.

Microfinance and SHG – Bank Linkage Programme is miserably getting downfall due to the problems regarding lack of deployment strategy, institutional support, lack of promptness among the borrowers etc⁶. The phenomenon of microfinance group lending, whereby borrowers are clubbed into small groups whose members typically received sequential loans, has been seen as the fundamental innovation that allows micro finance institutions to service clients without collateral, who would otherwise be excluded not only because of the risk of default in general but also the cause of the difficulties and high transaction costs involved in sorting more and less reliable borrowers. Proponents argue that this process of voluntary self-selection among borrowers allows price discrimination whereby riskier groups pay higher rates, so that safer borrowers no longer have to bear the burden of riskier ones. It is observed that the micro finance activities are mainly offered by formal financial institutions with the help of Self Help Groups⁷. As a result, micro finance programme is growing in those areas where there is incredible growth of formal financial institutions.

Credit for empowerment is about organising people, particularly around credit and building capacities to manage money. The focus is on getting the poor to mobilise their own funds, building their capacities and empowering them to leverage external credit. Perception of women is that learning to manage money and rotate funds builds women's capacities and confidence to intervene in local governance beyond the limited goals of ensuring access to credit.

Before 1990s, credit schemes for rural women were almost negligible⁸. The concept of women's credit was born on the insistence by women in having the access to credit. However, there is a perceptible gap in financing genuine credit needs of the poor especially poor women in the rural area. But micro finance and Self Help Group -

Bank Linkage Programmes are making headway in their effort for reducing poverty and empowering rural women.

1.2 Statement of the Problem

An assessment of the emergence, formation and growth of the Self Help Groups in India shows that the current formal financial institutions have been unsuccessful in providing financial help in the form of credit to the impoverished sections of the society. The genesis of the Self Help Groups could be traced back to required support in Indian rural community. The Co-operatives are formal bodies whereas the Self-Help Groups are informal. The Self-Help Groups encourage savings and promote income-generating activities among members through small loans. They have reliability, stimulate savings and in the process help members to come out of vicious circle of poverty by providing economic activity.

In India, stringent inflexible rules and various operating and fixed costs have led to tremendous increase in the cost of lending small amount of loans because of which, financial institutions are unable to stretch out to the rural poor especially women in the unorganised sector.

Exposure and expertise in implementing different poverty eradication and other social development programmes have revealed that the essence to progress lies in commencing suitable community oriented programmes with complete involvement at the most basic level. Moreover, it was discerned that the group approach is one of the efficacious ways to lessen the financial problems of the marginalised, landless and underprivileged groups. Encouraging them to form small groups, to use in their own available resources to manage particular group activities will provide a route for the development of the poor.

Involvement of poor people in credit supply and credit retrieval and connecting of the formal financial institutions to the needy borrowers with the help of Self Help Groups have been identified as an annexed procedure for providing credit help to the poor rural population. Self Help Groups are different from co-operative societies, mainly in terms of their volume, uniformness and functions. The Non-Governmental Organisations play a pivotal role in encouraging its members both physically and intellectually by involving them in group activities.

The approach of reaching out to the poor with the concept of bank linkage and microfinance has not met with successful results. The terms of lending by banks are very favourable to borrowers when compared to the terms on which loans are extended by other financial institutions. While bank loans to SHGs are usually for a long term, loan extended by other financial institutions are generally for a short term. More significantly, the interest rates charged by banks are much lower than those charged by other financial institutions.

Banking institutions in Karnataka are likely to fall far short of their target of lending to SHGs in the recent years, according to the data presented at a meeting of the State Level Bankers' Committee held in March 2011⁹. It is also clear from the above review of literature, no studies have been undertaken in the area of problems and prospects of Self Help Group - Bank Linkage Programme and microfinance to rural women enterprises. Hence, there is a serious need to find out the problems and prospects of Self-help group- bank linkage programme and microfinance to rural community in general and to rural women enterprises in particular.

1.3 Objectives of the Study

The present study on “Problems and Prospects of Self Help Group - Bank Linkage Programme and Micro Finance to Rural Women Enterprises – A Study in Dakshina Kannada and Udupi Districts” has been carried out with the following objectives

1. To study and examine the nature and extent of Self Help Group - Bank Linkage Programme, Microfinance and Non-Governmental Organisations lending to rural women enterprises
2. To assess the eligibility of sample SHGs to avail loans from banks using the parameters suggested by NABARD
3. To study the various problems faced by the rural women entrepreneurial members of SHGs in general and the problems faced by rural women entrepreneurial members of SHGs in accessing credit in particular and also their level of empowerment
4. To study the problems faced by banks, microfinance institutions and Non-Governmental Organisations (NGOs) in financing rural women entrepreneurial members of SHGs
5. To forecast the prospects of SHG – Bank Linkage Programme and microfinance to rural women entrepreneurial members of SHGs

6. To suggest measures to enhance the efficiency and quality of SHG – Bank Linkage Programme and microfinance to rural women entrepreneurial members of SHGs

1.4 Hypotheses

Based on the literature review and our observations from the theory and keeping in view the objectives of the study, following hypotheses were formulated and tested in the present study

1. Access to credit and economic problems are the main problems faced by the rural women entrepreneurial members of SHGs among all other problems
2. Rural women entrepreneurial members of SHGs have difficulty in procuring loans from organised financial institutions because of cumbersome and lengthy procedural formalities
3. Banks are sceptical about the loan repayment ability of women and hence consider lending loans to rural women is very risky
4. Availability of timely and adequate loan is a problem faced by the rural women entrepreneurs
5. Peer pressure and group savings are collateral in the case of loans provided to the rural women entrepreneurial members of SHGs and therefore recovery of loan is not a problem
6. The overall empowerment of the rural women entrepreneurial members of SHGs has improved after SBLP and availing microfinance

1.5 Research Methodology

Although efforts have been made by NABARD to ensure smooth flow of funds to the rural women entrepreneurial members of SHGs, the rural women entrepreneurs face a lot of problems in accessing loans. The causes of the problems may arise from within the family, bank or their own organisation, self help group or the external environment and community. Both external and internal factors affect the problems faced by rural women entrepreneurial members of SHGs. Therefore, it is important to know the problems faced by rural women entrepreneurial members in SHGs and analyse them carefully and formulate suitable strategies to overcome the problems of rural women entrepreneurial members of SHGs in accessing credit. This study is aimed at understanding the problems and prospects of Self Help Group - Bank

Linkage Programme and microfinance to rural women entrepreneurial members of SHGs. The present study is both exploratory and descriptive in nature. The study is based on field survey; with the help of a structured questionnaire and in the form of personal interviews with the leaders of the self help groups, rural women entrepreneurial members of sample SHGs and SHG loan lending officers of banks, SHG loan lending officials of MFI and NGOs selected for the study in the study districts. Investigation was made from the view point of both the rural women entrepreneurial members of SHGs and the lending banks, NGOs and MFI selected for the study.

1.5.1 Location of the study

There is a widespread growth in the development and expansion of SHGs in the Dakshina Kannada and Udupi districts after forming the Microfinance institutions, ‘Shree Kshetra Dharmastala Rural Development Project’ originated in Belthangady taluk of Dakshina Kannada district and NGO ‘Navodaya’ promoted by SCDCC bank originated in Mangalore city of Dakshina Kannada district. Through the preliminary discussions with the members of SHGs, bank officials and loan lending officials of NGOs and MFIs in the Dakshina Kannada and Udupi districts, it was found that rural women entrepreneurial members of SHGs are facing problems in accessing loans from banks, NGOs and MFIs. Hence, for the purpose of the study, one microfinance institution viz; Shree Kshetra Dharmastala Rural Development Project (SKDRDP), two banks viz; Syndicate bank and Canara bank, two NGOs viz; Prajna Counselling Centre (PCC) and Navodaya of SCDCC bank were selected. The questionnaires were distributed to the sample rural women entrepreneurial members of SHGs, sample loan lending officers of banks and sample loan lending officials and leaders of NGOs and MFI spread in the 5 taluks of Dakshina Kannda district (Mangalore, Bantwal, Belthangady, Puttur and Sullia) and 3 taluks of Udupi district (Udupi, Kundapura and Karkala).

1.5.2 Sources of Data

The study was based on both primary data and secondary data. The study is an empirical one based on the sample survey method. The following tools were adopted for the collection of data for the study:

- Interview schedules

- Personal Interviews
- Observation
- Official Documents

The primary data was collected through five pre-tested questionnaires, one for the leaders of the SHGs, one for the sample rural women entrepreneurs who are the members of the SHGs, one for the loan lending officers of banks, one for the loan lending officials / leaders of NGOs and another for the loan lending officials / leaders of MFI. To elicit the required information, a well-structured interview schedule was designed with probing questions. Secondary data relating to the different aspects of rural women enterprises was collected from the official records maintained by the banks, microfinance institution and non-governmental organisations in the study districts. The information regarding various activities of rural women enterprises was collected from the offices of District Rural Development Agency (DRDA), Chief Planning Officer (CPO), District Collectorate Office (DCO), National Institute of Rural Development (NIRD), State Institute of Rural Development (SIRD) and other Rural Banks, Co-operatives, Department of Women and Child Welfare, Women's Studies Centre, University Libraries and NABARD Annual Reports. The studies and reports brought out by the district rural development agencies of the study districts and other published reports, books, articles in journals, newspaper clippings and district gazetteers were also referred to draw secondary data for the purpose of understanding the basic concepts and review of the literature pertaining to the study and also incorporated to substantiate the empirical study wherever necessary.

1.5.3 Population and Sample size

The researcher has selected a sample of one microfinance institution viz; Shree Kshetra Dharmastala Rural Development Project (SKDRDP), two non-governmental organisations (NGOs) viz; Prajna Counselling Centre and Navodaya promoted by SCDCC Bank and two banks viz; Syndicate Bank and Canara Bank for the purpose of the present study in order to make the study a representative one. The population and sample size of the rural women entrepreneurs of the SHGs run by the MFI SKDRDP, NGOs Prajna Counselling Centre and Navodaya of SCDCC Bank, Syndicate bank and Canara Bank are presented in table 1.1 The sample size determined by the researcher is based on the formula given by Yamane (1967) for simple random

sampling. The sample size was determined by the researcher at 0.05 level of precision.

$$n = \frac{N}{1 + N(e)^2}$$

Where 'n' = Sample size

'N' = Population size

'e' = The level of precision

In order to study the problems faced by the rural women entrepreneurial members of SHGs, we have chosen Dakshina Kannada and Udupi districts of Karnataka State of India, since one Microfinance Institution (MFI) viz; Shree Kshetra Dharmastala Rural Development Project (SKDRDP) and two non-governmental organisations viz; Navodaya of SCDCC bank and Prajna Counselling Centre originated from these districts. Since the population size of the rural women entrepreneurial members of SHGs in the study area is large and difficult to count, we have used the formula given by Yamane to have a fair representation of the sample size at 0.05 sampling error which is normally accepted. As per the records of the SKDRDP (MFI) the number of members of SHGs were 3,28,701 ; the number of members of SHGs managed by the Prajna Counselling Centre (NGO) were 3450 and Navodaya of SCDCC Bank (NGO) were 1,69,604 ; the number of members of SHGs managed by Syndicate bank were 1973 and Canara bank were 432 in the study area. At 0.05 precision levels the sample size which is determined with respect to SKDRDP (MFI) was 399, Prajna Counselling Centre (NGO) was 358, Navodaya of SCDCC bank (NGO) was 400, Syndicate bank was 333 and Canara bank was 208. The researcher has taken care to give equal representation to all the taluks of the two districts while selecting the members of the SHGs. However, information could not be collected from all the sample size as some of the questionnaires were incomplete. In all, the researcher could collect full information from 762 sample members of SHGs. The population and sample size of the rural women entrepreneurial members of SHGs are presented in table 1.1

To understand the problems faced by MFIs, NGOs and Banks in financing the rural women entrepreneurial members of SHGs, the researcher has determined the sample size based on judgement sampling. 5 loan lending authorities of each microfinance institution, NGOs and banks from each taluk of Dakshina Kannada and Udupi

districts were selected to study the problems faced by MFIs, NGOs and Banks in financing the rural women entrepreneurial members of SHGs. The sample size fixed was 200. However, due to some unavoidable reasons, few of the loan lending authorities could not answer all the questions. As a result, finally researcher was able to obtain information from 173 respondents. The population and sample size of the loan lending authorities are presented in table 1.2

The population and sample size of the rural women entrepreneurial members of SHGs and Facilitators (MFI, NGOs and Banks) are presented in table 1.1 and table 1.2 respectively

Table 1.1 Population and sample size of rural women entrepreneurial members of SHGs

Category of respondents	Population size	Sample size	Usable sample
MFI – SKDRDP	328701	399	322
NGO – Prajna Counselling Centre	3450	358	110
NGO – Navodaya of SCDCC Bank	169604	400	114
Syndicate Bank	1973	333	109
Canara Bank	432	208	107
Total	504160	1698	762

Source: Data compiled

Table 1.2 Population and sample size of Facilitators (MFIs, NGOs and Banks)

Category of respondents	Population size	Sample size	Usable response
MFI – SKDRDP	1221	40	38
NGO – Prajna Counselling Centre	75	40	36
NGO – Navodaya of SCDCC Bank	175	40	32
Syndicate Bank	113	40	37
Canara Bank	117	40	30
Total	1701	200	173

Source: Data compiled

1.5.4 Data processing and statistical analysis

The sample rural women entrepreneurial members were asked to rate on Likert's five point rating scale 1 to 5 showing level of problem least to high and level of empowerment least to high. The authorities of MFI, NGOs and banks were also asked to rate on five point rating showing level of problem least to high. Each question in the questionnaire was coded and responses were fed to the computer using excel spread sheets and then was analysed using different statistical tools and techniques. In addition to the usual descriptive analysis, some advanced statistical techniques were used in the present study. Descriptive statistics were used to calculate the mean and standard deviations. The researcher has utilised the Statistical Package for Social Sciences research (SPSS) to analyse and interpret the data which is presented in this study. Techniques like Chi-square test, Kruskal Wallis test, Mann Whitney test, t-test and Wilcoxon signed test were applied. The researcher used the statistical tools of Factor analysis and 'Garrets Ranking Technique' for the purpose of analysis. Further researcher also used Principal component analysis method to extract factors and Varimax Rotation (Kaiser's Normalisation) to get rotated factor matrix.

Garrett's ranking technique

Garrett's ranking technique was used to rank the survey data relating to the following problems faced by the members of the SHGs:

- Problems in the Self Help Group
- Problems with regard to access to bank loan
- Social problems
- Economic problems
- Psychological & Personality Development problems

It was also used to rank the problems faced by the facilitators in financing the self help groups.

The mean scores for all the factors are ranked by arranging them in descending order.

1.6 Scope of the Study

The research presents an overview of poverty alleviation programmes in India. The thesis begins with the theoretical framework relating to SHGs, microfinance, self help group promotional institutions, self help group - bank linkage programme, rural entrepreneurship and women empowerment. The thesis which is based on empirical

study discussed the overall features and participation of the members of the SHGs, problems in the self help group, problems faced by the SHG members with regard to access to loan, social problems faced by the SHG members, economic problems faced by the SHG members and the psychological and personality development problems faced by the SHG members. The empowerment level of the SHG members before and after the SHG – Bank Linkage Programme and microfinance is analysed. The study has also discussed the problems faced by the lending authorities in providing loans to the rural women entrepreneurs, who are members of the SHGs. The study also provides suggestive measures to overcome the problems faced by the rural women entrepreneurial members of SHGs and the facilitators. The study also understands the prospects of SBLP and microfinance from both rural women entrepreneurial members of SHGs perspective and facilitators' perspective. The present study is confined to the two coastal districts of Dakshina Kannada and Udupi districts of Karnataka State. The study borrowed a vast data from the reports of NABARD, District Rural Development Agency (DRDA), National Institute of Rural Development (NIRD), State Institute of Rural Development (SIRD), Regional Rural Banks, Co-operatives, Women's Studies Centre, Committee reports and other research papers to provide a strong theoretical background and an attempt is made for their empirical application through appropriate methodology uniquely applied in this research.

1.7 Period of data collection

The researcher has collected the data from July 2013 to December 2014

1.8 Significance of the Study

Globalisation and economic liberalisation have opened up tremendous opportunities for development and consequent modification in livelihood strategies. However, these economic changes have made the marginalised and poor sections of the society more vulnerable without adequate safety net. Keeping in view the widespread rural poverty, there is a need not only to ameliorate the economic conditions of marginalised and disadvantaged social groups but also to transform their social structures. In this context, economic conditions of poor rural women have become more vulnerable due to unequal distribution of resources. Poverty and deprivation increase gender inequality, which favours a policy for empowerment of women in order to increase their access to credit through Self Help Group - Bank Linkage Programme and

microfinance institutions, so that these marginalised sections of the rural society would be able to acquire the capability and assets that can help them facilitate realising strategic gender needs.

This study gives a complete understanding of the various problems faced by the rural women entrepreneurs in general and problems faced in accessing credit in particular. It also highlights the problems faced by the facilitators in providing loans to the rural women entrepreneurial members of SHGs. It gives an understanding of the level of empowerment before and after microfinance from SBLP. The study also focuses on the status, performance, issues, constraints and possible road map for the rural poor women enterprises to improve their performance. The Self Help Group - Bank Linkage model being the predominant model, its status, the issues and the possibilities for scaling up micro-finance through Self-help Group- Bank Linkage programme are discussed in the study. The study is involved in making easy and timely access to financial and managerial support services to the rural population on a commercially sustainable basis.

Therefore, there is a need to have a critical assessment of the impact of bank financing, NGOs lending and lending by microfinance institutions to rural women enterprises. In this context, the present study is significant and relevant.

1.9 Limitations of the Study

It is very important to mention the limitations of this study. The study was conducted only in two districts viz; Dakshina Kannada and Udupi of Karnataka state. Although research within a specific area provides the most reliable data, generalisation cannot be made unless researches conducted in other areas also provide similar results.

The major limitations of the study are as follows:

- Most of the respondents are from rural areas and due to their low level of literacy and sensitive nature; it was difficult for the researcher to get answers for sensitive questions. The opinions given by the respondents may not reflect the true picture of the problems
- There may be a bias in answering some questions of the schedule on the part of the respondents

- The study is based on survey method using simple random sampling technique and judgemental sampling. Analysis was based on the opinions of the sample respondents and observations, which is considered to be true.

In spite of these limitations, a sincere attempt has been made to arrive at a fairly objective, representative conclusion by making the best use of the data available to make the study purposeful.

2.0 Layout of the Report

The present thesis has been organised under eight chapters

Chapter I – Introduction: This is an introductory chapter, which deals with the technical aspects of the study covering introduction to the subject matter of research and technical aspects such as statement of the problem, objectives of the study, hypothesis of the study, research methodology and sample design, scope of the study, significance of the study and limitations of the study. Finally, the layout of the thesis in the form of chapter classification is given.

Chapter II – Review of Literature: This is the background chapter, which deals with the review of previous theoretical and empirical studies carried out on SHGs, Microfinance, Self Help Group – Bank Linkage Programme, Rural Women entrepreneurship and Women empowerment.

Chapter III – Profile of the Study Area and Facilitators: This chapter presents an outline of the study districts as well as the profile of the facilitators

Chapter IV –Self Help Group – Bank Linkage Programme and Microfinance to Rural Women Enterprises – An Overview: This chapter presents the detailed description of conceptual framework on the research study

Chapter V – Assessment of the eligibility of the SHGs for obtaining loan from banks – An empirical study – In this chapter, an analysis of the eligibility of the sample SHGs to avail loans is presented. The basic parameters suggested by NABARD are applied in the study to make an assessment of the Self Help Groups eligibility to access loan from the banks.

Chapter VI – Problems and Prospects of Self Help Group – Bank Linkage Programme and Microfinance to Rural Women Enterprises – Self Help Groups Members Perspective: Data Analysis and Interpretation - This is the core chapter, and the crux of the thesis, which analyses the primary data collected from the rural women entrepreneurial members of sample SHGs, regarding the various problems faced by them in the SHG and in accessing microfinance. The empowerment level of the rural women entrepreneurial members of SHGs is also analysed. The prospects of SBLP and microfinance is also forecasted from the view point of rural women entrepreneurial members of SHGs

Chapter VII –Problems and Prospects of Self Help Group – Bank Linkage Programme and Microfinance to Rural Women Enterprises – Facilitators Perspective: Data Analysis and Interpretation - In this chapter, the primary data collected from the facilitators regarding the problems relating to lending loans to rural women entrepreneurial members of SHGs are analysed. Forecast of future prospects of Self Help Group – Bank Linkage Programme and microfinance to rural women entrepreneurial members of SHGs from the facilitators’ point of view and testing of hypothesis is also covered in this chapter.

Chapter VIII – Summary of the findings, suggestions and conclusion – This is the concluding chapter which provides

- a. A brief summary of the findings
- b. Suggestions to enhance the efficiency and quality of bank financing and microfinance to rural women entrepreneurs
- c. The direction for further research based on the study is provided along with conclusion.

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CHAPTER II

REVIEW OF LITERATURE

CHAPTER II

REVIEW OF LITERATURE

This chapter helps us to identify the research gap to carry out the present study, which attempts to find out the extent of various problems faced by rural women entrepreneurial members of SHGs in general and in accessing microfinance in particular. It helps us to avoid reinventing the wheel by discovering the research studies already conducted on the topic, sets the background on what has been explored on the topic so far, increases the breadth of knowledge in the area of research, helps us to identify the similar studies conducted in the area, allows us to provide the intellectual insight for the present work and position the present study with other related research, provides us with opposing viewpoints and helps us to discover research methods which may be applicable to the present study.

Elimination of poverty is one of the main objectives of Indian development strategy under the Five Year Plans. Successive governments have introduced various schemes for the upliftment of the poor. But the benefits of these schemes have not yet reached the poor. Various models and innovative products have been devised and practiced in India by various agencies in pursuit of augmenting their outreach to the poor. Rural women entrepreneurship plays a vital role in reducing poverty levels, generating employment, income and empowering women. Microfinance is one such endeavour. Microfinance or group lending is being looked upon as an instrument that can be considered as the golden stick for development and has become a ladder for elevating the poor women socially, economically and psychologically. There are various models for delivering financial services under micro finance. The successful experience of the Grameen Bank in Bangladesh inspired the introduction of microfinance through Self Help Group – Bank Linkage Programme in India.

Some studies have highlighted the fact that the micro-enterprises promoted by the SHGs do not have market development strategies and they face a lot of difficulties in positioning their products in the market, when compared to other competitors' products and markets. SHG members who generally lack high level of literacy, technical competence, market intelligence and entrepreneurial spirit face lot of difficulties in carrying out their business activities. Several studies in the area were

conducted in India and abroad by researchers, academicians and organisations. This is an attempt to review the contributions made by eminent scholars and authors on SHGs, Self Help Group - Bank Linkage Programme, microfinance and women empowerment.

2.1 Indian Studies

Verma, S.K. and SaiduValulla (1991)¹ in their study on sole-employed women in Gujarat have pointed out that the primary factors which turns the women impoverished are economic position, restricted options in controlling the money matters and lack of facilities for involvement in revenue generating activities.

Batliwala (1994)² identified three perspectives to women's empowerment: Women's basic necessities were focussed by integrated development approach, women's financial needs were focussed by the economic development approach and women's social problems and ill treatment were focussed by the consciousness approach.

V. Puhazendhi (1995)³ in his study on "Transaction Costs of Lending to the Rural Poor – Non-Governmental Organisation and Self-Help Groups of the Poor as Intermediaries for Banks in India" showed the intervention of Self Help Groups and the Non-Governmental Organisations (NGOs) help the banks to bring down the transaction cost to a range between 21 and 41 per cent. It is also calculated that the loan is given right away to the borrower, then the average transaction cost of lending is estimated to be 3.68 per cent of the loan amount. The scaling down in the transaction cost, is mainly because of the vital role of the Non-Governmental Organisations and Self Help Groups in the recognition of the loanees, furtherance for ensuring the final user of loans and it's recovery. This results in the notable decrease in time used by the bank employees on these functions. The riddance of spending time on documentation procedures contributes in bringing down the transaction cost of borrowers by 85 per cent because of the intervention of Non-Governmental Organisations and the Self Help Groups. The intermediation of Non-Governmental Organisations and the Self Help Groups help the borrowers by decreasing the opportunity cost in respect of time spent in visiting the bank number of times.

C.K.Mehrotra (1997)⁴ has made a relative study of the State Bank's functioning with the Self Help Groups. According to him, the State Bank of India's scheme of finance to Self Help Groups has been very inspiring. The branch executives themselves motivate the underprivileged to form Self Help Groups. They even take the help of the Non-Governmental Organisations (NGOs) for the formation of Self Help Groups. He has also observed that 80 per cent to 90 per cent of the loans given to the rural population by the branches have been punctually repaid by the Self Help Groups. He has also pointed out that Self Help Group is a good conception and measures should be taken to make sure it's beneficial to the needy poor.

K.G.Karmakar (1997)⁵ in his study on "SHGs in Orissa: Some Conceptual Issues", has made an attempt to study the result of the leading connection of all the Non-Governmental Organisations, Self Help Groups and the banks in Orissa up to March 1995. It was found that some of the Non-Governmental Organisations set up the 'savings and credit programmes' to the marine fishing folk with the help of Self Help Groups. Savings was used to lend loans. Because of the small quantum of savings, the loans from the savings to the people was not sufficient to meet their needs. There was 100 per cent repayment from the women Self Help Groups.

Moin Qasi (1997)⁶ in his work on "Self Help Groups – A Novel Approach to Rural Development", made an effort to study the purpose of connecting the Self Help Group members to banks in the development of rural areas. It is stated that a social connection like class, sub-class, blood and provenance or occupation linked the Self Help Group members. Since women have increased possibility of endurance, women Self Help Groups are more efficacious than other Self Help Groups. The main objective of upbringing these groups is for economic factors.

NilanjanSengupta (1998)⁷ in his study on "Empowerment: a Socio- Psychological Approach to Self Help Groups Formation", identified the various types of community organisations which considers members involvement and their participation for the upliftment of these organisations. It was found that collective learning is an empowerment strategy for motivating the involvement of members at the community level. As stated by him, public consciousness among the community members has to be built first, then it could lead to economic empowerment.

Y.C.Nanda (1999)⁸ in his study on, “Linking Banks and Self-Help Groups in India and the Role of NGOs: Lessons Learned and Future Perspectives”, examined the performance of connecting banks, Self Help Groups and Non-Governmental Organisations in India. He noticed that since 42 per cent of the Self Help Groups are connected with banks through Non-Governmental Organisations, the Non-Governmental Organisations which function as promoters are very effective. The study also stressed on the want for implementing various action plan and approaches in different parts of India.

Puhazhendhi (1999)⁹ analysed the working of Self Help Groups with regard to their execution, continuity, upliftment of status of women, financial impact on the members, upcoming prospects etc. He found that the Self Help Groups in Tamil Nadu are progressing well towards social empowerment. These latest trends are resulting in the empowerment of members and development of microfinance.

V. Puhazhendhi and B. Jayaraman (1999)¹⁰ in their work on “Increasing Women’s Participation and Employment Generation among Rural Poor: An Approach Through Informal Groups” noted women’s involvement and employment among the impoverished rural population through Self Help Groups in Mysore Resettlement and Area Development Agency (MYRADA). The study of the Self Help Groups in the various phases of development showed that the portion of loan for ‘non-productive’ purposes reduced from 76 per cent in new groups to 43 per cent in stabilised groups. But the share of loan for ‘productive’ purposes had increased from 24 per cent in new groups to 57 per cent in stabilised groups. There was a rise in the net income of 0.57 times after the formation stage of the groups. The factors which hindered the functioning of groups are found to be ineffective leadership, inactive participation of Non-Governmental Organisations and consumption oriented loans.

N. Manimekalai and G. Rajeswari (2000)¹¹ in their work on “Empowerment of Women through Self Help Groups”, examined the woman Self Help Groups created by the Non-Governmental Organisations in the rural areas of Tiruchirapalli District with the motive of aiding rural women through self employment. SEVAE (Society for Education and Village Action and Empowerment), a Non-Governmental Organisation is operational in 362 villages and helping a total of one lakh women recipients

comprising of various self-employment like petty businesses and processing, production and service units.

Jaya Anand (2000)¹² in her article on, “Micro Finance in Kerala”, found out that financial help to the poor through microfinance programmes proved that the poor are bank friendly. However, Self Help Groups and micro credit cannot be taken as means for all the problems of the rural population. Pathway for financially rewarding marketing, skill enhancement and technological training and establishing business centres at the basic level ascertain the outcome of micro credit assisted micro enterprises used to eliminate poverty.

Bhatia and Bhatia (2000)¹³ with the help of few case studies found that the repayment of loans from Self Help Groups was higher than the other loans borrowed by the borrowers. Participation of Self Help Groups have assisted the banks to retrieve the previous loans. It is also found that there has been a significant improvement in the standard of living of the members of Self Help Groups.

RakeshMalhotra (2000)¹⁴ in his study of 174 women beneficiaries, in Rae Bareilly of the state of Uttar Pradesh, pointed out that the female clients of the banks were less than male clients. Only a small portion of the credit sanctioned by banks were availed by women. Also, it was observed that the loans obtained by women were used by men.

Dasgupta (2000)¹⁵ in his paper on “Informal journey through Self- Help Groups” pointed out the various advantages of micro-financing through non-organised group approach. Some of them are: 1.) increased savings by the rural women, (2.) the poor are able to get the quantum of loan required, (3.) balancing of the wants and requirements of credit and finding new avenues for financial institutions, (4.) decrease in transaction cost for both credit suppliers and credit receivers, (5.) loan recovery, (6.) significant upliftment of the poor women.

S.Mohanan (2000)¹⁶ in his article on “Micro-credit and Empowerment of Women: Role of NGOs”, shared the pertinence of micro-credit to women and their empowerment, taking into account the historical viewpoint of the participation of women in the credit activity and the capacity of Non-Governmental Organisations in the area of micro-credit. The particular task and the capability of the Non-

Governmental Organisations in the area of micro-credit can be outlined as the emergence of the Self Help Groups, taking care of Self Help Groups, facilitator role, deploying resources and formation of people's organisation.

N.P.Y. Raman (2000)¹⁷ in his work on "Self-Help Groups – The Kerala Experiment", showed that there was 95 percent to 100 percent repayment of loans from the Self Help Groups and 60 percent to 90 percent recovery of loans from the members of Primary Agricultural Co-operative Society. The low rate of interest of 4.5 percent in the Self Help Groups (after deduction of the State Government incentive of 5 percent from the usual rate of interest of 9.5 percent) has made a huge difference in the income and profit earning capacity of the Self Help Group members and the non Self Help Group members. It is also proved that SHG's have largely contributed in poverty alleviation with encouraging outputs.

K.R. Lakshmikandan (2000)¹⁸ in his study titled "Self Help Groups in the Life of Rural poor – A Philibhit Case Study", discussed that majority of the members of Self Help Groups are agriculturists and small landholders. 57 women Self Help Groups and 17 men Self Help Groups were covered in the study. A loan amount varying from Rs 20,000 to Rs 30,000 were successfully sanctioned to only Self Help Groups by the lead bank of the district and the Bank of Baroda. He also opined that the means for entrepreneurial development available for the Self Help Groups are very small in comparison to the large functions like management of market, resources, production and marketing.

S. Suriakanthi (2000)¹⁹ in her study on "Literacy – Essential for SHGs" analysed the importance of education for the members of Self Help Groups. The study showed that the majority (95%) of the members and majority (75%) of the office bearers were illiterate. The functioning of the office were carried out by the female office bearers with the support of their spouses and educated members. The reports were usually written by their husbands based on the matters discussed by the office bearers. Half of the group survey showed that the minutes were written by literate members on behalf of the office bearers. It was also found that 10% of the illiterate members were unaware of the earnings made by them.

H.C. Sharma (2000)²⁰ in his study on "Forest Policy – Role of SHGs", analysed the contribution of Self Help Groups in the growth of tribal people. Flexible work

approach and failure to develop a work climate by the Self Help Groups is highly accepted by the tribals. He is of the opinion that finer syatemisation is needed from the voluntary agencies and the government departments for the increase in Self Help Group's production.

Satish (2001)²¹ in his paper discussed about some of the problems related to the functioning of Self Help Groups. People belonging to similar socio-economic status should be grouped together while forming Self Help Groups. The banks and Non-Governmental Organisations are found to be very efficacious in forming Self Help Groups and hence, it is very important to develop the Non-Governmental Organisations throughout the country.

Barbara and Mahanta (2001)²² in their paper mentioned that Self Help Groups have played an important role in the establishment of income generating micro-enterprises. The accomplishment of Rashtriya Gramin Vikas Nidhi's loan and saving scheme in Assam is mainly because of it's attention towards the poor rural members. A well structured credit delivery system was implemented for the rural poor with the help of knowledgable staff and support policy without any political interference at any of the phases of execution of the programme.

Puhazhendhi and Satyasai (2001)²³ in their paper assessed the functioning of Self Help Groups with specific mentioning of social and economic empowerment. It was found that an organised, formal approach by the Self Help Groups would significantly contribute to the economic and social upliftment of the rural poor. Southern regions showed high populaarism of Self Help Groups, showing an unequal progress among various regions. Senior groups performed better than the newly formed groups.

Manimekalai and Rajeshwari (2001)²⁴ in their paper pointed out the social and economic empowerment level of the Self Help Groups have improved because of the supply of credit by the Non-Governmental Organisations to the Self Help Groups rural members. Members have been empowered in terms of management, goal setting and decision making, obtaining finance and procuring the right raw material and perfect market.

K.C. Sharma (2001)²⁵ stated that women have been empowered with the help of Self Help Groups. The involvement of women in the income generating activities and for

making decisions both at the household and societal level is growing and making rural empowerment democratic and independent of subsidy. Thus, there is a consequential development of the rural poor because of the Self Help Groups being aided by microfinance.

D.K.Singh (2001)²⁶ in his study in Uttar Pradesh pointed out that the Self Help Groups have now replaced the moneylenders because there is timely availability of loans to the Self Help Group members. Less procedures and low transaction cost have benefitted the rural people. The study has been made to understand the volume, structure and features of rural Self Help Groups, to study the purpose and effect on creating income and employment, to find out the crucial obstacles and issues of the groups and recommend steps to solve the problems. He also stressed that loans should be provided with less rate of interest for the development of the rural poor.

A study on “the SHG- Bank Linkage Programme: An assessment and future strategies” made by H.S. Shylendra (2002)²⁷ examined the prospects for the impoverished to secure their due share from the formal financial institutions was improved with the support of SHG – Bank Linkage Programme. But a lot of improvement has to be implemented in the SHG – Bank Linkage Programme in order to make it a plan of action in the banking sector. The pivotal to the success of this programme is in linking them with relevant effective systems along with the main features and abilities of Self Help Groups to fulfil the requirements of the Self Help Group members in a captivating manner.

Thomas Fisher and M.S. Sriman (2002)²⁸ in their study on, “Beyond Micro Credit, Putting Development Bank into Micro Finance” studied Indian Microfinance deeply to find out how improvements can be made in the field of microfinance. It set out how microfinance can be planned, in practice, to add on to a number of expansion goals, including giving social and economic reliability, assisting sources of income, establishing independent people’s organisations, developing women and improving wider approaches within the society. This book has given a thorough study of microfinance practice in India.

Malcolm Harper (2002)²⁹ in his paper discussed the contribution and establishment of Self Help Groups in India, a special action of socio-economic development. This study collated the various Self Help Groups fostered by the various Self Help Group

Promotion Institutions (SHPIs), so as to magnify the standard and organisation of the promotion operation and thereby enhancing the flow of formal financial services. He concluded that the Self Help Groups contribution towards rural empowerment would be better than other initiative measures taken by formal financial institutions.

T.R. Gurumoorthy (2002)³⁰ in his work on “SHGs – Economic Empowerment Through Self – Reliance”, discussed the micro-credit financing concerns and the quantum of microfinance lent by them. 9 crores credit was advanced by the banks to 5,400 Self Help Groups linked to them, out of the 27,000 Self Help Groups in TamilNadu. According to him, Self Help Groups have the potential to improve the socio-economic level of the poor sections of the people in the country.

A.P. Sebastian Titus (2002)³¹ in his study on “Promotion of Women Entrepreneurs through Self-Help Groups”, studied the aiding of Self Help Groups to women entrepreneurs. According to him, the small businesses of women entrepreneurs were extended into large scale businesses after the support of Self Help Groups. Some of the problems faced by the women entrepreneurs were lack of finance for funding, lack of technical and managerial expertise, lack of ability to head the labour force, multiple tasking roles, lack of competence and gender bias.

K.G. Karmakar (2003)³², in his study on “Rural Credit and Self Help Groups: Micro Finance Needs and Concepts in India”, analysed the current loan conveyance system in India with particular reference to financial needs of the poor sections in the rural area. This study concentrated on the obtainability of credit demands and the obstacles confronted by the tribal people in availing micro credit. According to him, Self Help Groups supported by micro- credit is the best system to meet the credit needs of the rural poor.

Indira Misra (2003)³³, in her book titled “Micro Credit for Macro Impact on Poverty” explained the vital microfinance leads of the Government, Banks and Non-Banking Finance Companies and their involvement in India’s neighbouring countries. She also examined the participation and performance of Non-Governmental Organisations in micro credit and the Self Help Groups. She further examined that micro credit is one of the best means for economic empowerment of rural women which enables the rural women to become financially independent with respect.

Hema Bansal (2003)³⁴ in her paper on the title “SHG – Bank Linkage Program in India: An Overview”, reviewed the execution of SHG – Bank Linkage Programme in various states of India, over three major organisations - Regional Rural Banks (RRBs), Commercial banks and Co-operatives. There is a huge collaboration of formal financial institutions and microfinance through SHG – Bank Linkage Model. It is found that the commercial banks participation in the SHG – Bank Linkage Programme excelled well in financially sound states. Regional Rural Banks were predominant in financially weaker states and Co-operatives in India have not made significant progress in the linkage programme.

J. Ritu, R.K. Kushawaha and A.K. Srivastava (2003)³⁵ in their study on, “Socio-economic Impact through Self-Help Groups”, studied the operation of Self Help Groups in Kanpur Dehat district. The effect of Self Help Groups on the socio-economic position of the people was studied by collecting the responses from ten women members from each Self Help Group and ten women non-members from the same village. The results showed that there is an association between the Self Help Groups and the socio-economic position of women.

T. Chiranjeevulu (2003)³⁶ in his study on, “Empowering Women through Self Help Groups” examined the micro businesses initiated by Self Help Groups in Warangal district of Andhra Pradesh. Majority of the small businesses were of chilly processing units. Srujana Mahilabhivridhi Upadi, with 514 women members, a mutual beneficial Co-operative society was established. A share capital of Rs 15000 was collected by each group. The members of the group were from scheduled castes, scheduled tribes and backward community. The researcher found that there was more job creation than upliftment of women when there was a shift from utilisation based Self Help Groups into business based Self Help Groups.

Archana Sinha (2004)³⁷ in her article titled, “Micro Finance for Women’s Empowerment: A Perspective”, discussed about micro-credit among law makers, investigators and development analyzers. She expressed that studying the efficiency of microfinance needs a thorough examination from accurate viewpoint. The problem lies in obtaining a non-rigid credit programme which could comply with the various credit needs of the less income borrowers without high transaction cost.

C.K. Gariyali and S.K.Vettivel (2004)³⁸ in their study on “Women’s Own the Self-Help”, explained that although loans are very important for the Self Help Groups flourishing and rural empowerment, it is found that Self Help Groups are not just a channel for the loans. The initial dynamism of the women gradually falls down because of the delay in securing the credit. Although other possible ways of increasing the lending modes need to be found out, the rural co-operative banking system is required to be motivated to lend to the Self Help Groups, and make easy availability of credit as per their requirement.

A.Venkatachalam and A. Jeyapragash (2004)³⁹ in their study on “Self-Help Groups in Dindigul District”, analysed that Rs 622.99 lakhs was the total savings of the Self Help Group members in Dindigul District. Rs 27.20 lakhs was the entire quantum of Sangha loan sanctioned. The Self Help Groups in Dindigul district have made an improvement in economic terms in the rural poor.

MahendraVarman.P. (2005)⁴⁰ in his article titled, “Impact of Self-Help Groups on Formal Banking Habits”, examined the significance between the development of Self Help Groups and the rise in women bank deposit accounts and if Self Help Groups have compelled opening of accounts in banks. He analysed the socio- economic factors that influenced deposit and loan account ownings in formal banks among the members of the Self Help Group. The study showed that the members of Self Help Group having decision making and management capacity impacted the holding of bank account.

Priya Basu and Pradeep Srivastava (2005)⁴¹, in their paper titled, “Exploring Possibilities – Micro finance and Rural Credit Access for the Poor in India”, studied the impact of SHG – Bank Linkage Model, a predominant microfinance establishment. The paper has developed measures for unleashing the capacity of microfinance in India and have identified domains of concern for Government strategies towards this prime sector.

M.Ambalagan and V.Selvam (2005)⁴² in their article on the title, “Re-engineering the Mechanism of Micro finance for Poverty Alleviation and Social Change”, found out that enhancing the reach of formal financial facilities to the rural poor is one of the constructive measures to handle poverty. In India, the bank supported by the states have been prosperous in boosting the stretch of economic facilities to the poor. The

banks did not concentrate on financing the poor sincerely as it was not profit bearing. According to them, the banks have to make an effort to redesign their financial banking products so that they are user friendly and cost effective to the rural poor. NABARD's SHG – Bank Linkage Programme has made a paramount development in this section of the development of the poor.

Tara S.Nair (2005)⁴³ in his paper on, "The Transforming World of Indian Micro Finance", pointed out that upgradation of microfinance facilities on the basis of its functioning and performance, considered mainly in terms of recovery rates and financial sustainability without any consideration towards important development issues may be completely successful in the long run. If boosting of microfinance facilities are done without any caution, this could lead to unsuccessful results and credit disturbance in this area. Overall, there is a perceptible tendency of marketing the microfinance, with Non-Governmental Organisations converting into Non-Banking Financial Companies and regulated formal banks.

P. Satish (2005)⁴⁴ in his paper on, "Mainstreaming of Indian Micro finance", explained that the important characteristic of the vital part of microfinance in India is that it has been put up upon the pre – existing banking framework. The savings of the Self Help Group members and structured banking modes are the main sources of finance in the SHG – Bank Linkage Model. Thus, it solves the problems concerning the rules and management of microfinance institutions, reaching out to public funds by microfinance institutions and dependence on contributors and funding through grants.

C.S. Reddy (2005)⁴⁵ in his work on, "Self-Help Groups: a Key Stone of Micro Finance in India", showed that microfinance has progressed in India into several working forms and to different levels of success. One of them is the establishment of Self Help movement. According to the Self Help concept, women groups are set up and the savings of the members are used to give loans. The output from these Self Help Groups are very encouraging and have drawn attention for deep study as it is showing to be a successful method for elimination of poverty.

J.M. Arul Kamaraj (2005)⁴⁶ in his study titled, "Self-Help Groups – New Mantra for Empowerment", has examined that the Self Help Groups take up business activities at small scale with less requirement of funds. In future, the innate capacity of the Self

Help Groups will help them undertake large projects which are performed by joint stock companies, public sector enterprises and the Self Help Groups have the ability to increase the socio-economic empowerment level in the rural people of the country.

Anand Gopalan (2006)⁴⁷ in his report analysed the effect of Self Help Groups in four villages in Cuddalore district in Tamil Nadu. It cross – examined the development of Self Help Groups and contribution of microfinance in the growth of socio-economic protection system of the rural households in India. From the analysis of descriptive statistics and Logit model, it was found that, the involvement of microfinance through Self Help Groups played a vital role in the household empowerment of Self Help Groups, which provided a socio-economic security to the rural people in the Southern State of India.

Pankaj Kumar and Ramesh Golait (2006)⁴⁸ in their paper have studied the expansion of SHG – Bank Linkage Programme in the light of expanding banking and socio-economic disparity between the regions in India. The result of nationalisation viewed a notable expansion of the banking facilities to the unbankable parts of the country. SHG – Bank Linkage Programme was devised to fill the vacuum in the regulated financial system and expansion of banking services to the poor. The banks should be motivated as promoters in expanding the Self Help Group development in the impoverished regions, possibly by initiating an incentive combined with the performance of the members. Intense attempt should be made in establishing income generating activities, micro – insurance and Gramin banks in the Self Help Group model.

Subah Singh Yadav (2006)⁴⁹ in his study on “Self-Help Group Movement in Rajasthan Bright Prospects”, found that the Self Help Group – Bank Linkage Programme showed a notable development in Rajasthan. The accomplishment of the Government Development department, banks and the Non-Governmental Organisations under the SHG – Bank Linkage Programme has been meritorious.

M. Soundarapandian (2006)⁵⁰ in his study on “Micro Finance for Rural Entrepreneurs: Issues and Strategies”, analysed the development of Self Help Groups and the expansion of microfinance in the empowerment of rural entrepreneurs. The study suggested that though there was a constructive expansion of the Self Help Groups in

the states, there is a broad contrast among states. Connecting banks with the Self Help Groups was not a problem for the variation.

Smita. G .Sabhlok (2006)⁵¹ in her study on, “Self Help as a Strategy for Women’s Development in India”, found that the Self Help Groups can drive women develop the economy. It has improved the stanadard of living of the rural poor in India. Assembled groups have been found to be a strong force in giving joint empowerment and a recognition to the problems of the rural poor women but patriarchy has restricted the level of empowerment.

P. Loganathan and R. Asokan (2006)⁵² in their study on “Inter Regional Development of Self- Help Groups in India”, examined that in the 1980s, a large number of Self Help Groups were formed in India for lending loans to the rural poor women in rural and urban areas.

Sudhin Kumar Bera (2011)⁵³ in his study in West Bengal examined the functioning of microfinance undertakings and described the socio-economic effect of microfinance on the members of Self Help Group of Purbamidnapore district. The study showed commendable progress in the income level and employment creation by the members and found growth in the savings of the members. The study also pointed out the problems related to the performance of the Self Help Groups.

Tiyas Biswas⁵⁴ in his paper on the title “Women Empowerment through Micro Finance: A Boon for Development” sought to examine the effect of microfinance on poverty eradication and socio-economic upliftment of rural women. Various methods to uplift women empowerment was also recommended. The problem lies in designing appropriate credit tools that suits the various credit needs of the poor borrowers without imposing high transaction cost on the lenders. An effective solution is to dispense flexible loan or combined loan for revenue creation, housing upgradation and utilization aid. Consumption loan is very useful because of the time gap between starting a new business and obtaining desired returns. He concluded that microfinance can help in solving the issues of lack of housing and urban services as a vital part of poverty eradication programmes.

2.2 Foreign Studies

In the study entitled “The Guinea Rural Enterprise Development Project”, Creve, Ndour and Thiam (1995)⁵⁵ examined the result of the enterprise lending micro –credit on members, enterprise achievements, income of the individual and family welfare. It was found that the enterprise has a beneficial influence on the enterprise savings for frequent borrowers but had no influence on capital assets and income earning ability.

Pit and Khandkar (1995)⁵⁶ analysed the influence of assembled lending programme for the impoverished on the household conduct in Bangladesh in their study on “Grammin Bank, Bangladesh Rural Advancement Committee RD12”. It was found that financial credit has a relevant influence on boys education than on girls education. It was also noted that loans to women increased women’s employment level and it also increased spending on nourishment and non-food items.

Churchill (1995)⁵⁷ undertook a study entitled “Get Ahead foundation Programme” to assess the influence of micro-enterprise loans on the micro-enterprises, subsistence of rural entrepreneurs and their families and also the assistance of the Get Ahead Foundation in South Africa to the upcoming generations. He pointed out that micro – credit has a constructive influence on the monthly financial gains but very less impact on creation of employment.

The study conducted by Brenda Sennott (1996)⁵⁸ on the title, “The Success or Otherwise of Rural Financial Mobilisation in Less Developed Countries: Effectiveness of Savings club Zimbabwe in Addressing the Development Needs of the Poor” has found that an efficacious practice of collection of savings in rural areas in underdeveloped countries is by small self subsistent groups based at the most basic level.

Montgomery, Bhattacharya and Hulme (1996)⁵⁹ in their study on “Government Thana resource Development and Employment Programme (TRDEP)” examined the effect of the credit programme on earnings, capability and poverty in Bangladesh. It is found that a remarkable improvement in household earnings has led to a fall in the proportion of spending on food and that a little financially sound among the impoverished gained more from the credit. Inorder to use credit productively, the household has to arrive at the basic economic level.

In his dissertation on “Borrower Transaction Cost, Credit Rationing and Segmented Market: A Study in the Rural Credit Market in Vietnam”, Dat Tran (1998)⁶⁰ has examined the significance of borrower transaction costs in a credit controlling system and in the division of rural credit market. It was concluded that controlled interest rate and unbalanced details of the problem were the reasons for increased borrower transaction costs of credit controlling system and division of rural credit market.

A study entitled “The impact of Zaimbuko’s Micro-Enterprise Programme in Zimbabwe: Baseline findings”, conducted by Carolyn Barnes and Ericak Cog (1999)⁶¹ pointed out the output of involvement in the Zaimbuko programme on the customers and their households. It pointed out that there is a huge opportunity for grasping the clients capacity to save if the lawful issues can be settled down. The actuality of starving period and regular scarcity of working capital were accountable for their poverty, which can be enhanced with savings and insurance products. Simpler connectivity to group funds could help women reduce recurring disasters.

Rein Dekker (2001)⁶² in his study on “Transaction for the Cash Economy: the Design, Description and Analysis of a Micro Finance Programme in Indigenous San Communities in Western Botswana” examined if a culturally responsive and involvement growth programme in terms of micro credit and savings could help in the growth of independent and growth assets as well as to enhance the capability of San participants to control the requirements of cash economy, in turn enhancing their social and economic self subsistency.

M.B.Pierre Chue, Ruth Dickson, M.D. Michael Sanderson and Austin Mardon (2004)⁶³ in their study on, “The impact of Self-Help Groups on People with Shizophrenia”, pointed out that user commenced and managed Self Help Groups could be an effectual community assistance to the people with schizophrenia. There have been a few organised evaluation of the effect of Self Help Groups and definitely no assessment of Self Help Groups for people with schizophrenia.

Muhammad Yunus (2004)⁶⁴ in his paper on the title “Grameen Bank, Micro Credit and Millennium Development Goals”, discovered the genesis of the plans and operation of micro credit as developed by Grameen Bank. Throughout the years, micro credit plan of actions in Bangladesh have developed, imparting a large number of services to fulfil the social and economic needs of its poor citizens. It has also

given suggestions with regard to the rising problems of financial self – sufficiency and institutional sustainability of micro credit programmes.

2.3 Summary of the Review of Literature and Research Gap

An analysis of review of literature reveals that several studies have been conducted with regard to women empowerment, different forms of financing rural women and self-help groups, banks performance with self-help groups, self-help groups and rural development, sustainability and performance of self-help groups, role of NGO's in linking banks and self-help groups, recovery of loans from self-help groups and their role in micro-credit and empowerment of women, literacy for self-help groups members, replacement of moneylenders with self help groups in the rural areas, assessment of Self-help group- bank linkage programme and it's future strategies, failure of formal financial institutions to provide finance to marginalised groups, impact of self-help groups on formal banking habits, identification of areas of concern for exploiting the potential of micro finance in India and also the issues and strategies of micro-finance for rural entrepreneurs. The above studies emphasises the need for empowerment of poor, to make women as agents of change in the society, to promote gender equality and to increase the rural poor's capability to enjoy life to the full.

The Self-Help Group-Bank Linkage Programme and microfinance as a means of poverty alleviation programme through organised credit channels have not achieved the required target. The above studies have not made an attempt to understand the problems of such poverty alleviation programme, which should ultimately benefit the needy rural women. Hence, there is a research gap in respect of understanding the problems and prospects of self-help group-bank linkage programme and microfinance to the rural women enterprises, so that the flow of credit between the formal lending institutions and the rural women enterprises becomes favourable. This study is hoped to fill this vacuum to a great extent and will be beneficial to the rural women enterprises, planners and policy makers.

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CHAPTER III

**PROFILE OF THE STUDY
AREA AND LENDING
INSTITUTIONS**

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PROFILE OF THE STUDY AREAS AND LENDING INSTITUTIONS

In the previous chapter, the researcher has presented a review of the previous studies related to the subject of the present study carried out both in India and abroad and identified the research gap. The review of studies carried out by various researchers and academicians in the areas of Self Help Groups, Self Help Group Bank Linkage Programme and Microfinance, Entrepreneurship, Rural Entrepreneurship and empowerment was presented. This chapter gives a brief outline of the study regions and the lending institutions considered for the study. It also provides a brief profile of the state of Karnataka within which the study areas are located. Dakshina Kannada and Udupi districts are the two coastal districts of Karnataka selected for this study. Till 1998, Udupi district was a part of erstwhile Dakshina Kannada district. For administrative convenience, the erstwhile Dakshina Kannada district was bifurcated in 1998 into two, namely Dakshina Kannada and Udupi districts.

3.1 Profile of Karnataka State

Karnataka State, one among the states of the Indian Union, is situated in the west-central part of peninsular India. From north to south it stretches for 700 kms and from east to west 400 kms. It lies to the south of Maharashtra, south-east of Goa, east of the Arabian sea, north-east of Kerala, north-west and north of Tamil Nadu and west of Andhra Pradesh.

The erstwhile Mysore State came into being in 1799.A.D. after the fall of Tipu. In 1881, it consisted of 7 districts only viz., Bangalore, Chitradurga, Kadur, Kolar, Mysore, Shimoga and Tumkur. Hassan and Tumkur districts were carved out in 1886 and 1939 respectively. Bellary was included in the old state of Mysore when Andhra Pradesh was formed on linguistic line. Four more districts were included to Mysore state when the states were re-organised on linguistic line in 1956. After renaming the state and redrawing the district boundaries, today the Karnataka state covers an area of 1,91,791 sq.kms, that is 5.42% of the geographical expanse of the Indian Union.

The word 'Karnataka' is said to be derived from 'Karunadu' and the state is inhabited predominantly by Kannada speaking people with agrarian background. The state can

be divided into four natural regions – the coastal, Malnad, Northern plains and Southern plains. Dakshina Kannada and Udupi are the two among the three coastal districts of Karnataka state.

3.2 Dakshina Kannada District

Dakshina Kannada is one of the districts of Karnataka State. It is comparatively well developed and advanced in the state, next only to Bengaluru Urban District. Prior to January 31, 1977, Dakshina Kannada was known as South Kanara district. Under the British rule, South Kanara and North Kanara Districts were one known as Kanara District which was the part of Madras Presidency. They were bifurcated in 1860. In 1862, North Kanara was transferred to the Bombay Presidency and South Kanara was retained in the Madras Presidency itself. In 1956, it became a part of the Mysore State as a result of the formation of linguistic states. Between 1947 and 1956, it was in the Madras state. Later, Kasargod district was separated from Dakshina Kannada and formed a part of Kerala State. The map of Dakshina Kannada is presented in the following figure 3.1

Figure 3.1 Map of Dakshina Kannada district



3.2.1 Location

Dakshina Kannada district is situated in the West Coast of India. From north to south, it is a narrow strip of land between the Arabian Sea and Sahyadris. Geographically, the district is a broken low plateau, separated from rest of the South Indian Peninsula by the towering heights of the Western Ghats and spreads towards the Arabian Sea in the west. The district lies between 12.27° and 13.58° north latitude and between 74.35° and 75.40° east longitude. The length of the coast-line is 140.8 kms (88 miles) which is almost straight, broken at numerous points by rivers, rivulets, creeks and bays.

3.2.2 Area and Administrative features

From north to south, the district measures about 177 kms and from east to west, it is about 40 kms broad at its narrowest and 80 kms at its widest. The district is spread over geographical area of 4861 sq kms vast, with 19 sub-divisions, 5 blocks, 354 inhabited villages and 203 panchayats.

3.2.3 Population

According to the 2011 census, the total population of the district is 20,90,000, out of which 10,35,000 belonged to male population and 10,55,000 belonged to female population. 10,94,000 population lived in the rural areas and 9,96,000 population lived in the urban areas. The Scheduled Caste and Scheduled Tribe population in the district was 1,48,000 and 82,000 respectively.

3.2.4 Literacy

According to the 2011 census, a total of 16,66,000 were literates, out of which 8,64,000 were male and 8,03,000 were female. A total of 8,28,000 were rural literates and 8,38,000 were urban literates.

3.2.5 Workers Profile

According to the 2011 census, 33,810 workers were cultivators, 29,274 were Agricultural labourers, 1,88,207 worked in household industries and 7,46,430 were other workers.

3.2.6 Households and amenities

According to 2011 census, there was a total of 4,25,291 households, out of which 1,67,040 were rural households and 2,04,990 were BPL households. As per the household amenities, 4,19,337 households were having brick / stone roofs, 4,21,038 households were having drinking water source, 3,86,164 households were having electricity supply, 3,94,245 households were having independent toilets, 3,68,727 households were having access to banking services and 2,85,370 households were having radio and TV sets.

3.2.7 Village – level infrastructure

In Dakshina Kannada district 354 villages are electrified, having agriculture power supply, post offices, banking facilities, primary schools, portable water supply. There are 2102 anganwadis , 65 primary health centres, 7 primary health sub centres, 79 dispensaries, 196 hospitals in the district.

3.2.8 Microfinance Profile of the District

Dakshina Kannada district, known as the “cradle of banking”, has been in the forefront in the adoption of microfinance practices. A conducive atmosphere for the spread of microfinance exists in the district. Many NGOs/ SHPIs have been promoting Self Help Groups. Most of the major Commercial banks as also the Regional Rural Banks and The South Canara District Central Cooperative Bank are playing the role of “Credit Purveyor” to the Self Help Groups. Government Department of Women and Child Development Department is promoting “Stree Shakti” groups.

Table 3.1 Microfinance Profile of Dakshina Kannada District as on 31.03.2014

Total number of blocks in the district	5
Number of blocks where SHG's exist	All the 5
Number of blocks where SHG's are credit linked	All the 5
Number of NGOs in the district	21
Number of NGOs participating in SHG credit linkage program	All the NGOs in one form or the other have been participating in the credit linkage programme

Total number of bank branches in the district	Commercial Banks	Regional Rural Banks	Co-operative Banks
	409	19	34
Number of branches participating in the linkage program	263	19	34
Number of Government and other agencies participating	4		

Source: Dakshina Kannada at a glance 2012-17

3.2.9 SHG-Bank Linkage Programme in Dakshina Kannada District

The salient features of SHG – Bank Linkage Programme are presented in table 3.2 below

Table 3.2 The salient features of SHG-BLP in the district under

(Rs.lakh)				
Sl.No	Particulars	As on 31 March 2010	As on 31 March 2011	As on 31 March 2012
1	No. of SHGs promoted	-NA-	-NA-	1660
2	No. of SHGs credit linked	65547	73710	82378
3	Amount of Bank loan availed (Rs lakh)	38660.16	56051.44	74097.43
4	Percentage of women SHGs	90	90	90
5	Average loan per SHG (Rs lakh)	0.59	0.76	2.08

Source: Dakshina Kannada District at a glance 2012-17

In Dakshina Kannada district, the microfinance activity takes place through SHG-BLP involving the District Central Co-operative Banks (DCCB) and through the Microfinance Institutions. This could be broadly summarised as follows:

1. SHGs formed by Navodaya Grama Vikas Charitable Trust (NGO) and credit linked to the SCDCC
2. Commercial banks lend to Microfinance Institution (SKDRDP) for onlending to its SHGs / members
3. All Commercial banks directly credit link the SHGs formed by Stree Shakti and Swarnajayanti Gram Swarozgar Yojana
4. A few other NGOs also acting as Microfinance Institutions in a very small scale

3.3 Profile of Udupi District

Udupi is one of the coastal districts of Karnataka state with an area of 3565 sq. Km, covering 2.04 per cent of total geographical area of the state, which came into existence in 1997. It was part of Dakshina Kannada District of Karnataka state before 1997. Geographically, the district is sub divided into three taluks, viz; Udupi, Karkala and Kundapura. Agriculture is the main activity of the district, covering about 26.5 per cent of the total geographical area and employing about 60.0 per cent of the total population. Fisheries, animal husbandry, agro-processing, beedi rolling are other important activities.

Sheltered by the soaring Western Ghats on the east and bordered by the blue waters of the Arabian Sea in the west, Udupi district is blessed with abundant rainfall, fertile soil and lush vegetation. Beaches, picturesque mountain ranges, temple towns and a rich culture make it a sought after tourist destination. District is a hub of cashew processing industries and outsourcing companies.

Udupi district has varied climate, which is humid along the coastal region, cool in the ghat region and warm in eastern region. The temperature ranges between 16.7°C and 37.8°C and the district receives an average rainfall of 4075.90 MM during the rainy season. The map of Udupi district is presented in figure 3.2

Figure 3.2 Map showing Udupi district



The basic information relating to Udupi district is presented in table 3.3

Table 3.3 : Statistical highlights of Udupi District

1	Area Sq.Km	3,565
2	No. of Taluks	3
3	Total Male Population	5,21,541
4	Total Female Population	5,87,953
5	Total Population	11,09,494
6	Density of Population per Sq.Km	286

Source: District Statistical Office

Udupi district is spread over a geographical area of 3,565 sq kms and has population of 11,09,494 of which 5,21,541 were male and 5,87,953 were female. Population density of the district is 286 persons per sq.km.

3.3.1 Location and Geographical Area

Udupi district was carved on August 1997 by bifurcating the three taluks viz, Udupi, Kundapur and Karkala from the parent district of Dakshina Kannada. Udupi district is surrounded by Uttara Kannada district in north, Dakshina Kannada district in southern direction. Shivamogga district borders on north east side, Chikamagalur district on east and Arabian sea on west of Udupi district.

3.3.2 Topography

The topography of the district varies from plain to undulated terrains at various locations. An interesting feature of the coastal strip and the middle belt is that, it is not a plain but a series of estuarine low lands separated by numerous hill ranges. The coastal area is the most densely populated part of the district and is also the most fertile belt. The middle belt again has an undulated topography with hills and dales.

The district is characterised by sandy soil along the coastal belt and lateritic soil in other parts with high iron and aluminium contents. Laterite stones are available more in the high plain of interior district which are useful for construction purpose. There is rich deposit of alluvial soil in the valleys and ravine bases. The water retention capacity of the soil is very poor. To the east of the coastal region, the soil is suitable for growing arecanut, banana, cocoa and rubber.

3.3.3 Forest

Udupi district has large tracks of evergreen forest called Western Ghat forest which is one of the biodiversities hot spots in the world. This district has forest area of 100102 hectares. Forest area is equally distributed in all taluks. There is a vast scope for development of ecotourism in the forest area.

3.3.4 Administrative division

For the administrative convenience, the district has been divided into 3 taluks namely Udupi, Karkala and Kundapur. The general administration of the district including industrial development is being looked after by the elected body called Zilla Panchayat. The district Zilla panchayat has a Chief Executive Officer and other officers appointed by the State Government. Taluk level extension officers headed by Deputy Director are appointed in each taluk of the district for the promotion of industries in rural areas.

3.4 Profile of the Lending Institutions

In the study regions of Dakshina Kannada and Udupi districts, there are a variety of lending institutions for providing support and dynamism to microfinance and SHG movement. The five lending institutions selected for the present study are as follows:

3.4.1 Microfinance Institution - SKDRDP

Shri Kshethra Dharmasthala Rural Development Project, popularly known as SKDRDP, is a charitable trust promoted by Dr.D.Veerendra Heggade. SKDRDP concentrates on the empowerment of rural women by organizing Self-help Groups (SHGs) on the line of Joint Liability Groups (JLBs) of Bangladesh and provides infrastructure and finance through micro credit for the rural people. The Shri Kshethra Dharmasthala Rural Development Project encompasses all aspects of enriching the rural life. It is currently engaged in developmental activities in Dakshina Kannada, Udupi, Uttara Kannada, Coorg, Shimoga, Chickmagalur, Dharwad, Haveri, Gadag, Tumkur and Belgaum districts operating in 8,000 villages by covering more than 17,50,000 families. SKDRDP is active with its Community Development Programs throughout the state of Karnataka and holds its presence in six coastal towns under the Karnataka Urban Development and Coastal Environment Management Project. In 1982, Shri Kshethra Dharmasthala Rural Development Project (SKDRDP) was

launched with an objective to sponsor and re-orient the mode of giving charity in more productive forms and to ensure long-lasting benefit to poor families. The trustees, instead of giving charity for family consumption purposes of the poor, planned to provide assistance for acquiring new productive assets to promote economic development. To begin with 81 villages in the Belthangadi Taluk of South Canara were adopted. Constant interaction, regular follow-up and effective co-ordination have been the key success factors of this programme. Since then the project has taken- up various programmes for rural development in the districts of Karnataka. SKDRDP being a pioneer in the field of development with a membership of more than 17 lakh people, of which majority are woman, is working for the empowerment of women through its various initiatives. Working closely with the rural poor women SKDRDP found that unless women are economically empowered their living standard will not improve. SIRI, a unique organization providing employment opportunity to more than 6000 women is a milestone in this regard. Jnanavikasa programme of SKDRDP has become an agent of change in the lifestyle of rural women. To fulfill the diverse training needs of women SKDRDP in year 2009 started Mahila Jnanavikasa Training Institute in Navanagar of Dharwad district. The institute is offering various types of skill based and entrepreneurship development training for women. The project has earned the unique distinction of being one of the best and most integrated and successful programs in the fields of poverty alleviation and rural development which can be tried and implemented by any NGO in the country.

3.4.1.1 Execution and Continuation of SKDRDP

A major virtue of SKDRDP is the care taken by the field level workers and the chief promoters to have the plans implemented to reach the families identified as the intended beneficiaries.

The major accomplishments of the Project are as follows:

- Rural development is to become sustainable on the basis of the principle of self-help. Therefore, the Food-for-Work Program was carried through vigorously to enhance the productivity of the eligible farm families. A review procedure was introduced in 1984 to overcome the bottlenecks that would appear in the beginning of the program.

- Each family that benefited from the program had to regularly report the development activities undertaken by it.
- The essential and basic farm implements were supplied to the farmers as they did not possess even these implements in the target villages.
- Informal groups were constituted by 1987 to generate an atmosphere for mutual help to facilitate the completion of farm development works.
- Appropriate technology was made available to the farmers to back up the initial stimulus for development that was provided by the Project.
- The target group families were encouraged to grow commercial crops like nendra banana, gherkins (tonde) and betel wines. They were also induced to go in for diversification of cropping instead of mono cropping.
- In 1987, steps to promote small scale dairying as a commercial activity were taken which subsequently became a major source of supplementary income in Belthangady taluk.
- Education, demonstrations and field visits, krishimelas or agricultural fairs, training programs to repair pump sets and to modernize pottery were organized. All such activities produced backward and forward linkages as some of these programs were coordinated with various governmental and nongovernmental agencies. What produced a salutary effect in the long run was deliberate effort of SKDRDP to encourage group meetings and actions.
- Many of the target group families who had occupied small pieces of public land called 'darkasts' lands were helped by Sevanirathas in the procedure for getting the possession of such lands regularized by the government. By 1991, out of the 1279 such cases, cultivation rights had been bestowed on 537 families by the government.

Originally the SKDRDP was to operate for a period of five years (1982-1987). After five years, Veerendra Heggade's advisers were convinced about the need for continuation of the program as five years was too short a period. During the first five years, Hemavathi Heggade played a supporting role by staying behind the whole project. By 1992, she started taking active interest in the work of the SKDRDP by realizing the need for empowering women for social development. A remarkable change has taken place in the outlook of the small and marginal farmers who were then the real beneficiaries of the SKDRDP. It was not difficult for them to realise that

they had similar labour requirements which could not be met by individual farmers. They had to work as a group for pooling the resources consisting mainly of their labour and skills. This realization later facilitated the concept of Pragathi Bandhu.

3.4.1.2 Growth of SKDRDP

By 1991, the legal status of SKDRDP got transformed since it was registered as a charitable society. There was a big change in approach to rural development under the aegis of SKDRDP because it adopted empowering approach that substituted charity as such. Partly this change reflected the development at the macro level because by the dawn of 1990s, microfinance owing to the interest evinced by NABARD gained currency. In addition, the need of the society was to empower women with microfinance as the major instrument. Such a need was captured by SKDRDP. By 1996, SKDRDP used microfinance as a powerful tool to make it complementary to the overall development of small and marginal farmers and landless labourers.

The growth and evolution of SKDRDP may be viewed from different angles. In the first place, the carefully chosen wordings of the schemes have been acting as instruments for creating development consciousness among the rural poor. Harper notes that the frequent usage of the word Pragathi stimulates the stakeholders in SKDRDP by inculcating the idea that the path to progress is endless. Secondly, the growth of SKDRDP has not been sporadic. It is not a sudden outburst either. The different schemes formulated from time to time have been serving as valid proofs to the fact that the changing needs of the rural poor in a changing society are being met without sacrificing the spirit of self-help. Thirdly, though SKDRDP is now in operation in as many as 16 districts of Karnataka namely, Dakshina Kannada, Udupi, Shimoga, Chikmagalur, Uttara Kannada, Coorg, Dharwad, Gadag, Haveri, Tumkur, Belgaum, Koppal, Chitradurga, Davangere, Mysore and Chamarajnagar, it is different from its original form. It is relentlessly spreading the message that the rural poor have to help themselves without expecting others to help them. Fourthly, the SKDRDP is strengthening the micro foundations of inclusive rural development.

3.4.1.3 Women Empowerment through SKDRDP

The success of SKDRDP in empowering women is viewed from different perspectives by different writers or researchers. The women's JVK groups are

subdivided in South Kanara, Udupi and North Kanara districts into microfinance SHGs and they are all encouraged to engage in livelihood generation programs often in collaboration with government schemes. The SKDRDP provides a full range of livelihood assistance to these groups with microfinance at the basis of its success. The major source of financial support was the grant from Dharmasthala temple with the specific purpose of empowering women. The transformation attained through women empowerment measures found expansion through the intensification of group building activity in order to generate more groups and thus to expand the scale of activities of the groups.

The Annual Report of SKDRDP for 2009- 10 made a mention of the objectives of promoting women SHGs. The women of backward classes, minority community, SC/ST community, landless laborers and beedi rollers have been organized into women SHGs. Four or five groups in a village once in a month are brought together for empowerment programs. Women are encouraged to run micro enterprises for promoting income generation activities. The members of JVKs are encouraged to undergo training programs encompassing subjects of vital importance including nutritious food, child care and education, health and hygiene, community welfare and adult education. The Report for 2009-10 further informed that the SHG members enrolled themselves under Mahatma Gandhi Rural Employment Generation Programs (MGREGP) and took up maintenance works in the cashew gardens in the coastal districts.

3.4.1.4 Loan Disbursement Methodology

SKDRDP undertakes most of its development interventions through the Self Help Groups (SHGs) in the villages. These SHGs are also used to deliver savings, credit and insurance services to the clients. While the men's SHGs have 5-8 members, women's SHGs have 10-20 members. SHGs elect their office bearers and are provided training on book-keeping and conducting affairs of the group. About 20 SHGs in the village form a federation of SHGs. SHGs meet weekly for collecting savings, repayment of instalments and discussing other issues. Loan applications are approved by the concerned SHG and the Federation before being forwarded to SKDRDP for appraisal. Disbursement of loans and collection of installments and savings take place in the

village office of SKDRDP. Some of the SHGs have also been linked to the State Bank of India under the Business Correspondent (BC) model.

Details of the Loan Products

The details of the loan products provided by SKDRDP is given in table 3.4

Table 3.4 Details of the Loan products provided by SKDRDP

Product	Description	Loan Size	APR	EIR	% in Portfolio
1. First Loan	First loan is available to the individual members after completion of three months of mandatory savings. Maximum loan term is 156 weeks (3 years). Repayments are weekly and interest rate charged is 9% pa flat with 1% processing fee.	Maximum loan amount is Rs10,000. First loan is not linked to savings.	17.26%	18.96%	7.9%
2.Revolving Fund	Loan is given for Consumption purposes eg. Wedding, education, consumer goods, medical expenses and for repaying other loans. Maximum loan term is 156 weeks (3 years). Repayments are weekly and interest charged is 9% pa flat with 1% processing fee.	Up to 10 times of savings balance subject to the maximum limit of Rs 25,000	17.26%	18.96%	49.4%
3.Livelihood Fund	Loan is given for income generating activities such as agriculture and allied activities and business. The maximum loan term is 208 weeks (4 years). Repayments are weekly and interest charged is 9% pa flat with 1% processing fee.	Up to 20 times of savings balance subject to the maximum limit of Rs 50,000	16.75%	18.88%	9.2%

4.Infrastructure Facility Fund	Loan is given for asset building for productive purposes eg. Purchase of pump sets, equipments, machines, for repairs of existing machines, construction or repair of godowns, wells, tanks, cattle sheds, land improvement, fencing etc. or utilities such as toilets, solar electricity, gobar gas etc. The maximum term of the loan is 260 weeks (5 years). Repayments are weekly and interest charged is 9% p.a .flat with 1% processing fee	Up to 20 times of savings balance subject to the maximum limit of Rs 50,000.	16.33%	18.84%	13.1%
5.Swagruha fund (Housing loan)	Loan is given for construction, repair or renovation of house. The maximum term of the loan is 520 weeks (10years). Repayments are weekly and interest charged is 9%pa flat with 1% processing fee.	Up to 40 times of savings balance subject to maximum limit of Rs100,000	14.82%	18.69%	14.6%

Source: SKDRDP Annual report 2015-2016

Notes:

1. APR takes into account interest and upfront fees on the loans.
2. EIR takes in to account interest income, upfront fees and security deposits/loan linked savings on the loans. SKDRDP collects minimum of Rs 10 per week as compulsory savings from the SHG members. The organization pays interest @6% pa on these savings. For EIR calculation savings at Rs10/week have been assumed and interest has been calculated on weekly basis. Entire saving and interest has been assumed to be paid back one week after the loan closure.

3. A client can avail more than one loan simultaneously. However, total outstanding loan under all products taken together cannot exceed maximum of 40 times of the individual's savings (except in case of the first loan). Total outstanding loan of a client cannot exceed Rs 1, 00,000.
4. SKDRDP earlier used a model where it provided credit services to the groups and the groups in turn provided loans to the individual members. Under this SKDRDP charges interest of 15% to the groups while the groups charged 9% flat interest to the individual members. Group collects weekly repayments from the members while group pays back to SHG on a monthly basis.

3.4.1.5 Client Origination and Targeting (COT) in SKDRDP

Client origination in SKDRDP is primarily the responsibility of the field staff (Sevanirathas). Each village where SKDRDP works has an office headed by the field staff. Field staffs inform villagers about SKDRDP and its activities and invite them to form SHGs. After the groups are formed, they are provided training on book-keeping and functioning of the SHGs.

The SHGs are required to conduct weekly meetings and undertake compulsory savings for a minimum period of three months before they become eligible to undergo the process of grading. Only SHGs receiving satisfactory performance grades are eligible for applying for loans.

During the first three months each member of the SHG is encouraged to prepare his/her five- year livelihood plan consisting of planned livelihood activities and credit requirements. The five-year plan is prepared in a booklet provided by SKDRDP. The five-year plan is also reviewed every year which results in preparation of annual plan for the clients. Achievements against the planned activities and credit actually availed by the client's household during the plan period are also formally recorded.

SKDRDP provides moderate targets for group formation (20-30 SHGs per year). Also, the monetary incentives of the field staff are not linked to group formation or loan disbursement targets. Due to these factors the field staff is likely to focus on the quality of the groups that they form.

One of the weaknesses of the client origination process of the SKDRDP is that it does not collect proof of identity and address (Know Your Client – KYC documents) from

the clients. This increases the possibility of enrolment of fake/undeserving clients. Further, the organization does not have any formal policy of avoiding the activities of the unauthorized agents in the operational area. Also, SKDRDP considers all the residents in the catchment area of the respective project offices as their prospective clients and does not have a policy of avoiding areas where other MFIs are already operating.

3.4.1.6 Loan Pricing in SKDRDP

SKDRDP has publicly stated its commitment to price its loan products in a responsible manner keeping in mind the welfare of clients and not-for-profit nature of the organisation. Annualized Percentage Rate (APR) on the loan products of SKDRDP is between 16.33% and 17.25%.

One of the weaknesses of the loan pricing by SKDRDP is the fact that interest is calculated and accounted for by the organization on a flat rate basis. Only the flat rate of interest is communicated to the clients. APR or the effective interest rate is not communicated to the clients.

Staff and clients interviewed were aware only of the flat rate of interest and not the effective interest rate.

3.4.1.7 Upfront fees and deposits

SKDRDP charges upfront fees of 1% on the total loan amount. There are no upfront security deposit requirements but maximum loan size is linked to the savings of the clients.

3.4.1.8 Late payment charges and penalties

SKDRDP does not charge any late payment fees or penalties. Total amount to be paid by the client remains the same even if there is delay in payment. No additional interest is charged in case the actual loan duration exceeds the contracted loan duration. No penalty is charged for late payment or for overdue.

3.4.1.9 Prepayment charges

The organization does not have any prepayment penalty. In fact, because the interest is calculated on a flat rate basis, the APR actually decreases in case the client decides to prepay the loan.

3.4.1.10 Loan Appraisal in SKDRDP

SKDRDP has an elaborate process of appraisal of loans. Loan applications are submitted by the SHGs to the concerned field staff who undertakes preliminary verification. The loan applications are then considered by the SHG federation. After approval from the SHG federation, loan applications are submitted in the Project Offices where loan eligibility is checked on the basis of the records available with the organization. Loan applications up to Rs 2, 00,000 are sanctioned by the Project Officers. Loan applications of amount more than Rs 2, 00,000 are sent to the Head Office for sanction.

Formal analysis of repayment capacity is carried out only when the total loan outstanding of the client exceeds Rs 45,000. SKDRDP calculates repayment capacity of its clients on the basis of the following factors.

1. Income of the client
2. Indebtedness of the clients
3. Age of the SHG
4. Grade of the SHG

The computation of repayment capacity results in determination of the maximum exposure in terms of loans outstanding which SKDRDP can have with an individual. One of the limitations of this system is that the expenses of the client are not taken in to account while computing repayment capacity. Also, repayment capacity does not take into account variations in repayment terms across various loan products. For instance, client opting for a 3- year loan term will be subject to same limit on total outstanding as a client opting for a 10-year loan term although weekly installments in both the cases differ significantly.

No formal analysis of repayment capacity is performed for clients where outstanding is less than Rs 45,000. Further, there is no audit check on the accuracy of the computation of repayment capacity in cases where it is done.

3.4.1.11 Loan recovery practices in SKDRDP

Weekly loan instalments are collected by the SHGs in their regular group meetings. Each village office earmarks one day of the week as the collection day. On the scheduled collection day, one member of each SHG visits the village office and deposits loan instalments for all the group members. Collections are recorded in the Point of Sales (POS) devise and the electronic receipts are provided to the group. The

POS device is portable and is carried to the village office only on the scheduled day of the collection. Collections at any other time or place are not permitted.

In case one or more group members do not repay on the scheduled date, the field staff/supervisor visits the SHG in its next meeting and tries to find out the reasons for delinquency. He tries to persuade the SHG to pay and takes help of the concerned federation in recovery efforts. If required, the field staff visits the house of the clients along with the representatives of SHG's/federation. The field staff, however, does not collect loan installments in the SHG meeting or from the house of the client. A member of the SHG has to come to the village office on the scheduled day to repay the installments.

The following factors reduces the possibility of use of coercive recovery practices

1. Salaries of staff members of SKDRDP's are not directly linked to repayment rates. So the staff is not under undue pressure to ensure 100% repayment rate.
2. Staff members are instructed to resolve all the issues in the SHG/Federation meeting and not to meet clients on a one to one basis except where the group has split. If house visit is required, SHG/Federation representatives accompany the staff members. Involvement of the community reduces the possibility of errant behavior by the staff.
3. Staff members are prohibited from collecting loan instalments when they visit the SHG, federation or the client for dealing with delinquency. The delinquency client/SHG is not under pressure to pay at the time of the visit. In case they agree to pay certain sum they get some time for arranging funds.

SKDRDP, however, does not have any policy for restructuring/waiver of loans in case clients are facing genuine difficulty like mishap in the family and severe illness/injury or business failure. Since there is no compulsory loan-linked insurance, family members of the clients are required to repay remaining installments in case of death of the clients. The SHG can request for partial or complete waiver of loan only in case of death of the clients and such requests are considered by the organization on a case to case basis. In case client or its family members are unable to repay, other members of the SHG are required to contribute for the delinquent members.

While SKDRDP has policies to prevent coercive recovery practices by its staff members, SHGs, in order to protect their performance grade (to which loan eligibility is linked), may put undue pressure on the delinquent clients in case they feel that other members of the group will be required to pay for the delinquent clients.

3.4.2 NGO – Navodaya of SCDCC Bank

SCDCC Bank was registered in 1913 and started its formal functioning from 1914. Puttur was the first registered office of the bank. Subsequently it was shifted to Mangalore. The Bank is having 101 Branches including service branches spreading over the erstwhile District of South Canara.

The Bank has given top priority for financing Agricultural sector since it's inception by taking into consideration various credit needs of the farmers. It is serving farmers by providing timely and adequate finance through the primary Agriculture Societies at the ground level. The bank is taking active participation in Government sponsored schemes such as S.G.S.Y, Swarojgar Credit Card Scheme etc.

The bank has issued 90,749 Mangala Kissan Credit Cards to the members of the PACS out of which 71389 Members have been covered under personal accident insurance scheme. A sum of Rs. 677.96 crore has been advanced under this scheme during the year 2013-14. The Borrower under crop loan is also covered by crop insurance scheme sponsored by the Government. With a view to diversify the activities, Bank has also financed Rs. 1080.72 crores to non-farm sector.

Bank has provided financial support to sugar sector under consortium arrangement and advanced Rs. 19.88 crores to 6 sugar factories in various districts of the state.

SCDCC bank has taken active participation in promoting and financing the Self Help Groups and has promoted 40336 SHGs groups under the supervision of the Navodaya Grama Vikasa Charitable Trust (R), Mangalore. The Bank has also bagged State Level Awards for best performance of SHGs from NABARD from the past 11 years. These groups have mobilised Rs 131.59 crores as savings and 31497 groups are credit linked with Rs 158.52 crores of advances to them.

Banking on wheels - A unique introduction of Mobile Bank to facilitate Banking Services to the rural areas, where there is no Banking facility. A customer can avail all banking transactions like depositing, withdrawals and loan facility. This Bank is inter connected with all Branches of the Bank through Any Branch Banking facility.

As on 31-03-14, the Bank has mobilized Rs. 2001.14 crore of Deposit, Rs. 1390.51 crore loan was outstanding, out of which Rs. 507.41 crore was under S.T. Agricultural and Rs. 151.87 crore was under M.T. Agricultural loans. The Bank Advances loans to

various purposes as per the needs of borrower like vehicle, housing, commercial complex, pledging of jewels, consumer durables and agricultural land purchase.

The Bank has been awarded as Best DCC Bank from KSC Apex Bank, Bangalore for the past 17 years.

3.4.2.1 'NAVODAYA' – Self Help Group Scheme

In order to give undivided attention to rural credit and rural development projects the Bank took a pioneering step in introducing **Navodaya Self Help Group Scheme**.

The main objectives of this scheme are:

1. To create awareness and provide basic education to rural women
2. To inculcate savings habit and enable the rural poor to multiply the funds available with them and create an atmosphere conducive to mutual help and togetherness
3. To identify and upgrade the skills available with the rural women in order to increase the level of income generation.

On a macro level, the Model is aimed at converting the rural areas as producing centers instead of merely centers of consumption. Various training programmes have been arranged by NABARD etc., to inculcate the awareness and implementation of this NAVODAYA Self Help Group Scheme.

Members of the Group

1. They should belong to the economically backward community/family.
2. They should be the residents of the same village
3. They should pay only a nominal sum of money towards the membership fees and this will not be refunded under any circumstances
4. One member can represent one family to become a member
5. Any member can represent only one such group, minimum and maximum age limit is fixed by the scheme, as prescribed

To obtain the eligibility for the membership in the group – Each group should contain minimum 10 members and maximum 20 members.

Self Help Group Scheme was introduced in the bank on 01.07.1999. The scheme is named as “NAVODAYA SELF HELP GROUPS”.

For promotion and nurturing of Self Help Groups a separate SHG cell consisting of 4 staff was also formed, with the jurisdiction of two taluks each. For monitoring and to give proper guidance for effective implementation of the scheme, SHG Nodal Officer was also appointed at the Head Office level. Every week the SHG cell staff members visit head office of the bank to have solution to any problems faced and to submit the progress report.

All the Branch managers and field staff have been imparted SHG training. Taluk level training programmes are arranged to the managers of Primary Agricultural Credit Societies with the support from NABARD.

SHGs promoted by SKDRDP of Shree Kshetra Dharmastala i.e. “Pragathi Bandhu SHGs” are credit linked through the Primary Agricultural Credit Societies since 1.1.2002

All the 174 Primary Agricultural Credit Societies in the district are viable and both the DCC and the Primary Agricultural Credit Societies are playing the role of Self help group Promoting Institutions (SHPIs)

As at the end of 31.03.2015 16036 Navodaya SHGs are promoted by the SCDDC bank, at the various Primary Agricultural Credit Societies level. The total SHGs promoted with the help of NGOs at bank’s branches level and various PACS level accounted to 27268. Out of this, 17558 were women SHGs. As at the end of 31.03.2016, 12781 SHGs with an aggregate loan amount of Rs 4113.52 lakh were credit linked. Out of them, 8319 were women SHGs with an aggregate loan amount of Rs 2837.80 lakh. The total credit linked SHGs 12781 which included 3034 Pragathi Bandhu SHGs promoted by SKDRDP with an aggregate loan amount of Rs 753.76 lakh.

The interest rate charged to the SHG loan is only 10%, which seems to be lowest rate in the state of Karnataka. The rate of interest to Primary Agricultural Credit Societies for refinance of SHG loan is only 9%.

3.4.3 Non-Governmental Organisation – Prajna Counselling Centre

The Prajna Counselling Centre is a registered non-profit, secular service organisation for social and educational development. The organisation was established in the year

1987, based in Mangalore, in the South- Indian state of Karnataka. It is registered under the Public Charitable Trust Act.

The centre is managed and headed by a group of professionally trained and experienced women, who felt the need for a service-oriented agency to empower marginalised communities and provides individual and qualitative help for exploited women and children. The Prajna Counselling Centre was started by Prof. Hilda Rayappan, a self-reliant and well-educated woman, who hailed from a marginal family and empowered herself to reach her aim with confidence and heartiness.

The rich symbolic word “Prajna” means ‘awakened consciousness’ or ‘enlightened awareness’ and symbolises the equality of human being. Self-awareness and the holistic development as individuals are the desirable aims of the Prajna Counselling Centre. The vision of the centre is to build a society where human beings are respected and protected and every individual can live with dignity. The desire is the rehabilitation and the protection of women and children, who are marginalised, exploited and distressed, through a process of awareness building and self-empowerment.

The objectives of Prajna Counselling Centre are:

1. The protection of women and children’s rights and the sensitisation of the society
2. The emancipation of women and children and the self-empowerment to stand up for their rights
3. The offering of legal and referral services for individuals and families, in particular women, who are suffering from atrocities and injustice
4. The participation of women in social, economic and political affairs
5. The economic empowerment for families and communities
6. Providing family education programmes on child development, adolescent conflicts and problems of teenagers, marriage, parenting, childcare and old age adjustments
7. The improvement of education for school age children in a child friendly learning atmosphere.
8. Providing counselling, treatment and rehabilitation service for chronic alcoholics and drug addicts and the supportive services for the concerned families

9. The improvement of health and providing medical care
10. The training for human resource development and improvement of professional skills
11. The development of national and international network system with similar agencies

3.4.3.1 Self-Help Group Promotion Programme

Prajna has initiated self-help groups to improve the economical understanding and self-empowerment of women. Many families in villages and slum-areas in Dakshina Kannada and Udupi districts live in poverty. Alcoholism in neglected areas is an intense problem and whole communities suffer from that. Husbands spend their income for their addiction and families impoverish.

Prajna Counselling Centre provides assistance to self-help groups for women to upgrade the awareness of resources and the economic substances of families. Women can build their own entrepreneurship like tailor shops or drying and selling fish. Through the results of the credits women are able to invest in education and medical care.

Through self-help groups the democratic understanding of the women improves. Elected representatives share their experiences and scrutinize loans in cluster federation meetings. They send representatives to the apex- body, who decide the allocation of credits. Under the attention of professional social workers the self-empowerment of the women improves. Prajna Counselling Centre provides leadership skill training and educational programs as well as awareness building to encourage women. The focus of Prajna Counselling Centre is the establishment of communities. Through the initiation of cultural programs and different group activities the coherence of the members increases. Through the SHG Promotion program Prajna Counselling Centre initiated 230 self-help groups in rural areas. The SHG Promotion Program is supported by NABARD (National Bank for Agriculture and Rural Development), NESAF (New Entity for Social Action) and HUL (Hindustan Unilever Limited).

In the context of the empowerment and participation program for children and women in South – India supported by KKS (Karl-Kubel Stiftung, Germany), Prajna Counselling Centre established 70 self-help groups in 20 villages and city corporation wards in and around Mangalore.

3.4.4 Commercial Banks - Syndicate Bank

Syndicate bank has been operating as a catalyst of development across the country with particular reference to the common man at the individual level and in rural and semi-urban centres at the regional level. The Bank is well equipped to meet the challenges of the 21st century in the areas of information technology, knowledge and competition. A comprehensive IT plan is put in place and the skills and knowledge of the bank's personnel are upgraded through a variety of training programmes to promote customer delight in every sphere of its activity. The bank has launched an ambitious technology plan called Centralised Banking Solution (CBS) whereby 500 of the strategic branches with their ATMs are being networked nationwide.

3.4.4.1 Background and Inception of the Syndicate Bank

- On November 10, 1925 Business of Bank commenced in a small room with only one employee in Udupi district
- 1928 – First branch was opened at Brahmavara, a village 13 kms away from Udupi
- 1932 – First urban branch was started in Bangalore which became the district headquarters
- 1937 – Bombay branch was started and became member of clearing house
- 1943 – Deposits crossed ` one crore
- 1949 – Celebrated silver jubilee in all its 79 branches spread all over South India
- 1953 – The bank took over the assets and liabilities of two local banks, viz, Maharashtra Apex Bank Ltd and Southern India Apex Bank Ltd
- 1957 – Staff training college came into existence at head office in Manipal of Udupi district
- 1961 – Industrial Finance Department was set up to encourage advances to small industries and entrepreneurs in keeping with the policy of assisting the common man
- 1962 – An innovation in the field of female employment in banking industry was made by opening a series of all women's branches

- 1963 – The name of the bank was shortened from ‘Canara Industrial and Banking Synd Ltd’ to ‘Syndicate Bank Limited’. The head office was shifted to Manipal
- 1969 – Syndicate bank was nationalised along with 13 other big banks. During the same year, a branch at Port Blair in Andaman and Nicobar Island was opened
- 1972 – Started 28 self employment centres to encourage self employment ventures
- 1975 – The bank completed 50 years of it’s service, by then it has grown into a big bank in public sector with deposits exceeding Rs 500 crore
- 1975 – First regional rural bank appropriately called ‘Prathama bank’ was started in Moradabad in Uttar Pradesh
- 1976 – London branch was opened
- 1982 – The first rural development and self employment training institution was set up in Ujire in collaboration with Shree Dharmastala Manjunatheshwara Education Trust and Canara Bank
- 1985 – The diamond jubilee was celebrated when the deposits mobilised exceeded Rs 4000 crore
- 1987 – The in –house computers at head office were upgraded
- 1989 - Credit card scheme was introduced
- 1993 – It established connectivity of SWIFT (Society for Worldwide Interbank Financial Telecommunication Code)
- 1995 – Specialised branches like Asset Recovery Management Branch, Hi-tech Agriculture Branch, Small scale Industry Branch and Housing Finance Branches were opened
- 1996 – First telebanking facility was introduced at South block branch, New Delhi and first ATM was installed at Gandhinagar, Bangalore
- 1998 – Kissan credit card was launched
- 2002 – Centralised Banking Solution under the brand name “Syndicate bank” was launched at Delhi, Mumbai, Bangalore and Manipal
- 2002 - First branch under CBS (Core Banking Solution) started operation at Bangalore

- 2004 – Bank tied up with United India Insurance Co. Ltd for distribution of Non- Life Insurance products
- 2005 – Introduced On-line reservation of Railway tickets through Indian Railway Catering & Tourism Corporation Ltd (IRCTC) for Internet banking customers of the bank
- 2005 – Implementation of Venture Capital Scheme of Small Farmers Agri – business Consortium (SFAC) entered into Memorandum of Understanding with SFAC for promoting investments in Agri – business products
- 2007 – First branch opened in Mizoram in Aizwal
- 2008 – Branch network expanded to all states and Union territories except Manipur

3.4.4.2 Nature of Business carried

Syndicate bank being a major public sector bank in India, is well known for its banking operations that is, it provides various services and products to the customers by means of ATM Debit Card, Credit Card, Internet banking as the services and Retail Credit Scheme, Personal Banking Loan Scheme, Deposit Schemes at Core Banking Services branches and Term deposit scheme as its products. Other than the banking operation it also provides foreign exchange, mercantile banking, insurance banking, general banking and social banking to the various customers in India as well as abroad.

Vision Statement of Syndicate Bank

Vision statement of Syndicate Bank is as follows:

- Consolidating position as a Premier Public sector bank with increased global outreach
- Emerging as a strong, vibrant, responsive competitive bank
- Embracing state of the art technology, harnessing human potential and effective participation in the process of nation building
- Serving its constituents and stakeholders as a faithful and friendly financial partner

Mission Statement of Syndicate Bank

Mission statement of Syndicate bank is as follows:

- To redefine and redevelop people's management technique to unleash human potential and drive growth
- To guarantee highest level of satisfaction to the customer who is the purpose, the stakeholders for their valued interest and the regulators
- To develop leadership of high quality corporate governance via best and sound business practices, enhance the shareholders value and retain the competitive edge through innovation and world class standards of delivery of contemporary services and products
- To rebuild a vibrant and proactive financial institution fully committed to national development

3.4.4.3 Quality Policy of Syndicate Bank

Quality Policy is the general direction and goals of the organisation referring to the quality being officially published by the management. The quality policy provided by the bank is of great excellence. It provides services to the customers especially in the rural areas. Special services are provided to special categories like Kisan Cash Certificate, Small scale industries, Small and medium enterprises, Agriculture and allied activities, Senior citizens of India, Social development like Syndicate Rural Development Trust, Rural Development and Self Employment Training Institute, Synd Vidya and Lead Bank scheme

3.4.4.4 Syndicate Bank's norms for Self Help Groups

Self Help Groups may be organised in a village or a cluster of villages either at the initiative of bank branch managers or by reputed Voluntary Agencies (VAs), or by Non Governmental Organisations (NGOs), or by Self Help Group Promoting Institutions (SHPI). Normally, the promoting VAs / NGOs / SHPIs provide training, extension and support facilities to the group and its members. Group members have to compulsorily save and remit a nominal fixed sum during the regular meeting days. The group carries out its activity through a set of office bearers elected among them. The group will also maintain books of accounts of all transactions. During the meeting, the members' request for financial assistance will be examined. Only the genuine needs of the members will be met out of the group savings in a democratic

manner. The group will collectively decide the terms of lending such as loan amount, interest rate and repayment schedule. The borrowing member will have to execute necessary documents as decided by the group and abide by the rules in respect of repayment of the loan. All the SHGs will be sanctioned only Cash Credit Limit to enable them to deposit their surplus money in the bank as and when they have. However, credit facilities sanctioned to the Self Help Groups under Government Sponsored Schemes, which have back ended subsidy and can be extended. Similarly, term loans can also be extended to those Self Help Groups who undertake group activity.

3.4.5 Bank - Canara Bank

Widely known for its customer centricity, Canara Bank was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. The Bank has gone through the various phases of its growth trajectory over hundred years of its existence. Growth of Canara Bank was phenomenal, especially after the nationalisation in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterised by business diversification for the bank. In June 2006, the bank completed a century of operation in the Indian banking industry. The eventful journey of the bank has been characterised by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks. Canara bank has several firsts to its credit. These include:

- Launching of inter-city ATM network
- Obtaining ISO Certification for a branch
- Articulation of ‘Good Banking’ – Bank’s citizen charter
- Commissioning of exclusive Mahila Banking Branch
- Launching of exclusive subsidiary for IT Consultancy
- Issuing credit card for farmers
- Providing Agricultural Consultancy Services

Over the years, the bank has been scaling up its market position to emerge as a major ‘Financial Conglomerate’ with as many as nine subsidiaries / sponsored institutions / joint ventures in India and abroad. As on September 2016, the bank has further

expanded its domestic presence, with 5860 branches spread across all geographical segments.

Keeping customer convenience at the forefront, the bank provides a wide array of alternative delivery channels that include 10026 ATMs, covering 4081 centres. The bank set up 182 hi-tech E- lounges in selected branches with facilities like ATM, Cash Deposit Kiosk with voice guided system, Cheque deposit kiosk, Self printing passbook kiosk, Internet banking terminal, Online trading terminal and Corporate website access. Several IT initiatives were undertaken. The bank has successfully launched “Canara empower” – Unified payment interface for single platform in accessing multiple bank accounts and “Canara Tech” – support for structured resolution of queries related to tech- products. The bank also launched Canara Bank RuPay Debit card, Canara Club Card – Debit, Canara secured credit card, Canara elite debit card, , Platinum Rupay Card and EMV Chip cards. Online savings bank and PPF account opening were introduced. The bank has made several value additions under internet banking and mobile banking services.

Not just in commercial banking, the bank has also carved a niche in various corporate social responsibilities, namely serving national priorities, promoting rural development and self help groups, enhancing rural self- employment through several training institutes and spearheading financial inclusion objective. Promoting an inclusive growth strategy, which has been formed as the basic plank of national policy agenda today, is in fact deeply rooted in the bank’s founding principles. “A good bank is not only the financial heart of the community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people”. These insightful words of the founder of the bank continue to resonate even today in serving the society with a purpose.

According to a report published on February 23, 2012 (The hindubusinessline.com), Canara Bank is bullish in lending to women self-help groups and in contributing to the cause of women’s empowerment. This is also a good business as the recovery rate is excellent, according to Mr S Raman, the then Chairman and Managing Director of Canara Bank.

The bank has lent more than Rs 1,000 crore to the SHGs of women in the country and that Andhra Pradesh in particular is in the forefront. It is a sort of silent revolution and

it is not confined to one part of the country. Credit linkage was given to 1,600 self help groups and the credit disbursed was Rs 30 crore. The bank has formed 37,236 self-help groups and financed them.

The then Chairman, Mr Raman said that the recovery rate was excellent in the range of 95-100 percent. He also dismissed the criticism that SHGs were only using the credit given to pay off the money they had taken from private money-lenders, and that it was not being used for any income generating activities. It may be true to some extent. Even if it is true, there is no need to discount the importance of the programme. After all, women are making good use of cheap bank credit to pay off the costly private loans. But in fact many SHGs are putting it to productive use, he explained. He said that 16% of the total credit given by the bank was sanctioned to the women and the percentage would go up in future. The bank is making concerted effort to bring down the NPAs which are at 1.41% net.

3.4.5.1 Canara Bank's norms for Self Help Groups

The objective of Self Help Groups is to inculcate the habit of thrift, banking culture in availing loans for productive purposes, repaying the same over a period of time and in the process to gain the economic prosperity through loan or credit. To become eligible to avail loan from Canara Bank, Self Help Groups have to fulfil the following norms:

- The group should have been in active existence for atleast a period of six months
- The group should have successfully undertaken savings and credit operations out of it's own resources
- Democratic working of the group, wherein all members feel that they have a say should be evident
- The group should be maintaining proper accounts and records
- The branch should be convinced that the group has not come into existence only for the sake of participation in the project and availing benefits there under. There should be a genuine need to help each other and work together
- The SHG members should preferably have homogenous background and interests
- The interest of the NGO or the Self Help Group Promoting Institution (SHPI) concerned, if any, in the group must be evident and the agency is helping the

SHGs by way of training and other support for skill up gradation and proper functioning

In addition to the criteria mentioned above, following criteria should be followed:

- a. Village Panchayat leaders should not normally be the office bearers or leaders of the Self Help Group
- b. There should not be any interference from local authorities
- c. Satisfactory internal savings and credit activity for at least 6 months
- d. Proper book keeping and procedures for lending and savings

If any of these criteria are not met, steps should be taken to improve the situation by training, by arranging visits to well working Self Help Groups, etc, if necessary, with the assistance of an NGO / NABARD / Bank. It would be prudent to select SHGs only from a compact and smaller geographical area so as to provide effective guidance and exercise proper supervision. Branches may be required to provide training to members of Self Help Group in book keeping, financial management, income generating activities etc. No credit be extended to SHG without training or before ensuring that its members have the necessary capability to participate in the Self Help Group.

Repayment period: a.) Cash credit limit shall be sanctioned to Self Help Groups tenable for five years. Hence, only the interest shall be payable on a monthly basis as and when debited. b.) The SHG would be free to prescribe appropriate repayment period and terms for loans to its members as determined by the group.

3.5 Conclusion

In this chapter, the researcher has presented the profile of Dakshina Kannada and Udupi districts and also about the profile of loan lending institutions of SHG-Bank Linkage Programme and microfinance in the study regions. Dakshina Kannada district is spread over a geographical area of 4,560 sq kms and has population of 20,83,625, of which 10,32,577 were male and 10,51,048 were female. Udupi district is spread over a geographical area of 3,565 sq kms and has population of 11,09,494, of which, 5,21,541 were male and 5,87,953 were female. The two districts namely Dakshina Kannada and Udupi are well developed districts of Karnataka state in terms of education, banking, health, transportation and communication. Besides, the

districts have the unique distinction of being the birth place of four major nationalised banks like Canara bank, Vijaya bank, Corporation bank and Syndicate bank.

The five facilitators selected for the present study fall under three different types of models of linkage operational in India, namely Microfinance institution, NGOs and Banks. SKDRDP, a microfinance institution is being a pioneer in the field of development with a membership of more than 17 lakh, of which majority are woman, is working for the empowerment of women through its various initiatives. The project has earned the unique distinction of being one of the best and most integrated and successful programs in the field of poverty alleviation and rural development. Navodaya, is an NGO floated by the SCDCC bank. In order to give undivided attention to rural credit and rural development projects the Bank took a pioneering step in introducing Navodaya Self Help Group Scheme. Prajna Counselling Centre, is also an NGO involved in the promotion and credit linkage of Self Help Groups with regular guidance. Canara bank and Syndicate bank are the two banks considered for the study, which help in providing loans and other services to the self help groups.

CHAPTER IV

Self Help Group – Bank Linkage Programme and Microfinance to Rural Women Enterprises – An Overview

CHAPTER IV

SELF HELP GROUP – BANK LINKAGE PROGRAMME AND MICRO FINANCE TO RURAL WOMEN ENTERPRISES – AN OVERVIEW

Self Help Group is a confluence of individuals who face a particular matter of distress, who assist one another and act jointly to overcome the issues bothering them. Mass education, combined effort, information sharing are some of the activities undertaken by the group.

Self Help Group (SHG) is a self-ruled, group disciplined, compact and non-formal linking of the impoverished, specially from socio-economically congruent households, who are sorted around retainment of earnings and loan operation. The retained earnings accumulated by all of it's members once in a week or once in fifteen days, act as a source of finance for loan lending activities. The various issues pertaining to the community, investigative answers to problems, sharing of information, perserverance to upgrade their health facilities and educative skills are the various matters discussed in the meetings.

Self Help Groups are not non-profit organisations or section oriented groups. They are built and managed by the people associated with it. The members of the group are not self- motivated people. Their services are generally not paid, but members help each other for their own betterment. The help and contribution of the members are reciprocal. The command domain of the self – subsistent, give – and – take aided groups is involvemental, native, local and based on the knowledge that emerge from the collaborative endeavours of members facing various issues. Self Help Groups grow on the power of it's people.

4.1 Historical Development of Rural Credit System in India¹

Inorder to support the agricultural sector of our country, the Co-operative Societies Act in 1904 was institutionalised in the initial 10 years of previous 20th century. Although, India experienced remarkable development of the commercial banks, their contribution towards rural banking was very small until mid-sixties. After the implementation of social monitoring on banks in 1967 by the Government of India and also the acclimitization of majority of commercial banks in 1969, banks were commanded to participate in rural banking. With the goal to foster rural economic

upliftment of the impoverished, weaker sections of the society, the Regional Rural Banks were established. NABARD was launched in 1981. Financing of rural poor plays a vital role in the growth of Indian economy as majority of India's people live in the villages. Regional Rural Banks, commercial banks, regulated co-operative organisations have been supporting in continuous substantiation of the rural financial system through their performance in rural sector.

In spite of the diverse modes used for delivering rural finance, certain integral procedures viz., authorization, limited working time, quantum of loan, motive behind the loan taken and contiguousness have been certain obstacles in financing the rural poor. Still, there is a continuous misuse of the rural poor by the indigenous loan lenders. The percentage of small and average businessmen having the reach to regulated financial system is just 2% of the 500 million such entrepreneurs. There is a serious requirement to help the financial needs of the poor. Hence, they have developed a new perspective to help the rural poor called "SELF HELP GROUP FINANCING". The indigenous loan lenders have conquered the credit market in India. Self help group financing is a newly developed theory. Self Help Group – a class of impoverished rural people generally consisting of mainly rural women, small marginal farmers, rural artisans and other small business people orderly assembled themselves to attain socio-economic upliftment by bringing together their own available resources first and then connecting with the banks later with the assistance of Non-Governmental Organisations.

4.2 Self Help Groups - SHGs²

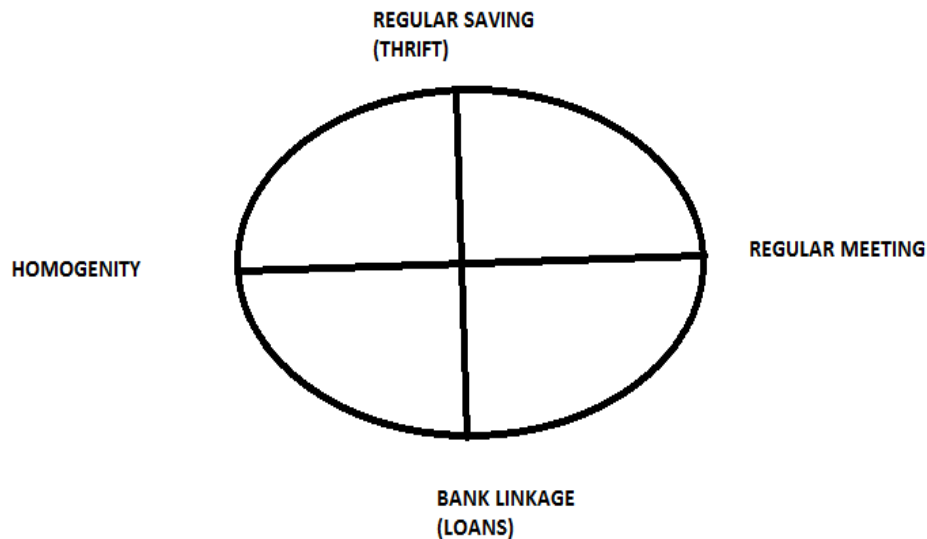
NABARD (1997) defines SHGs as "small, economically homogenous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per the group members' decision." Majority of Self help groups in India consist of 10 to 20 members', who are either female or male members or youth or a combination of all of these. Women self help groups are very widely supported and aided by a large number of governmental and non-governmental organisations, which constitute to 90% of all the self help groups. Because of social restrictions, responsibilities and barriers, the women in India do not have equal opportunity to go to work place like men. Hence, there is a serious need to enhance

the employment and income generating paths that are agreeable with their role in family care.

Self-help groups are usually non - formal groups where members put in their savings as a prudent deposit. Identical needs and working towards group activity are the major features of this group. Majority of the groups set up particular activities, encourage them to retain their savings and utilise the combined resources to satisfy the different financial needs of the members. If the savings are inadequate in the beginning of the formation of the group, the external funding is resorted. Hence, Self help groups have been able to make the members of the group bank friendly by cost effective and flexible banking method. Self help groups have also established independent features of operation.

The proclivity of the members and those helping in their establishment widely influence the rules and regulations of the self help group. A basic feature of the groups is that inorder to pool the savings from members they connect with each other regularly i.e. once a week or fortnightly, make a decision on whom the loan is to be given, discuss combined activities and to solve any issues that arise in the group. The managing team of the self help group consist of an elected chairperson, treasurer, a deputy and other officers. The loan granted is used for both household and entrepreneurial purposes. As socio – economic status largely influence the loan requirement of the poor, where it is difficult to distinguish between household and entrepreneurial purpose, it is challenging to apply the basic banking method in granting loans.

4.2.1 Characteristics of a Self Help Group



Source: Swadeshi Jagaran Foundation and National Commission for Women, New Delhi (2004), “Effectiveness of Women Self Help Groups in Micro Enterprise Development in Rajasthan and Tamil Nadu”, Research Study, pp 34

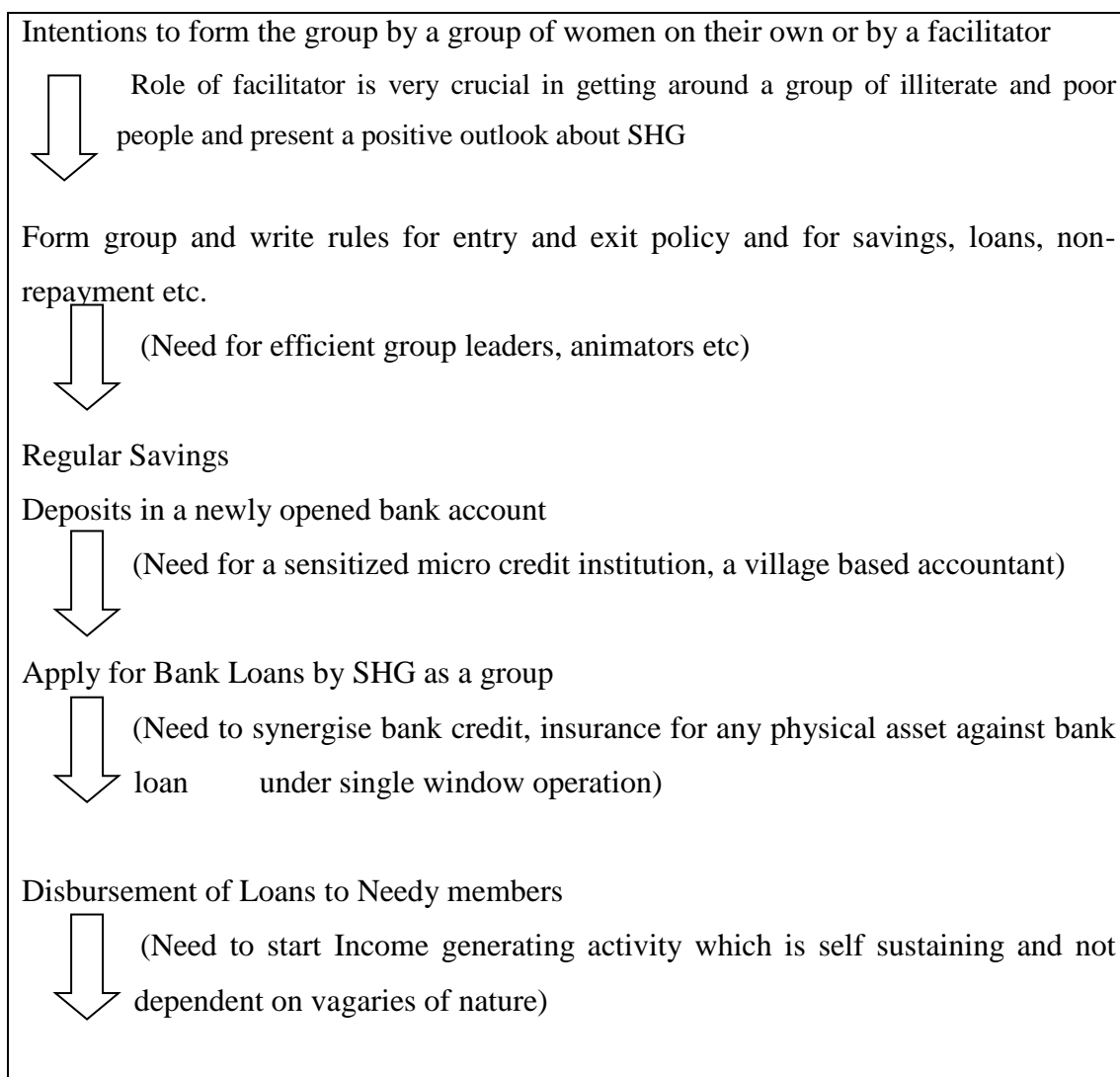
Homogeneity refers to sharing similarities: similarity of gender and caste. In most cases, it was homogeneity of gender, at times a particular section, handicapped, comes around to form group, at others women at particular caste form their groups.

The second most characteristic of the group is regular saving by the group members and formulating a set of guidelines to regulate these savings. These rules are as follows:

- Rules about entry and exit policy: About entry, the person should be above 18; should be usually from an economically backward class (but this is not mandatory)
- Rules about regular saving and meetings, etc.

The third most important characteristics is the linkage with lending institutions. Unlike the formal banking mechanism, banks do not ask for collateral while granting loan to SHGs.

4.2.2 Flowchart Showing the Formation of an SHG



Source: Swadeshi Jagaran Foundation and National Commission for Women, New Delhi (2004), “Effectiveness of Women Self Help Groups in Micro Enterprise Development in Rajasthan and Tamil Nadu”, Research Study, pp 35

4.2.3 Linking Self Help Groups to Banks³

Soon after an SHG is formed and one or more meetings are held where the savings are collected, a savings bank account can be opened in the name of the SHG.

The following steps explain how self help groups are linked to banks:

Step 1 – Opening of Savings Bank account for the Self Help Group- The Reserve Bank of India has issued instructions to all commercial banks and regional rural banks, permitting them to open Savings Bank accounts of registered or unregistered Self Help Groups.

Savings Bank account in the name of Self Help Group could be opened after obtaining from the group the following documents:

- Resolution from the Self Help Group: The Self Help Group has to pass a resolution in the group meeting, signed by all members, indicating their decision to open Savings Bank account with the bank. This resolution should be filed with the bank.
- Authorisation from the Self Help Group: The Self Help Group should authorise at least three members, of whom any two, to jointly operate their account. The resolution along with the filled in application form duly introduced by the promoter may be filed with the bank branch.
- Copy of the rules and regulations of the Self Help Group: This is not mandatory. If the group has not formulated any such rules or regulations, savings bank account can be opened and loans can be sanctioned without them.

A savings bank account pass book may be issued to the Self Help Group. This should be in the name of the Self Help Group and not in the name of any individual.

Step 2 – Internal lending by the Self Help Group

- After saving for a minimum period of 2 to 3 months, the common savings fund should be used by the Self Help Group for lending to its members.
- The purpose, terms and conditions for lending to its members, rate of interest etc., may be decided by the group through discussions in its meeting. (RBI and NABARD have permitted the members to decide on these aspects). This interest is usually kept as 2 or 3 rupees per hundred rupees per month. The interest per month is better understood in villages, than annual interest.
- Simple and clear books of accounts of savings and lending should be kept by the Self Help Group.

Through internal lending, the members of the Self Help Group will learn to properly manage, utilise and repay their Self Help Group loans. This will be of help when they later borrow from the bank.

Step 3 – Assessment of Self Help Groups

Assessment of Self Help Groups is required to know whether the Self Help Group has been functioning well.

The following check list is helpful to assess the performance of each Self Help Group in a simple but effective manner:

Table 4.1 Check list to assess the performance of a self help group

Sl.No	Factors to be checked	Very Good	Good	Unsatisfactory
1	Group size	15 to 20	10 to 15	Less than 10
2	Type of members	Only very poor members	2 or 3 not very poor members	Many are not poor members
3	Number of meetings	Four meetings in a month	Two meetings in a month	Less than two meetings in a month
4	Timings of meetings	Night or after 6 p.m.	Morning between 7 and 9 p.m.	Other timings
5	Attendance of members	More than 90%	70% to 90%	Less than 70%
6	Participation of members	Very high level of participation	Medium level of participation	Low level of participation
7	Savings collection within the group	Four times a month	Three times a month	Less than three times a month
8	Amount to be saved	Fixed amount	Varying amounts	-
9	Interest on internal loan	Depending upon the purpose	24% to 36%	More than 36%
10	Utilisation of savings amount by SHG	Fully used for loaning to members	Partly used for loaning	Poor utilisation
11	Loan recoveries	More than 90%	70 to 90%	Less than 70%
12	Maintenance of books	All books are regularly maintained and updated	Most important registers (minutes, savings, loans, etc. are updated)	Irregular in maintaining and updating books
13	Accumulated savings	More than Rs 5000/-	Rs 3000 – 5000/-	Less than Rs 3000/-

14	Knowledge of the rules of the SHG	Known to all	-	Not known to all
15	Education level	More than 20 percent of members can read and write	-	Less than 20 percent know to read and write
16	Knowledge of Govt. Programs	All are aware of Govt. Programs	Most of the members know about Govt. Programs	No one knows

Source: A Handbook on Forming Self-Help Groups, a MicroCredit Innovations Department, NABARD, Mumbai, 2011, pp 18

1. SHGs with 12 to 16 “very good” factors can get loans immediately
2. SHGs with 10 to 12 “very good” factors – need 3 to 6 months’ time to improve, before loan is given
3. SHGs with rating of less than 10 “very good” factors will not be considered for loan

Step 4 – Sanction of Credit Facility to the SHG

- The loan is always sanctioned and issued in the name of the group (Not in the name of the individual members)
- The amount of loan to the SHG can be to the tune of 1 to 4 times of its savings
- The savings of the group constitutes
 - ✓ The group’s balance in the savings bank account
 - ✓ Amount held as cash with the authorised persons
 - ✓ Amount internally lent amongst the members
 - ✓ Amount received as interest on the loans
 - ✓ Any other contributions received by the group like grants, donation, etc.

- Purpose of loan can by the SHG

Loan may be granted by the SHG for various purposes to its members. The bank does not decide the purposes for which the SHG give loans to its members. The purpose can be emergency needs like illness in the family, marriage, etc. or acquisition of assets for income generation. The group will decide and decide about the purpose for which loans can be given to its individual members.

- Repayment of loan
The SHG makes the repayment to the bank. The group is collectively responsible for the repayment of the loan
- Collateral security for the bank
RBI/NABARD rules stipulate that no collateral security should be taken from SHGs by banks.
Collateral security is not necessary for the loans sanctioned to SHGs because:
 - ✓ The members of SHGs know that the bank loan is their own money like savings
 - ✓ They are aware that they are jointly responsible for the repayment
 - ✓ Therefore, they exert moral pressure on the borrowing members for repayment
 - ✓ Because of this, the bank gets a much better repayment from the SHG
 - ✓ Bank cannot hold the SB A/c balance of the SHG as a security as this will prevent the SHG from lending out of its internal savings
- Rate of interest to be charged for the loans granted to SHG by the bank
 - ✓ The Reserve Bank of India has allowed the freedom to banks to decide on the interest rates to be charged on the loans to SHGs
 - ✓ The rate of interest to be charged by the group to its members should be left to the group
- List of documents required by banks for lending to SHGs
 - ✓ Inter – se Agreement to be executed by all members of the Self Help Group. This is an agreement by the members of the SHG with the bank, authorising a minimum of three members to operate the group's account with the bank
 - ✓ Application to be submitted by SHG to bank branch while applying for loan assistance. This includes details of the purposes for which the SHG gives loan to its members
 - ✓ Articles of Agreement for use by the bank while financing SHGs. This contains the duly stamped agreement between the bank and the SHG wherein both the parties agree to abide by the terms and conditions set thereon.

The group members are collectively responsible for the repayment of loans to the bank. Under no circumstance, the SHG should allow any of its members to default to the bank.

SHGs have another very important role to play particularly in the transfer of technology to user group population. It has been found by the members of SHGs that SHGs offer them organisational base, large resources, and access to modern technology leading to employment and income generation. Thus, SHG movement among the rural poor in different parts of the country is emerging as a very reliable and efficient mode for technology transfer.

However, it is strongly felt that the pace of transfer and popularization of technologies must be accelerated so that even the small farmer can benefit from new technologies.

4.3 Evolution of Microfinance in India

In India, there are at least three official second tier institutions, which on-lend to specialist MFIs. However, none of them impose rigorous performance and reporting standards. The second tier institution with the largest lending program is Rashtriya Mahila Koch (RMK). For a partner organisation to borrow from RMK, it should have at least three years experience in thrift and credit administration, a 90 percent recovery performance during the past three years (in practice, RMK generally accepts a recovery rate in the range of 80 to 90 percent), satisfactory funds management and financial performance, and a good track record of work in the socioeconomic field. These requirements are all quite general in nature. There are also a number of requirements relating to loans by the partner organisations to individual borrowers. Further, partner organisations are supposed to maintain 10 percent of the loan provided by RMK as reserves, but this is not strictly enforced. The performance and reporting standards imposed by two other significant second tier institutions, the Small Industries Development Bank of India (SIDBI) and the National Bank for Agriculture and Rural Development (NABARD) are even less specific than those imposed by RMK and do not provide a basis for monitoring the financial performance of the NGO.

As a part of its mandate, NABARD initiated certain research projects on SHGs as a channel for delivery of micro-finance in the late eighties. Amongst these, the project

sponsored by the Mysore Resettlement and Development Agency (MYRADA) on “Savings and Credit Management of SHGs” was partially funded by NABARD in 1986-87. In 1988-89, in collaboration with some of the member institutions of the Asia Pacific Rural and Agricultural Credit Association (APRACA), NABARD undertook a survey of 43 nongovernmental organisations (NGOs) in 11 states in India, to study the functioning of microfinance, SHGs and their collaboration possibilities with the formal banking system (NABARD, 1991). Both these research projects produced encouraging possibilities, and NABARD initiated the pilot project called the SHG linkage project in 1992. NABARD also held extensive consultations with the Reserve Bank of India. This resulted in issuing a policy circular to all commercial banks to participate and extend finance to SHGs (RBI, 1991). NABARD also issued a broad set of flexible guidelines in February 1992 (NABARD, 1992) to the formal rural banking system, explaining the project’s modalities. The project was extended to the regional rural banks and cooperative banks, in addition to the commercial banks in 1993.

4.3.1 Origin of SHGs in India⁴

- In 1976, Prof. Mohammed Yunus of Bangladesh started women’s groups in Bangladesh and developed thrift and savings among the poorest. Now it has developed into a bank named Bangladesh Grameen Bank. Its report in February 1998 stated that the bank had 1138 branches and covered 39572 villages. It had 2367503 members of which only 124571 were men. The bank has disbursed a cumulative amount of US \$ 2714.61 Million whereas the savings of the members has reached US \$ 202.73 million.
- With the success of Bangladesh Grameen Bank and similar organisations elsewhere, the concept of micro credit has gained momentum in India. Based on this success story many Non-Governmental Organisations (NGO) in our country are involved in organising SHGs and they serve as an agent between the bank and the poor.
- Self Help Groups (SHGs) play today a major role in poverty alleviation in Rural India. A growing number of poor people (mostly women) in various parts of India are members of SHGs and actively engage in savings and credit, as well as in other activities (income generation, natural resources management, literacy, child care and nutrition, etc.) The savings and credit

focus in the Self Help Group is the most prominent element and offers a chance to create some control over capital, although in very small amounts. The SHG system has proven to be very relevant and effective in offering women the possibility to break gradually away from exploitation and isolation.

- In our country the pioneer in this field is Self-Employed Women's Association (SEWA). Without the Grameen model, SEWA was started in 1972. Though started as a trade union for women in the unorganised sector, today SEWA boasts of running the First Women's Bank in the country. By the year 2013, SEWA had a membership of 209250. The SEWA Bank had 87263 depositors and 41757 borrowers whose loan outstanding was Rs 887 lakhs as on March 2012. SEWA has also networked many co-operatives and emerged as the largest federation of co-operatives in the country.
- In Southern India, organisations like PRADAN, MYRADA, ASSEEFA, MALAR etc have entered into this rural credit system. PRADAN has a membership of 7000 women who have availed 40000 loans amounting \$ 600000 as on March 1997. MYRADA had 62769 members who saved Rs 48 lakhs and availed loan to the tune of Rs 2.90 crores. MALAR has a membership of 15000 women who have saved Rs 86 lakhs and availed loan to the tune of Rs 2.23 crores.
- MALAR has emerged as a new self-reliant model for our nation. An offshoot of the Total Literacy Campaign in Kanyakumari District, MALAR has emerged as an organisation of poor women who share the interest income to sustain a full time structure, office and training schedule. This had kindled a new hope. Already 10 districts in Tamilnadu have undergone training at MALAR and started similar organisations for micro-credit.
- Revamping of the rural credit system has already started. The banks, Regional Rural Banks, Co-operatives and SHGs linked with Non-Governmental Organisations (NGOs) have a major role to play. There is need for closer study to support the system, so that the country can eradicate poverty at least in the beginning of the next millennium. NABARD introduced a Pilot Programme for starting and lending to SHGs in 1992 based on the experience of Bangladesh Grameen Bank and MYRADA. Now seeing the success in repayment many banks are eager to lend to SHGs and because of the pressure from Government, NABARD has started giving targets to banks.

- NABARD also provides training support, Grant cum aid support for micro credit under its different schemes. SIDBI has entered this field late but now SIDBI has formed a Micro-credit foundation, which gives loans to NGOs after rating them by an external agency. The minimum loan is Rs 50 lakhs and it is used only for micro enterprises.
- Rashtriya Mahila Kosh – An organisation promoted by Government of India has also gives direct loans to NGO'S for lending with incentives for proper repayment. All banks including co-operative banks and private banks lend to SHGs based on their savings at the ratio of 1:1 initially and this can go upto 1:4. Suddenly, World Bank and IMF have found a way to reach the poor through NGOs and they see this opportunity to reduce poverty and also to prevent the poor from agitation because of the ill effects of the economic policies.
- The Government of India under the guidance of IMF and World Bank has launched schemes known as Swarnajayanthi Gram Swarozghar Yojana (SGSY) and Swarnajayanthi Sahakari Swa Rozhar Yojana (SJSRY)
The former is for Gram Panchayats and the latter for Town Panchayats, Municipalities and Corporations. According to this scheme, the Panchayats will select the good group with assistance from Block Development Officer, Bank and NGOs and provide Rs 10,000/- as revolving fund-free of interest and then banks will provide loan to the group based on the performance. There is an individual subsidy of 30% for those who run individual enterprises and 50% subsidy for Group enterprises. After the introduction of this scheme NGOs and panchayats are forming groups or trying to get control of the groups and funds. The scheme has a trap. If the repayment under the scheme is less than 70% in a Panchayat, nobody will get loan in this panchayat.
- After the micro credit summit held at Washington World Bank, IMF and many foreign funding agencies have directed their projects towards micro-credit. Now Government of India has also directed Council for Advancement of People's Action and Rural Technology (CAPART) and other funding agencies to focus on micro credit because of which all NGOs are running after people for SHGs so that they can get funds. Thus, a slow and steady SHG movement started during 1990s in India truly representing the concerns of the poorest of the poor.

In developing microfinance in India, especially through the SHGs, a major role is that of the promotional institutions. Several Self Help Promotion Institutions (SHPIs) have come to force since the beginning of the last decade. In India, the promotional institutions are basically of three types: 1.) Government 2.)Banks and 3.)NGOs. These institutions have over a period of time developed systems and practices, some of which can be emulated as best practices and some others should be learning points of caution.

4.4 Self Help Group Promoting Institutions (SHPI)

Self Help Group Promoting Institutions is a programme which attempts to work for promoting and enabling credit linkage of the Self Help Groups and also ensure loan repayment through the Self Help Group Promotional Institutes. These institutes also promote and facilitate credit linkage of Self Help Groups with banks and provide continuous support.

4.4.1 Government as a Self Help Group Promotional Institution (SHPI) ⁵

As in all developing countries, in India development was considered to be the government's responsibility and it started several subsidy-linked credit programs where it had a major role right from the stage of identifying the borrowers to the disbursement of credit and subsidy. The results of these programs were not positive. Experience has shown that the non-involvement of the people has led to an attitude of total dependence on administrative efforts. This was especially true in credit programs for the rural poor. To overcome this, government started adopting participatory approaches to rural development, particularly the SHG approach. The entry of the government into the self-help group movement was through the Rashtriya Mahila Kosh, which started funding NGOs for forming and nurturing SHGs. Later, the Indira Mahila Yojana came into existence, which also facilitated the group formation and nurturing process. Few states like Andhra Pradesh, Maharashtra, Karnataka and Tamilnadu have taken very successful initiatives in this regard.

In India, a number of micro-credit schemes have been introduced, first in the form of cooperatives and later in the form of loan melas for rural financing. Targeting women-specific programmes, however, started much later mainly by NGOs such as SEWA, PRADAN, MYRADA etc. The Government later entered this arena through Rashtriya Mahila Kosh, Indira Mahila Yojana, Support to Training and Employment

Programme (STEP) and through NABARD. Of late, the Rural Women's Development and Empowerment Project known as 'Swashakti' has reached a take off stage in nine states by involving NGOs fully for delivery of various components of the Project leading to holistic empowerment of women, by making them stakeholders along with the State Government Departments, Banks and beneficiaries.

There has also been a significant shift in the manner of funding the schemes. The Micro – Credit Rating International Ltd (M-CRIL) in a study found that micro-finance had started to shift from being almost exclusively donor funded to being significantly financed through debts. Loan funds were sourced increasingly from apex level NGOs and developmental banks like NABARD and SIDBI, cooperative banks such as SEWA and even commercial banks. The Reserve Bank for example has been actively intervening to ensure that development banks and commercial banks play an active role in financing the SHGs and small micro-enterprises without demanding collateral and without putting the women's group through banking loans and such other bureaucratic red-tapism.

The Government promoted SHGs through the following programmes in various parts of India to strengthen SHG movement-

4.4.1.1 Development of Women and Children in Rural Areas (DWCRA)

Groups with a maximum membership of 15 women are formed by the Department of Rural Development under the Development of Women and Children in Rural Areas (DWCRA) scheme. Thrift is used as an important point for entry and micro financing among members. The scheme focuses on organisation of women into groups to foster a collective approach to their problems and to enhance their bargaining power. These organised women pull many of the Government programmes into their respective villages for their benefit. Under DWCRA Rs 25,000 is provided to the group as lump sum grant. The members can use it collectively or share it on prorata basis and can be used for any income generating activity. DWCRA recognizes that thrift and credit is essential for improving livelihood. Members are encouraged to save their money as a common fund. Training in leadership, attitudinal changes, skills for income generation is an integral part of the DWCRA scheme.

4.4.1.2 Swarnajayanthi Gram Swarozgar Yojana (SGSY) scheme

Swarnajayanthi Gram Swarozgar Yojana (SGSY) is a modified version of IRDP with a focus on group approach. Cost of group formation and development is met from SGSY funds amounting to Rs 10,000 per group over a period of 3-4 years. Process approach and social mobilisation with minimum of 50% of women groups are salient features of SHGs approaches. Grading of groups is done once in six months to ascertain their status of performance. Assistance for economic activities is given through bank loan-cum-scheme subsidy to individuals in groups as well as to groups.

4.4.1.3 Anganwadi Groups

These groups are formed by the Department of Women and Welfare at the habitation level for implementing health, nutrition and literacy programmes for women. Microfinance is extended to the members for taking up income generating activities as individual or as group enterprises.

4.4.1.4 Joint Forest Management Groups

Village communities in notified forest areas are formed into Vana Samrakshana Samithis (VSS) to conserve forest wealth. Social mobilisation through the SHG route is being achieved under this programme. Village communities are exhorted to take up alternative income generating activities.

4.4.1.5 Watershed Management Groups

Farmers in the watershed areas are formed into groups for implementing improved techniques of watershed development with the intervention of a facilitating agency, normally an NGO. While on-farm development activities are funded through grant support, these groups are also encouraged to take up microfinance, with thrift as an entry point activity.

4.4.1.6 Rashtriya Mahila Kosh Groups (RMK groups)

These are groups formed by NGOs and funded by RMK, a fund set up by the Government of India for associating women to undertake income-generating activities. Credit is extended to individual women in the group mode.

4.4.1.7 Microfinance Programmes of CAPART

The Council for Advancement of People's Action and Rural Technology (CAPART) was set up by the Ministry of Rural Development, Government of India, to fund

voluntary organizations and community based organizations engaged in serving rural areas. CAPART occupies a significant space in shaping the development innovations of NGOs and catalysing development initiatives to reach the poor.

The main objectives of the scheme are:

- To fund Voluntary Organisations and Community Based Organisations already working with self help groups to extend their reach to new areas and improve the quality of existing groups.
- To extend training support to potential Voluntary Organisations and registered Community Based Organisations which are desirous of working in the area of microfinance and self help groups.
- To identify and support Voluntary Organisations and registered Community Based Organisations having outstanding experience in formation of SHGs and microfinance which would act as resource centres. The unit cost for the promotion of groups is worked out to a maximum of Rs 9000/- per group, which excludes expenditure for a 3- year project cycle.
- To fund Rs 10,000/- per SHG without interest, where bank linkages are not available as revolving fund.
- To finance up to Rs 2.0 Lakhs as bridge funds for a federation of over 100 active SHGs.

4.4.1.8 Swa-Shakti project (Assisted by IFAD & World Bank)

This is rural women's development and empowerment project encompassing six important states of Bihar, Gujarat, Haryana, Madhya Pradesh and Uttar Pradesh with a central project support unit in the Department of Women & Child Development of the Government of India to facilitate the implementation of the project

The broad components of the scheme are as follows:

- Institutional capacity building for women's development
The scheme assists in the promotion of women SHGs, cluster associations and capacity building
- Supporting mechanism for income generating activities
The scheme helps in the mobilisation of investment funds, provision of business management and technical support services

It provides mechanism to access social programmes and leverage funds for community asset creation

It assists in improving women's access to social services such as health and child care

It helps to create and improve community assets such as drinking water, sanitation and day care centres

- Provide effective project management systems

It strengthens the capacity of central and state level agencies to manage

4.4.1.9 Kudumbashree Project

The project is launched by the Government of Kerala with the active support of the Government of India and NABARD for wiping out absolute poverty from the state within a period of 10 years. This project aims at combining the self help group approach with demand led convergence of available services and resources to tackle the multiple dimension and manifestation of poverty holistically. The project is implemented through Community Based Organisations. This project is based on the successful experience of the Alapuzha model (a district of Kerala) of poverty alleviation with community participation, which won the UN Award at the 50th Anniversary of UN at New York in 1995. Kudumbashree aims at

- Empowerment of women through community based organisations
- Formation of informal banks for the poor
- Promotion of micro enterprises and establishment of rural marketing networks
- Striving for convergent community action

4.4.1.10 District Poverty Initiatives Project (VELUGU)

This project is being implemented in Andhra Pradesh with the aid of World Bank. The project aims to organise the poorest of the poor in selected districts through convergence of resources. The project has components of organisation capacity building, linkages and capital support. The project envisages "common interest groups" to focus on accelerated progress in poverty alleviation. Common Interest Group members, mostly drawn from existing groups, are motivated to take up economic activities and community welfare programmes through the provision of revolving fund of Rs 20,000/- called common investment fund.

4.4.1.11 Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)

SJSRY is an anti-poverty programme launched by the Government of India for eradicating absolute poverty from urban areas. The community development structure provides the channel for the delivery system of the scheme. The scheme has two sub components – Urban Self Employment Programme (USEP) and Development of Women and Children in Urban Area (DWCUA). DWCUA helps urban poor women in setting up gainful employment through group activity.

4.4.2 Banks as a Self Help Group Promotional Institution⁶

Among the formal institutions, next to government, banks play a major role as self help group promotion institutions in India. For several years, since the nationalisation of the commercial banks, there has been a commitment at the highest policy levels, towards improving access to financial services for the poor. Several policy measures have also been in force to ensure this, such as allocation of committed bank funds to small loans (priority sector lending), subsidized interest rates (ranging from 4% to 10%) on micro loans, and the opening of small rural bank branches. Hence, the mainstream banking system in India has always been involved in microfinance as a special area of their operation. At the operational level, this policy commitment has been implemented usually by linking bank credit to a targeted program of the Government of India. The Integrated Rural Development Program (IRDP) was a typical example. Based on this program, several projects of the Government of India have had strong microfinance components either through the banks or through government established financial institutions. A further institutional focus was given to rural lending through small loans by establishing the regional rural banks in 1975.

The SHG linkage program is located in this national policy and institutional context, where there is a vast network of primary lending institutions to deliver microfinance on the one hand, and an apex national level institution, namely NABARD, to provide policy support and refinance on the other.

Banks have been slow in entering the field of microfinance from the angle of both promoter as well as lender. In general, banking institutions have considered the formation and promotion of SHGs as an activity which is strictly for voluntary agencies or non governmental organisations and not for mainstream commercial bankers. But the problem in India is that well- intentioned NGOs, which can take up

these activities, are confined to relatively smaller pockets of the country. If banks see a new opportunity and a new market in microfinance they cannot always expect a ready-made institution to absorb their lending portfolio. It may be necessary for banks to take up the work of forming and promoting SHGs on their own if they view it as a portfolio market and a profitable business opportunity. Several banks, especially Regional Rural Banks (RRBs), have done pioneering work in forming, promoting and later financing SHGs.

In this method, the role of mobilising and forming the SHG is taken up by the bank branch itself. There is no NGO facilitation. Although this model is not common, many banks have shown interest in forming SHGs by themselves. However, this alternative is fairly unique, as banks do not usually go into social mobilisation roles. Irrespective of the quality of the SHGs formed, the weaknesses of this alternative are obvious. The core competency of a banker is financing and not SHG formation. Even if the SHG formed is for the limited purpose of fund rotation, substantial effort has to be made to form SHGs. Further SHGs formed only for receiving external funds may not be sustainable. The advantage of this alternative, however, is that it exposes the banker to social realities firsthand. Also, in all the places where NGOs are not operating, some mechanism needs to be found to improve access to microfinance.

4.4.2.1 Self Help Group Bank Linkage – The Indian Experience⁷

In India, during the past poverty alleviation programmes have been started by the Government and various voluntary institutions. In spite of these steps taken, there was no much change in the volume of poverty. Although, there was an extensive coverage, the formal financial sector has had a less impact on lending to the poor. Over its entire existence, the formal regulated rural financial system in India has put in efforts to meet the twin objectives of awareness and financial performance. Because of this, there was a need to implement the concept of financial intermediaries which is cost saving for the banks and convenient for the poor. This way, the poor could link to the banks in an effective way and the banks could also benefit by rural banking. The task, therefore, was to connect a huge number of financially weaker sections of the society to the formal regulated banking system in a most budget friendly and high-efficiency manner.

India faced repayment crisis in the beginning of 1990. In 1991, with the support of International Monetary Fund, India went into liberalisation of economy. Liberalisation had an significant relevance on the economic sector; banks which were financially weak, had to tackle with the problem of making profit, meeting their prudential needs along with coping up with private and foreign banks in a new liberalised environment. At this time, the rural banking system required a new approach that could follow syatematization of the methods, rules and policy and consequently scale up returns. At this time, majority of Asian neighbouring countries like Thailand, Bangladesh, Indonesia, Sri Lanka, Bolivia, Cambodia and Chile were successfully implementing the new microfinance perspective. Excellent repayment of 95% and more was one of the main reason for the popularisation of this approach. Non-provision of credit to the poor by various approaches made way for the birth of microfinance in India. The emergence of the new microfinance approach by the rural financial institutions led to the formation of “SHG – Bank Linkage Programme”. This was built up by mutual understanding of the poor people with their own savings. It was initially established in 1980s and later gained momentum in the 1990s. Microfinance gives a key path to stabilise the outreach of the rural poor along with maintaining low cost of funding. As far as the Non-Governmental Organisations take the responsibility of reducing the credit risk assessment and monitoring costs, banks can stretch out to the majority of the rural poor without bearing high transaction cost.

The Self Help Group approach in India is mainly focussed at employing the Self Help Groups as a mediator between the formal financial institutions and rural clients, essentially to decrease the operation costs for both the banks and the rural customers. NABARD has been operating for the last two decades in connecting the banks and the Self Help Groups. NABARD’s linkage programme focusses on giving continuous outreach of financial services to the impoverished rural people, with a special attention towards those who had been considered unbankable.

4.4.2.2 Major Advantages of the SHG – Bank Linkage Programme

The major benefits of SHG – Bank Linkage Programme are

- Self Help Groups help in reducing the transaction costs of the banks and creates a huge quantum of deposits by combining each individual’s savings into one sole deposit

- The banks can help small rural depositors through Self Help Groups while giving them a market rate of interest
- A financially poor member secures confidence as a member of the group. Lending loans with the help of the Self Help Groups minimise the transaction costs for both the providers and borrowers
- Lending authorities have to maintain one single Self Help Group account in place of big number of small volume independent accounts.
- The borrowers can save the expenses meant for travelling to the branches for meeting the formalities and opportunity cost in canvassing the loans, if loans are availed through Self Help Groups
- Majority of the Self Help Group programmes are outreached to the most impoverished, landless, marginalised rural poor who are mainly illiterate, who are unbankable

The Indian microfinance division has played a vital role in empowering the marginalised, economically backward rural poor. It has worked towards bringing the best out of the economically backward, moving them up on the development scale. Microfinance has helped in the flow of financial resources from the banking sector to the economically backward areas in towns and villages.

4.4.2.3 The Pillars of the SHG – Bank Linkage Programme

The pillars of the SHG – Bank Linkage Programme are:

- Self Help Group combined with mutual support can be a powerful tool for the betterment of the economic conditions of the poor
- Co-operative and assisted financial service management is more result oriented and reactive
- Poor can retain earnings and are bank user – friendly
- The ability of the banks can meet the needs of the poor
- The rural poor requires financial support as well as savings
- Small poor groups with external support can efficaciously perform and operate micro credit among it's members
- Self Help Group is an advance micro enterprise procedure for large number of the poor

- Self Help Group as a customer helps in expanded reach out to the poor and lower operating costs along with risk costs
- Upliftment and betterment of the impoverished rural poor is one of the major results of the SHG – Bank Linkage Programme

4.4.2.4 Highlights of SHG-Bank Linkage Programme 2017-18

Table 4.2 SHG – Bank Linkage Programme in 2017-18

Sl. No	Particulars	Achievements	
		Physical (No .in Lakh)	Financial (Rs in crore)
1	Total number of SHGs savings linked with bank	87.44	19592.12
i.)	Out of total, Exclusive Women SHGs	73.90	17497.86
ii.)	Out of total , NRLM/ SGSY SHGs	41.84	10434.03
iii.)	Out of total, SHGs under NULM/SJSRY	4.25	1350.80
2	Total number of SHGs credit linked during 2017-18	22.61	47185.88
i.)	Out of total, Exclusive credit linked Women SHGs	20.75	44558.74
ii.)	Out of total, Exclusive credit linked SGSY SHGs	12.71	25055.18
iii.)	Out of total, SHGs credit linked under NULM/SJSRY	1.06	2424.07
3	Total number of SHGs having loans outstanding as on 31 st March, 2018	50.20	755998.45
i.)	Out of total, exclusive Women SHGs having loans outstanding	45.49	70401.73
ii.)	Out of total, SGSY SHGs having loans outstanding	27.93	38225.29
iii.)	Out of total, SHGs under NULM/SJSRY having loans outstanding	2.90	5350.63
4	Average loan amount outstanding per SHG as on March 2018 (in Rs)	-	150583.79
5	Average loan amount disbursed per SHG during 2017-18 (in Rs)*	-	208682.54
6	Estimated number of families covered upto 31 March 2018	1055	-
7	No. of Banks and Financial Institutions submitted MIS (in number)	428	-
8	Data on Joint Liability Groups		
i.)	Joint Liability Groups promoted during the year 2017-18 (lakh)	10.19	-
ii.)	Loan disbursed to Joint Liability Groups during the year 2017-18 (in Rs)	-	13955.15
iii.)	Joint Liability Groups promoted as on 31 March 2018 (lakhs)	34.73	-

iv.)	Cumulative loan disbursed to JLGs as on 31 March 2018 (in Rs)	-	40803.27
9	Support from NABARD		
i.)	Capacity building for partner institutions		
	Number of Programmes conducted during 2017-18	3473	-
	Number of participants covered during 2017-18 (SHG + JLG) (in lakh)	1.41	-
	Cumulative number of participants trained upto 31 March 2018 (SHG + JLG)	37.59	-
(ii)	Refinance Support		
	Refinance released to banks during 2017-18 (in Rs)	-	6981.37
	Cumulative refinance released upto 31 March 2018 (in Rs)	-	50274.97
(iii)	Revolving Fund Assistance (RFA) and Capital Support to MFIs		
	RFA outstanding as on 31 March 2018 (in Rs)	-	3.67
	Capital support outstanding as on 31 March 2018 (in Rs)	-	3.61
	Refinance disbursed to NBFC-MFIs during 2017-18 (in Rs)	-	1688.01
(iv)	Grant assistance to SHPIs for promotion of SHGs		
	Grant assistance sanctioned during 2017-18 (in Rs)	-	27.37
	Cumulative sanctioned upto 31 March 2018 (in Rs)	-	387.95
(v)	Grant assistance to JLPs for promotion of JLGs		
	Cumulative sanctioned upto 31 March 2018 (in Rs)	-	170.05

Note: * Average loan amount disbursed per SHG worked out to Rs 1.28 lakh if the disbursements of Andhra Pradesh were excluded

Source: Compiled from NABARD Annual Report on Highlights of SHG – Bank Linkage Programme in India and Status of Microfinance in India 2017-2018
www.nabard.org

4.4.2.5 SHG Bank Linkage Models Operational in India

Different Models of Linkage

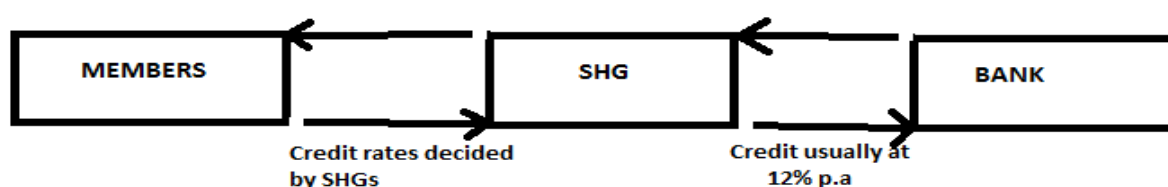
Broadly, three different models have emerged under the SHG - Bank linkage programme in the country. Model I in which the bank itself acts as SHPI and forms and nurtures the SHGs, Model II in which the NGOs act as SHPIs (Self Help Groups Promoting Institutions) and banks lend directly to the SHGs, and Model III in which

the NGOs act as both SHPI and Micro Credit Intermediaries. In Model III, banks lend to the NGOs for on-lending to the SHGs.

MODEL I: SHGs formed and financed by banks

Under this model, banks themselves act as Self Help Promoting Institutions i.e. engage in forming and nurturing the groups, opening their savings accounts and providing them bank loans. Group members act as collateral security. In this model the credit is generally made available to the group and members to be financed are identified by the group itself, which takes up the responsibility of loan repayment.

SHG BANK LINKAGE MODEL I

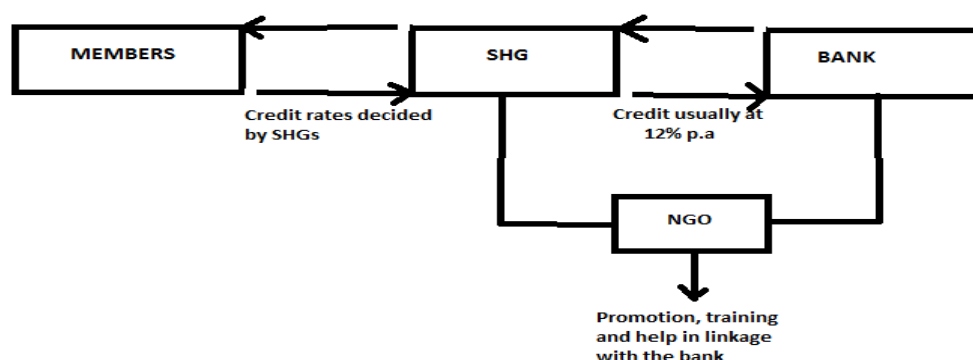


Source: Annual Report of NABARD, 1998, p. 1

MODEL II: SHGs formed by NGOs and formal agencies, but directly financed by banks

This model appears to be the most popular model amongst bankers. Under this model, NGOs and formal agencies in the field of micro-finance act as facilitators. They propagate the message, organise groups, train them in thrift and credit management and nurture them over a period. Banks in due course, link these groups by directly providing loans to them.

SHG BANK LINKAGE MODEL II

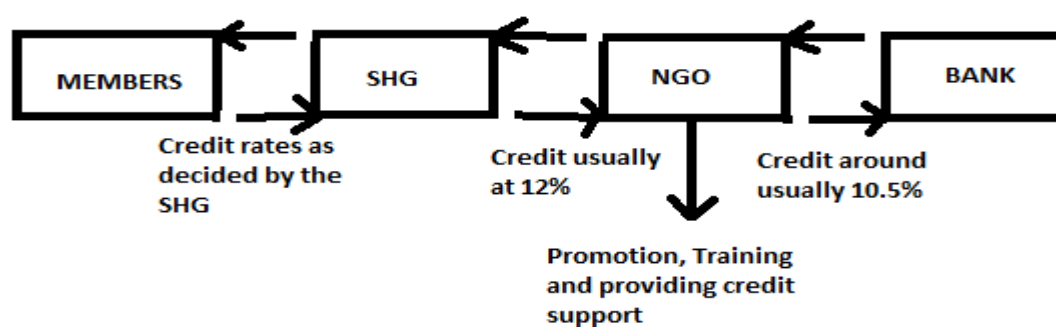


Source: Annual Report of NABARD, 1998, p. 1

MODEL III: SHGs financed by banks using NGOs as financial intermediaries

In this model, NGOs take on the dual role of facilitators and financial intermediaries. They help in formation of SHGs, nurturing them, train them in thrift and credit management. Eventually the NGOs approach banks for bulk loan assistance for on-lending to these SHGs.

SHG BANK LINKAGE MODEL III



Source: Annual Report of NABARD, 1998, p.1

4.4.2.6 Progress of SHG- Bank Linkage in India

Table 4.3 The performance of SHG – Bank Linkage Programme from 2010 to 2013 is presented below

(Rs Crore)

Particulars		2010-11		2011-12		2012-13	
		No. Of SHGs (lakh)	Amount (Rs crore)	No.of SHGs (lakh)	Amount (Rs crore)	No.of SHGs (lakh)	Amount (Rs crore)
SHG Savings with Banks as on 31 March	Total SHGs	74.62 (7.3%)	7016.30 (13.2%)	79.60 (6.7%)	6551.41 (-6.7%)	73.18 (-8.1%)	8217.25 (25.4%)
	Of which SGSY Groups	20.23 (19.4%)	1817.12 (40.6%)	21.23 (5.0%)	1395.25 (-23.2%)	20.47 (-3.6%)	1821.65 (30.6%)
	% of SGSY Groups to Total	27.1	25.9	26.7	21.3	28.0	22.2
	All Women SHGs	60.98 (14.8%)	5298.65 (17.8%)	62.99 (3.3%)	5104.33 (-3.7%)	59.38 (-5.7%)	6514.86 (27.6%)
	% of Women Groups to Total	81.7	75.5	79.1	77.9	81.1	79.3
Loans disbursed to SHGs during the year	Total SHGs	11.96 (-24.6%)	14547.73 (0.01%)	11.48 (-4%)	16534.77 (13.7%)	12.20 (6.3%)	20585.36 (24.5%)
	Of which SGSY Groups	2.41 (-9.9%)	2480.37 (12.8%)	2.10 (-12.9%)	2643.56 (6.6%)	1.81 (-13.8%)	2207.47 (-16.5%)
	% of SGSY Groups to Total	20.1	17.0	18.3	16.0	14.8	10.7
	All Women SHGs	10.17 (-21.4%)	12622.33 (1.6%)	9.23 (-9.2%)	14132.02 (12.0%)	10.37 (12.4%)	17854.31 (26.3%)
	% of Women Groups to Total	85	86.8	80.4	85.5	85.1	86.7

Loans outstanding against SHGs as on 31 March	Total SHGs	47.87 (-1.3%)	31221.17 (11.4%)	43.54 (-9.0%)	36340.00 (16.4%)	44.51 (2.2%)	39375.30 (8.4%)
	Of which SGSY Groups	12.86 (3.4%)	7829.39 (25.2%)	12.16 (-5.4%)	8054.83 (2.9%)	11.93 (-1.9%)	8597.09 (6.7%)
	% of SGSY Groups to Total	26.9	25.1	27.9	22.2	26.8	21.8
	All Women SHGs	39.84 (2.2)	26123.75 (13.4%)	36.49 (-8.4%)	30465.28 (16.6%)	37.57 (2.9%)	32840.04 (7.8%)
	% of Women groups to Total	83.2	83.7	83.8	83.8	84.4	83.3

Source: Compiled from NABARD Annual Report on Highlights of SHG – Bank Linkage Programme in India and Status of Microfinance in India 2017-2018 www.nabard.org

4.4.3 Non-Governmental Organisations as Self Help Group Promotional Institutions

Though government and banks have been playing positive roles in the promotion of SHGs, in terms of numbers, the non-governmental organizations (NGOs) rank as the premier facilitators of SHGs. NGOs have so far been the main innovators in microfinance. They have many advantages. Their very name, non-governmental, indicates that they are outside the framework of Government. In India, where governmental systems are fairly rigid and bureaucratic, NGOs are characterised by their flexibility and ability to evolve simplified work systems. While a group approach has been a developmental concept actively pursued by development practitioners for many years, the focused formation of SHGs under the microfinance framework is a relatively newer concept. It was initiated only in the late eighties by a few NGOs as an exclusive idea. The number of NGOs involved in the formation of microfinance based SHGs has increased many fold in the nineties. Contributing factors in this expansion has been the creation of a congenial environment for this kind of work by several national and international organisations, including multilateral, bilateral and international NGO donors, and an encouraging policy environment created by the government of India and the Reserve Bank of India. The SHG linkage program of NABARD through its widening network of institutions has also contributed to expanding the microfinance- based SHG movement.

Because of the expansion of the microfinance-related SHG program agenda, a wide diversity is observed in the approaches adopted by different agencies. Some NGOs act as banking intermediaries, channelling finance to different SHGs formed and centralising all the accounts and financial systems at the NGO level. Others have formed collectives of several SHGs together, forming a federation of SHGs with banks. There is also a fair amount of diversity in the levels of competencies and capacities to manage a microfinance SHG program within these agencies.

The non-governmental organisations who are a part of the SHG-bank linkage programme throughout the country have developed and fostered different types of institutional mechanisms for these groups. While most NGOs have opted for a conventional SHG of 15 to 20 members, some others have opted for different forms, notably the Mahila Mandal or federal type where the group is a single entity at the

village level, as a sort of village level federation. While basically all NGOs in the SHG movement have the economic development of the poor, especially women, as their goal, their approaches and their working methods differ.

4.5 Problems of SBLP and Microfinance Programme in India

Even though SBLP and Microfinance programmes have shown extensive accomplishments, there are various problems relating to this programme. Some of the major problems of SBLP and microfinance programme in India are:

4.5.1 The most needed impoverished are still not reached

The SBLP and microfinance are not particularly concentrated towards the completely impoverished sections of the society. The programmes are growing extensively but with a very less focus towards the most deserved poor. According to Ghate, out of the 75 million households, only 16.5 million poor population are availing microfinance facilities. Hence, it is noticed that a large number of rural poor have not been included in benefitting the services of these programmes. There are a number of reasons, both by the lenders and borrowers. The SBLP has no exclusive defined standards or rules in including the members in the groups, who are to be credit linked. Inadequate rules for membership in the groups have led to low level of targeting the poor. It is also noted that institutions involved in microfinance promotion are also partial in including the members in the programme. For the purpose of smooth running of the groups and programmes, usually financially stable members are included in the group.

A number of psychological problems of the rural poor is also one the reason which obstruct them from joining the programme. The poor confidence level of the rural poor stop them from being a part of the group, so that they can avoid dealing with other members of the group, officials of the bank and other institutional promoters. The ultimate poor are highly risk averse people who avoid borrowing loans for income generation. Hence, they are able to reap a very small portion of microfinance schemes.

4.5.2 Regional Disparity

It is found that the microfinance programme is basically operated by regulated financial institutions with the support of self help groups. As such, microfinance programme is developing only in those areas where there is a enormous development of regulated financial institutions. Microfinance institutions were actually established

to stretch out to the areas where the poor people are dependent on indigenous loan lenders. But in reality, majority of the microfinance institutions are very strong in the states where the banking sector is very active.

Table 4.6 shows that in the southern region of India the total number of SHGs during the year 2018-19 is 14,74,208 and the loans disbursed during the year is 42,86,255.78 (lakhs) during the year 2018-19. The total number of SHGs during the year 2018-19 in the north – eastern region is 27,086 and the loans disbursed during the year is 29,001.21 (lakhs).

Table 4.4 showing Region wise position of the total number of SHGs and loans disbursed during the year 2018-19

Region	Total number of SHGs	Loans disbursed Amount (in Rs Lakhs)
1. Central Region	85135	72199.35
2. Eastern Region	909375	1197079.08
3. North Eastern Region	27086	29001.21
4. Northern Region	55922	62663.60
5. Southern Region	1474208	4286255.78

Source: Status of microfinance of India 2018-19

4.5.3 Limited Spread in Poorer States

The states which have large number of poor population have very less coverage of SBLP and microfinance programme. Table 4.7 shows the spread of SBLP and microfinance in seven poor states of India

Table 4.5 showing the outreach of SHG – BLP and microfinance in seven poor states of India

Top Seven Poor States	Total number of SHGs during the year 2018-19	Loans disbursed Amount (in Rs Lakhs)
1. Orissa	1,50,062 (5.56)	1,67,467.92 (2.87)
2. Bihar	2,27,976 (8.45)	3,05,582.23 (5.24)
3. Chhatisgarh	32,227 (1.19)	32,067.57 (0.55)
4. Jharkhand	33,137 (1.23)	27,609.68 (0.47)
5. Uttaranchal	5,353 (0.2)	2,979.59 (0.05)
6. Madhya Pradesh	27,563 (1.02)	23,055.55 (0.40)
7. Uttar Pradesh	19,992 (0.74)	14,096.54 (0.24)
Total (Seven states)	4,96,310 (18.39)	5,72,859.18 (9.82)
Total in India	26,98,400 (100)	58,31,762.88 (100)

Source: Status of Microfinance in India 2018-19

Note: The figures in parentheses indicate percentages of SHGs and bank loans to total in India

Orissa, Madhya Pradesh, Bihar, Chattisgarh, Jharkhand, Uttar Pradesh and Uttarranchal have very low level of linking with SBLP and microfinance programme. During the year 2018-19, only 18.39 percent of the total number of SHGs in India constitute in these 7 states and only 9.82 percent of the total loans granted during the year 2018-19.

As shown in table 4.8, it is found that 38.41 percent of SHGs are found in Karnataka, Tamil Nadu and Andhra Pradesh. 51.15 percent of the total loans granted to the SHGs during the year 2018-19 belonged to these states. The reason could be the extensive help by the state governments, the basic tradition, practices and the dedication of the microfinance institutions.

Table 4.6 showing the outreach of SBLP and microfinance in Southern India during the year 2018-19

Southern States of India	Total number of SHGs during the year 2018-19	Loans disbursed Amount (in Rs Lakhs)
1. Andhra Pradesh	3,87,763 (14.37)	15,36,457.27 (26.35)
2. Tamil Nadu	1,70,186 (6.31)	6,01,711.94 (10.32)
3. Karnataka	4,78,490 (17.73)	8,44,587.46 (14.48)
Total (Three States)	10,36,439 (38.41)	29,82,756.67 (51.15)
Total in India	26,98,400 (100)	58,31,762.88 (100)

Source: Status of Microfinance in India 2018-19

Note: The figures in parentheses indicate percentages of SHGs and bank loans to total in India

4.5.4 High interest rates

Ability of the poor to accept the loan and repay it is very vital to reach the financial services to the rural poor. The borrowing ability of the borrower decreases with the high interest rates. The lack of well regulated interest rates in lending loans by the microfinance institutions and formal banking sector has put the rural poor in a situation where they may be exploited. In addition, some extra charges like operational cost, cost of documaentation etc are also imposed. A rate of interest of 9 to 10 percent interest per annum is charged by the formal banks whereas microfinance institutions charge a rate of interest of 11 to 24 percent per annum. But the rate of interest differs significantly depending upon the loan lending regulations and policies of the microfinance instituions.

4.5.5 Low intensity of services provided

Another major problem faced by the SBLP and microfinance programme is the low intensity of service provided. The quantum of loan provided is small even though there is a large expansion of the programme to a large number of people. The quantum of loan is insufficient to meet the economic requirements of the rural poor. Small quantity of loan amount and less repayment period do not encourage the borrowers to fund their production using loans. They usually use small amount of loans to solve their money problems.

4.5.6 Unregulated Microfinance Institutions

In India, the various trusts, societies, Co-operative banks, Commercial banks, Regional Rural Banks, Primary Agricultural Credit Societies maintain that microfinance without any regulatory framework from a registered authority by the Government. Banks and Non-Banking Finance Companies are under the framework of regulations put forth by the Reserve Bank of India. The microfinance institutions are under the framework of regulations put forth by the legislations of the state. Lack of single regulatory system has resulted in microfinance institutions are under the framework of regulations put forth by the legislations of the state. Lack of single regulatory system has resulted in microfinance institutions not following a systematic ruling, avoiding basic capital requirements and norms of prudence, leading to the ill management of the microfinance institutions. The inner financial condition of the microfinance institutions cannot be ascertained, because of the unregulation.

Therefore, it is necessary to modulate the large number of microfinance lenders, which are impacting the households of poor people. The systematic norms would assist in enhancing the development of microfinance institutions in a well ordered manner.

4.5.7 Lack of Insurance services

The impoverished section of the society gets largely affected when there is a disturbance in their earning capacity due to uncertainty, natural calamities, poor health etc. Hence, availability of insurance in the microfinance sector is of utmost importance to the rural poor to help them overcome uncertainty and financial loss. SBLP and microfinance programme in India primarily aim at providing loan facility and encouraging savings and the purveying of insurance is not well established.

Hence, in India enabling the poor to avail insurance services is neglected and steps should be taken to provide insurance services to the poor.

4.5.8 Binding of Saving, Meetings and Regular Payments

The main feature of SBLP and microfinance is savings through compulsion, group meetings and other compulsory requirements. Because of these features, the poor hesitate themselves to join the group. The rural poor do not have a stable income and are unable to save regularly. Regular repayment of loan amount becomes very difficult for the rural poor due to unstable earning capacity. Moreover, the loan received is usually utilised for non-productive purposes instead of income generating areas, which leads to difficulty in repayment of loans. These problems primarily restrict the rural poor from joining self help groups and availing loans through SBLP and microfinance.

4.6 Entrepreneurship Development through Self-Help Groups

Self-Help Group (SHG) helps the impoverished by not only getting involved in the development process but also assists the rural poor in earning their livelihood. The SHG approach has been widely used by independent agencies for a long period but has been included in the programmes of development recently. A well established self help group of rural women is an exemplar of capacity development and empowerment for potential entrepreneurs. It focusses on illiterate, non- industrial, non-entrepreneurial members to grow into independent and self-subsistent members, capable of taking decisions and the capacity to solve their problems. It is a forum for the rural poor to educate themselves about joint collection, utilisation and management of money. ‘Stree Shakthi’ programme for women called Swa – Shakthi and Rashtriya Mahila Kosh Project aided by the World Bank as International Fund for Agricultural Development (IFAD) are a few central and state government schemes focussed on capacity development of women and entrepreneurship.

4.6.1 Rural Entrepreneurship⁸

The difference between rural and urban entrepreneur is only a matter of degree rather than the content. Many successful entrepreneurs are prospering in the cities who are hailing from rural areas. It is essential to have a balanced regional development of the

country and to avoid the concentration of industry in one place. Rural areas must try for better utilization of human resources to improve the rural economy.

Government has moral responsibility in designing, promoting, innovating rural entrepreneurial development Programme for the upliftment of the rural economy on which the urban economy is built upon. The promotion of rural entrepreneurship is vital in the context of generating gainful employment and minimizing the widening of disparities between rural and urban population. For reducing poverty and to overcome low productivity in the farm sector rural entrepreneurship is necessary. The Rural entrepreneurs want to earn more income, but most of them are not aware of innovative ways of selling their ideas and services to customers in a productive way.

The concept of rural entrepreneurship does not dilute the definition of entrepreneurs in general. An entrepreneur is an individual who fails to conform to the traditional structured role given to him in society and finds an exit to venture on his own. In this context of his deviant pursuit, the societal frame of reference of a rural entrepreneur assumes operational significance. Like entrepreneurship, rural entrepreneurship also conjures different meanings to different people. Without going into semantics, rural entrepreneurship can simply be defined as entrepreneurship in rural areas. In other words, establishing industrial units in the rural areas refers to rural entrepreneurship. Rural entrepreneurship is, fundamentally, about using a market-driven business model to address key socio-economic issues pertaining to the rural economy under consideration. It is an emerging field with diverse and shifting interpretations. Entrepreneurship emerging in rural areas is called rural entrepreneurship. Rural entrepreneurship symbolizes rural industrialization. Rural industrialization provides the best solution to tackle with the twin problems of unemployment and poverty stalking the rural areas in the country. That is why the government of India has been assigning increasing importance to the development of rural industrialization or entrepreneurship in her subsequent five year plans.

Rural Entrepreneurship attempts to cater the rural need for Employment generation, Income generation, rural development, build up village republics and stopping rural-urban migration. In accordance with the literature, a rural entrepreneurial economy, as in any other economy, is nothing more than an ecosystem of risk takers, capital providers, markets, technology, and intermediaries that facilitate non-market transactions.

4.6.1.1 Meaning of Rural Entrepreneurship

It means setting up a rural business i.e. a fresh business either service or commercial or industrial undertaking in the rural areas. Rural entrepreneurship is a vital procedure of starting a small and micro village business or expanding a current business by an independent person or a group of people or various sections in the rural areas, with the objective of development and rural socio-economic empowerment of the rural people for their well being and ensuring the generation of income, employment, social security and better purchasing ability of the rural poor people.

4.6.1.2 Rural Entrepreneurship in India

Rural entrepreneurship is accepted as a significant element that helps in the economic growth of a country. Rural development is usually defined as an expansion that is advantageous to the rural people and is capable of improving the level of living and welfare of the rural people on a long – term reliable basis. It is generally believed that rural areas are linked to lack of funds and agricultural occupation. Yet, a continuous claim that business ventures facilitate economic growth and expansion has captivated the attentiveness of the government mainly in developing countries to undertake various schemes and action plans directed towards empowering rural areas and developing economic ventures in rural areas through resourceful entrepreneurial expansion. Rural empowerment is widely connected to entrepreneurship. The entrepreneurial inclination to rural growth believes entrepreneurship as the fundamental source of economic evolution and expansion, in the absence of which other elements of development will be totally misdirected. However, mere consenting entrepreneurship as an essential development element will not contribute to rural empowerment and the betterment of rural enterprises. A suitable environment that facilitates business activities in rural areas with systematic regulations is very important for the entrepreneurial development in the rural areas. Developing countries all over the world have been adopting rural entrepreneurship as a means to develop rural population.

4.6.1.3 Rural Entrepreneurship in changing environment

The changing global environment raises questions about the ability of traditional, small-scale businesses in rural areas to tap the potential benefits offered by the

changing environment. The rapid (though declining) population growth, coupled with even faster urbanisation, creates increasing demands. In India, urban populations in general grows about twice as that of the overall total, and by 2020 it may exceed the size of rural populations. Such a major demographic trend challenges the capacities of some traditional small-scale businesses to cope with the increasing demands.

4.6.1.4 Problems of Rural Entrepreneurship⁹

Entrepreneurs are playing very important role in the development of economy. They face various problems in day to day work. As the thorns are part of roses, similarly every flourishing business has its own kind of problems.

Some of the major problems faced by rural entrepreneurs are as under:

1. Financial Problems

a.) **Paucity of funds:** Most of the rural entrepreneurs fail to get external funds due to absence of tangible security and credit in the market. The procedure to avail the loan facility is too time-consuming that its delay often disappoints the rural entrepreneurs. Lack of finance available to rural entrepreneurs is one of the biggest problems due to global recession. Major difficulties faced by rural entrepreneurs include low level of purchasing power of rural consumer due to which sales volume is insufficient, lack of finance to start business, reduced profit due to competition and pricing of goods and services. Problems such as difficulty in maintaining financial statements, stringent tax laws, lack of guarantees for raising loans, difficulty in raising capital through equity, dependence on small money lenders for loans for which they charge discriminating interest rates and huge rent and property cost create difficulty in raising money through loans. Landlords in Punjab proved to be a major source of finance for rural entrepreneurs but the rates of land are reduced due to global recession. So they also lack hard cash nowadays.

Some banks have not ventured out to serve rural customers because banks are expensive to be accessed by rural customers. Poor people often have insufficient established forms of collateral (such as physical assets) to offer. So they are often excluded from traditional financial market. The government is providing subsidies to rural areas but due to high cost of finance, these subsidies are not giving fruitful results. Major sources of finance in rural areas are loans from regional rural banks or

from local moneylenders whose rate of interest is usually very high. The government has various institutions for this purpose but the results are not up to the level expected. Industrial Finance Corporation of India (IFCI), Industrial Development Bank of India, Industrial Credit and Investment Corporation of India (ICICI), Small Scale Industry Development Bank of India (SIDBI) are some of the national level institutions that are helping out rural entrepreneurs. Some state level institutions are also working like a State Financial Corporation and State Industrial Investment and Development Corporation (SIDC). These institutions provide assistance for setting of new ventures and side by side for modernization and expansion of existing ones but their terms and conditions are very strict to be handled. Various schemes like composite loan scheme, tiny unit scheme, scheme for technical entrepreneurs etc had started but they are unable to meet the expectations of rural entrepreneurs. Raising funds through equity is difficult for rural entrepreneurs because of lack of financial knowledge and their low financial corpus. So loans are the primary source of finance for them which proved to be a great obstacle in developing rural entrepreneurship. Various policies of RBI regarding priority sector lending failed to achieve this objective. Microfinance movement started in India worked well. Self help groups form the basic constituent unit of microfinance movement in India. Self help groups are a group of a few individuals who pool their savings into a fund from which they can borrow as and when necessary. Such a group is linked with banks but joining an existing SHG is often a costly affair for an aspiring villager as in order to maintain parity among the members, a new member has to join by depositing the total accumulated individual savings and interest of groups. So starting new SHG is as easy as compared to joining an existing one. NGOs also played an important role in rural development. These NGOs are usually registered as societies and trust. They have less capital resources as they cannot raise equity capital.

b.) Lack of Infrastructure

The growth of rural entrepreneurs is not very healthy in spite of efforts made by government due to lack of poor and adequate infrastructural facilities.

c.) Risk element

Rural entrepreneurs have less risk bearing capacity due to lack of financial resources and external support

2. Marketing Problems

a. Competition

Rural entrepreneurs face severe competition from large sized organisations and urban entrepreneurs. They incur high cost of production due to high input cost. Major problems faced by rural entrepreneurs are the problems of standardisation and competition from large scale units. They face the problem in fixing the standards and sticking to them. Competition from large scale units also creates difficulty for the survival of new ventures. New ventures have limited financial resources and hence cannot afford to spend more on sales promotion. These units are not having any standard brand name under which they can sell their products. New ventures have to come up with new advertisement strategies which the rural people can easily understand. Printed media have limited scope in the rural context. The traditionally bounded nature, cultural backwardness and cultural barriers add to the difficulty of communication. People in rural areas mostly communicate in their local dialects and English and Hindi are not understood by many people. It has been seen in the recent past that in spite of enough food stocks in government warehouses, people are dying out of starvation. This indicates a problem with the public distribution system. The producers are not collective in their approach for marketing their products because they are too widely scattered and uneducated.

a.) Middlemen

Middlemen exploit rural entrepreneurs. The rural entrepreneurs are heavily dependent on middlemen for marketing of their products who pocket large amount of profit. Lack of storage facilities and poor means of transport are other marketing problems in rural areas. In most of the villages, farmers store the produce in open space, in bags , vessels etc. So these indigenous methods of storage are not capable of protecting the produce from dampness, weevils etc. The agricultural goods are not standardised and graded.

b.) Lack of market in rural areas

3. Management Problems

a.) Lack of Knowledge of Information Technology

Information Technology is not very common in rural areas. Entrepreneurs rely on internal linkages that encourage flow of goods, services, information and ideas. The intensity of family and personal relationships in rural communities can sometimes be helpful but they may also present obstacles to effective business relationships. Business deals may receive less than rigorous objectivity and intercommunity rivalries may reduce the scope for regional cooperation. Decision making process and lines of authority are mostly blurred by local politics in rural areas.

b.) Legal formalities

Rural entrepreneurs find it extremely difficult to comply with various legal formalities in obtaining licenses due to illiteracy and ignorance.

c.) Procurement of Raw Materials

Procurement of raw materials is really a tough task for rural entrepreneurs. They may end up with poor quality raw materials and may also face the problem of storage and warehousing.

d.) Lack of Technical Knowledge

Rural entrepreneurs suffer from a severe problem of lack of technical knowledge. Lack of training facilities and extensive services create a hurdle for the development of rural entrepreneurship

e.) Poor Quality of Products

Another important problem in the growth of rural entrepreneurship is the inferior quality of products produced due to lack of availability of standard tools and equipments and poor quality of raw materials.

4. Human Resources Problems

a.) Low skill level of workers

Most of the entrepreneurs of rural areas are unable to find workers with high skills. Turnover rates are also high in this case. They have to be provided with on the job training and their training is generally a serious problem for the entrepreneur as they are mostly uneducated and they have to be taught in the local language which they

understand easily. The industries in rural areas are not only established just to take advantage of cheap labour but also to bring about an integrated rural development. So rural entrepreneurs should not look at rural area as their market, they should also see the challenges existing in urban areas and be prepared for them. Rural entrepreneurs are generally less innovative in their thinking.

b.) Negative Attitude

The environment in the family, society and support system is not conducive to encourage rural people to take up entrepreneurship as a career. It may be due to lack of awareness and knowledge of entrepreneurial opportunities. The young and well educated mostly tend to leave the rural areas. As per circumstances, rural people by force may be more self-sufficient than their urban counterparts, but the culture of entrepreneurship tends to be weak. Continuous motivation is needed in case of rural employees which is sometimes difficult for an entrepreneur. They face various problems in day to day work. As the thorns are part of roses, similarly every flourishing business has its own kind of problems.

4.6.1.5 Reasons for slow progress of women entrepreneurs in India¹⁰

The problems and constraints experienced by women entrepreneurs have resulted in restricting the expansion of women entrepreneurship. The major barriers encountered by women entrepreneurs are:

1. The greatest deterrent to women entrepreneurs is that they are women. A kind of patriarchal – male dominant social order is the building block to them in their way towards business success. Male members think that financing the ventures run by women is a big risk.
2. Male chauvinism is still prevalent in many parts of the country. Women are looked upon as weak in all respects. In a male dominated society, women are not treated equal to men that act as a barrier to woman's entry into business.
3. Women entrepreneurs have to face stiff competition from the men entrepreneurs who easily involve in the promotion and development area and carry out easy marketing of their products with both the organised sector and their female counterparts. Such a competition ultimately results in the liquidation of women enterprises.

4. Lack of self confidence, will power, strong mental outlook and optimistic attitude amongst women create a fear of committing mistakes while doing their piece of work. The family members and the society are reluctant to stand beside their entrepreneurial growth.
5. Women in India lead a protected life. They are even less educated, economically not stable nor self-dependent which reduce their ability to bear risks and uncertainties involved in a business unit
6. The old and outdated social outlook to stop women from entering to the field of entrepreneurship is one of the reasons for their failure. They are under a social pressure which restrains them to prosper and achieve success in the field of entrepreneurship
7. Unlike men, women mobility in India is highly limited due to many reasons. A single women asking for room is still looked with suspicion. Cumbersome exercise involved in starting an enterprise coupled with officials humiliating attitude towards women compel them to give up their spirit of surviving in enterprise together.
8. Women's family obligations also bar them from becoming successful entrepreneurs in both developed and developing nations. The financial institutions discourage women entrepreneurs on the belief that they can at any time leave their business and become housewives again.
9. Indian women give more emphasis to family ties and relationships. Married women have to make a fine balance between business and family. The business success also depends on the support the family members extend to women in the business process and management.
10. Women's family and personal obligations are sometimes a great barrier for succeeding in business career. Only few women are able to manage both home and business efficiently, devoting enough time to perform all their responsibilities in priority.
11. The educational level and family background of husbands also influences women participation in the field of enterprise
12. Absence of proper support, cooperation and back-up for women by their own family members and the outsiders force them to drop the idea of excelling in the enterprise field. They are always making many pessimistic feelings to be

aroused in their minds and making them feel that family and not business is a place meant for them.

13. Many women take the training by attending the Entrepreneurial Development Programme without an entrepreneurial bent of mind. Women who are imparted training by various institutes must be verified an account of aptitude through the tests, interviews etc
14. High production cost of some business operations adversely affects the development of women entrepreneurs. The installations of new mechanisms during expansion of the productive capacity and like similar factors discourage the women entrepreneurs from venturing into new areas.
15. Women controlled business are often small and it is not always easy for women to access the information they need regarding technology, training, innovative schemes, concessions, alternative markets etc. Just a small percentage of women entrepreneurs avail the assistance of technology.
16. Lack of awareness about the financial assistance in the form of incentives, loans, schemes etc. available from the institutions in the financial sector. So the sincere efforts taken towards women entrepreneurs may not reach the entrepreneurs in rural and backward areas.
17. Achievement motivation of the women folk found less compared to male members. The low level of education and confidence leads to low level achievement and advancement motivation among women folk to engage in business operations and running a business concern.

Apart from the above discussed problems, there may be other series of problems faced by women entrepreneurs as improper infrastructural facilities, high cost of production, and attitude of the society towards the women's modern business outlook and low needs of enterprise. Women also tend to start business about ten years later than men, on an average. Motherhood, lack of management experience and traditional socialisation has all been cited as reasons for delayed entry into entrepreneurial career.

4.7 Prospects of SBLP and microfinance

Self Help Group Bank Linkage Programme and microfinance have witnessed phenomenal growth in India in the past years. Various studies have shown that these

programmes are helping the poor in various ways. However, the focus of most of the SBLP and microfinance has remained on expanding the outreach of these programmes with little attention on the depth, quality and viability of the financial services. Besides removing these problems there is a lot which can be done in this field to make this programme more effective. The future prospects of SBLP and microfinance in the various aspects are as follows:

4.7.1 Growth Prospects

SBLP and microfinance have a wider prospect to expand both the outreach and depth of the services provided. According to Ghate (2008), SBLP and microfinance have covered just 16.5 million of the total 75 million poor households. So, there is an ample scope to cover these unreached poor people. Also, the average loans provided to the rural women entrepreneurial members of SHGs under both SBLP and microfinance range between Rs 3,500 to Rs 5,000 crores which can meet the liquidity requirements only and are not sufficient to help a member to start productive activities. So far the government has been succeeded in providing only Rs 2,000 crore annually against a demand of over Rs 50,000 crore by the 75 million poor households (Ghate, 2007). Hence, there is a vast demand in the rural and urban sectors and there is ample scope for the growth of different kinds of SBLP and microfinance service providers. In order to expand the SBLP and microfinance programme, SHGs may be linked with the post offices for disbursement of credit to rural poor by utilizing the vast networks of post offices in rural areas. NABARD has launched a pilot project of this type in Tamil Nadu.

4.7.2 Reducing Regional Disparity

The spread of SBLP and microfinance programme is unequal among various regions in India and there is limited spread in the poorer states. So, there is ample scope to spread SBLP and microfinance programme in the unreached areas including the poorer states. However, taking a step in this direction NABARD has recently identified 13 states to scale up the SBLP and microfinance programme in these states in order to reduce the regional disparity. These priority states are Assam, Bihar, Jharkhand, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Chhattisgarh, Orissa, Rajasthan, Uttar Pradesh, Uttaranchal and West Bengal. These states accounted for 70 per cent of India's poor and were not effectively reached by the

SBLP and microfinance programme. Therefore, some other measures can be taken to eradicate the regional disparities in the coming future.

4.7.3 Schemes to support SBLP and microfinance

SBLP and microfinance are meant to play an important role in reaching the poor people who are not served by the formal financial institutions. But most of these institutions are restricted by RBI to collect savings from their members and raise public funds. As these institutions do not publish their annual financial reports, it is difficult to determine their financial health. Therefore, the formal financial institutions also hesitate to provide loans to these institutions. As a result, they face paucity of funds which becomes a hurdle in expanding the SBLP and microfinance programme. To tackle this problem, some schemes may be adopted to provide support and help for the capacity building of microfinance institutions for the expansion of SBLP and microfinance programme.

4.7.4 Regulation of Microfinance Institutions

Various entities such as co-operative societies, mutual benefit societies or mutually aided societies etc. are engaged in the activity of microfinance. They are guided by different laws under which they are registered. Lack of a single regulatory authority restricts the orderly growth of microfinance sector. Keeping in view all the regulatory problems, the Government of India has proposed legislation and formulated a bill for the development and regulation of microfinance sector. This bill is under consideration of the parliament. This bill will provide all the regulatory powers to NABARD wherein all the MFIs will come under a single formal statutory framework. In case of any offence by the microfinance organizations, the redressal mechanism and settlement of disputes have also been discussed in the bill. The legislation, however, is yet to be enacted.

4.7.5 Insurance Services

In India, the penetration of insurance services among rural poor people is very limited and there is a great potential for the same. Moreover, poor are very much vulnerable to the natural uncertainties and insurance is necessary for them. The network used for SBLP and microfinance programme can be used to tap the potential of insurance in rural markets. Non-Governmental Organisations, Microfinance Institutions, Banks and Self Help Groups can be used as micro-insurance agents. They can offer target

specific insurance products at a relatively lower cost, for a lower coverage of amount. It may be envisaged that micro-insurance would facilitate penetration of insurance to rural and remote areas. However, some of the NGOs are providing accident, life and crop insurances in India but such type of services need to be expanded.

4.7.6 Flexibility in the SBLP and microfinance programme

Some main features of the SBLP and microfinance programme include compulsory savings, regular group meetings, record maintenance etc. These bindings lead to the exclusion of core poor from joining the SBLP and microfinance programme. Therefore, in order to expand the outreach of the programme to the poorer people, there is a need to introduce more flexible system such as the one adopted in Bangladesh, where even the beggars are provided with micro-loans by the Grameen bank. These beggars do not make any compulsory savings and do not attend any meetings. A project in Orissa enables the poor to save in kind and raise resources against such savings and provide access to self managed, participative food security system. Under this project, rural women entrepreneurial members of SHGs can save and get credit both in cash and in kind depending on their convenience. Such flexibilities in the SBLP and microfinance programme may increase the access and affordability of the rural poor.

4.7.7 Technical Innovations

In order to improve the quality of microfinance services some technical innovations may be introduced. A number of electronic devices are being used in different countries to expand the outreach and to improve the microfinance functioning. Some of these devices are mobile phones, ATMs, processor cards, computers etc. Mobile phone provides the rural poor borrowers with communication facility. ATMs are helpful to facilitate savings, payments and loan transactions in the remote rural areas where it is difficult to open bank branches. Processor cards are used to keep the record of group activities such as savings, loans and other financial transactions. It helps to reduce paper work and saves time for the bank officials. A computer with an operator helps the illiterate group members to maintain the records of group financial activities. These computers can also be used to provide important information related to weather conditions, crop inputs, product prices, land records etc. in the villages.

Though some of such projects have been started by NABARD on pilot basis, there is enough scope to use such innovative techniques in microfinance sector in India.

4.8 Conclusion

In this chapter, we have discussed about the historical development of rural credit system in India, Self Help Groups, Linking SHGs to banks, Evolution of microfinance in India, Self Help Group Promotional Institutions (SHPI), Self Help Group Bank Linkage Programme, Entrepreneurship through Self-Help Groups, Rural entrepreneurship, Challenges and problems of rural entrepreneurship and Prospects of SBLP and microfinance.

The Self Help Group Bank Linkage Model provides the cheapest and most direct source of funds to the rural women entrepreneur members of Self Help Groups. The basic objectives of linking Self Help Groups with banks were to evolve a supplementary credit strategy for reaching the poor, to build mutual trust and confidence between banks and the rural poor to encourage banking activities. The Self Help Group bank linkage programme as envisaged and implemented by NABARD, has a strong foundation in the involvement of banks, NGOs and microfinance institutions that have promoted informal groups in rural areas and have undertaken to prepare them for bank linkage.

The Self Help Group bank linkage programme and microfinance has come a long way covering a large number of poor households, helping them to reach the unreached with the formal finance. However, there have been a few drawbacks which have hindered its accelerated growth. Some factors that have impeded the growth of Self Help Group - bank linkage programme and microfinance are the continued reluctance of banks to lend to rural women entrepreneur members of Self Help Groups, incapacities of the Self Help Group Promotional Institutions and quality of Self Help Groups. Lending to Self Help Groups recognised as priority sector lending was perhaps the biggest incentive to lend to these groups, besides the fact that recoveries from Self Help Group loans were significantly better than other priority sector lending of banks. Banks have remained largely reluctant in making second and third loans to rural women entrepreneurs of self help groups or increasing the quantum of loan beyond a threshold level.

NABARD should make a serious effort and investment to develop at least a few large self help group promotional institutions capable of supporting and managing a large

base of self help groups. With most of Self Help Group Promotional institutions being small and local and not too savvy in financial facilitation, the quality of self help groups promoted and their management grossly suffered. Self Help Group's quality was not systematically tracked through a good management information system, and so while a large number of self help groups were being formed, not all were getting linked. Technology is not leveraged enough to further reduce transaction costs or make the linkage process more efficient.

Hence, in the VI & VII chapters, the problems and prospects of Self Help Group Bank Linkage Programme and microfinance from the perspective of rural women entrepreneurs and lending institutions have been discussed.

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CHAPTER V

**ASSESSMENT OF THE ELIGIBILITY
OF THE SHGS FOR OBTAINING LOAN
FROM BANKS – AN EMPIRICAL
STUDY**

CHAPTER V

ASSESSMENT OF THE ELIGIBILITY OF THE SHGS FOR OBTAINING LOAN FROM BANKS – AN EMPIRICAL STUDY

The Self Help Group Bank Linkage Programme aims to deliver financial products and services to that section of the population which lacks access to formal banking. This segment, often from the lower income, meets its financial needs through informal sources such as money lenders, traders, family and friends etc. However, these sources have their own limitations.

Under the Self Help Group Bank Linkage Programme, 10-20 individuals are organised in groups known as Self Help Groups. The Self Help Groups are also encouraged to take up livelihood activities, for which skill training is provided by certain Self Help Group Promoting Institutions. The members of the Self Help Group are encouraged to save and internally lend the savings to the members during times of need. Self Help Group Promoting Institutions also provide knowledge on maintaining books of accounts.

Self Help Groups get linked to banks through Self Help Group Promoting Institutions for opening savings account and for their credit requirements. Banks lend to Self Help Groups after assessing their credit worthiness on parameters such as group discipline, regularity of meetings, savings, rotation of funds, maintenance of books of accounts, group record keeping, repayment of loans etc.

In this chapter, an attempt has been made by the researcher to analyse the eligibility criteria of the sample Self Help Groups to avail loans from the banks. The basic parameters suggested by NABARD are used in the study to make an assessment of the eligibility of SHGs.

5.1 NABARD Guidelines on SHG Assessment

NABARD assessment of micro-credit is really an appraisal of the various dimensions of the group. The assessment parameters are really based on group norms, group cohesiveness and group behaviour. For any financial institution, appraisal is very important for ensuring the utility of the loan and repayment of the loan. The SHGs have to be assessed in terms of group dynamics like cohesion, vibrancy, goal-oriented action, participation of members, democratic decision and collective

leadership. The appraiser has to see whether the group is functioning, actually as a group, the purpose for which the members have come together, whether it is for obtaining loan from bank or the group sees other purposes, the group discipline and whether it is sustainable.

The basic principles on which the SHGs function are:

1. The members of the groups should be residents of the same area and must have an affinity. Homogeneity of relationship could be in terms of caste, occupation, gender or economic status
2. Savings first, credit thereafter
3. SHGs should hold regular meetings
4. SHGs should maintain record of financial and other transactions
5. They should have norms regarding membership, meetings etc
6. Group leaders should be elected by members from among them and rotated periodically
7. Transparency in operations of the group and participatory decision making
8. Rates of interest on loans should be decided by the group
9. Group liability and peer pressure to act as substitutes for traditional collateral

For assessing a Self Help Group the important criteria that a financier should look into include:

1. Norms for functioning:

The SHG should have developed some kind of norms for its functioning which should be covering major areas of functioning as well as the decision making processes, leadership etc., Norms generally relate to

- a. Membership
- b. Meetings – time, periodicity
- c. Savings – amount, periodicity, rate of interest
- d. Credit – procedure for sanctioning, ceiling amount, purposes, rate of interest to be charged, repayment period, instalment amount etc

- e. Fines – Fines to be levied in case of default in attending meetings, savings and credit repayment. Group may also impose fines if group norms are violated.
- f. Leadership – election or nomination of leaders, rotation of leaders etc
- g. Personal / social improvement – minimum literacy level to be achieved, social work to be done etc
- h. The above norms may be written or oral. They may be decided in the initial meetings or they may evolve over a period of time depending upon the need of the group. The important aspects to be looked into are:
 - How norms evolved, whether by the consensus of the whole group
 - Whether the members are aware of the norms (even if they are oral) and understand them
 - Whether the norms are implemented

2. Meetings

The group decides the periodicity of the meetings i.e., weekly, fortnightly or monthly. They also decide on the time of the meeting. Decision on time and periodicity helps in regular conduct of meetings. The regularity in the holding of the meeting and the attendance during meeting gives an indication about groups functioning.

3. Maintenance of Books

Whether group is maintaining the basic books that will give details of its functioning and accounts of the group is an important criterion to be judged. The books should give the details of number of meetings held, decisions taken in meetings, amount of savings of the members and credit availed. The total savings of the group and repayments are other important criteria for judging the performance of the group. Do members maintain it, if not are they making efforts to achieve basic numeracy or literacy so that they can start doing it by themselves.

4. Leadership

Two or three group members are elected as leaders and book – writers. Initially the opinion leaders may be the leaders and over a period of time they are expected to take turns. The group leaders are expected to a) regularly convene and conduct the meetings, b) help the group members in taking decisions, c) resolve conflicts, d) maintain books of accounts and e) approach bank branch for operation of accounts.

The aspects that are to be seen are:

- Whether the leaders have been elected and rotated
- Whether they help in democratic functioning of the group
- Whether there is a conscious attempt to groom other members to take up leadership
- Are they marginalising the benefits (especially loans)

5. Participation and Awareness of the group members

Are the members aware of the purpose of group formation, the operation and activities of the group viz. The savings and the credit of the group as well as the individual member's savings and credit details

- Do they participate in group discussions and decision making
- Do they help solve the problems that are raised in the meetings
- Do they work cohesively and have transparent dealings

6. Savings

The group decides on the amount of savings as also its periodicity.

It has to be seen whether the saving, as decided upon, is regularly made, how the defaults are dealt with and whether the system is modified as per the requirements of the members.

7. Credit

The following aspects are to be looked into while assessing the credit function of the group:

- The decision making process of selecting loanees
- The system followed in assessing credit requirement of individual members and the amount to be sanctioned
- The system of monitoring the credit
- The repayment performance of members and incidence of defaults besides the effectiveness to deal with such defaults and whether the concept of 'peer pressure' is working.

8. Self Reliance of the Group

Can the group function on its own without the support of the NGO, is an important criterion for assessment. The level of dependency on the NGO of the group and impact of withdrawal of NGO on the group is to be assessed.

The following table 5.1 represents some key dimensions suggested by NABARD on which a particular group can be rated

Table No 5.1 Rating of Self Help Groups

Sl.No	Category	Criteria / Key Dimensions	Scores
1	COMPOSITION	Membership is homogenous	10
		No homogeneity in membership	5
2	AGE OF THE GROUP	One year and above	10
		Six months and above but less than a year	5
3	WEEKLY GROUP MEETINGS	Four meetings per month	10
		2 – 3 meetings per month	8
		1 meeting per month	5
4	ATTENDANCE	More than 90%	10
		Between 70% and 90%	5
		Less than 70%	3
5	MINUTES BOOK	Written in detail	10
		Maintained but not in detail	5
6	PARTICIPATION IN GROUP DISCUSSION	Participation by only a few members	5
		Participation by majority of members	10
7	SAVINGS (FREQUENCY)	4 times a month (by majority of the members)	10
		4 times a month (but not by majority)	8
		2-3 times a month (by majority members)	8
		2-3 times a month (but not by majority)	5
		1 time a month (by majority members)	3
		1 time a month (but not by majority)	1
8	SAVINGS & LOAN RECOVERY (MODE OF COLLECTION)	Collected in group meetings	10
		House to house collection	5

9	STYLE OF FUNCTIONING	On Consensus Basis Decisions taken by a few members / members / group leaders Decision by majority	10 0 8
10	SANCTION AND DISBURSEMENT OF LOANS	Selection of borrowers in group meetings Sanction and disbursement of loans in group meetings Loan terms and conditions discussed in group meetings and recorded in minutes Utilization of loans reviewed regularly in group meetings Recovery of loans reviewed regularly in group meetings	2 2 2 2 2
11	INTEREST ON SHG LOANS	Uniform rate irrespective of source of funds Different rates depending on source of funds Interest rates vary according to the purpose of loan Uniform interest rate for all purposes	5 3 5 3
12	UTILISATION OF SAVING FOR LOANING	Above 80% Above 50% and upto 80%	10 5
13	RECOVERY OF LOANS	Dues not recovered in respect of 10% or less of total no. of loan accounts Dues not recovered between 10% and 30% of total no. of loan accounts	10 5
14	MAINTENANCE OF BOOKS OF ACCOUNTS	Attendance cum minutes book Savings Register Loan Ledger Bank Passbook	3 3 3 1
15	BYE-LAWS / GROUP RULES	Known to all members Known to most of the members Not known to many members	10 5 0
		TOTAL MARKS	150

Source: www.nabard.org

5.2 Selection Criteria of SHG for Linkage to Bank Loan

1. SHG scoring more than 120 marks out of maximum of 150 marks could be chosen for credit linkage. As per NABARD guidelines, SHG scoring 80% of marks / scores is eligible for bank linkage.
2. SHG scoring less than 120 marks will have to be further developed before linkage.

5.3 Assessment of the eligibility of the sample Self Help Groups to avail loans from banks

Results of the key dimensions mentioned in table 5.1 are tabulated for the 97 sample Self Help Groups visited in Dakshina Kannada and Udupi districts. An attempt is made by the researcher to assess the eligibility of sample SHGs to avail loans according to NABARD guidelines and is presented in table 5.2

Table 5.2 Rating of Sample Self Help Groups

Sl.No	Category	Criteria / Key Dimensions	Mark	Findings	Score of 97 SHGs
1	COMPOSITION	Membership is homogenous	10	All groups were homogenous in the sense that all of them were only women groups	97 x 10 = 970
		No Homogeneity in membership	5		
2	AGE OF THE GROUP	One year and above	10	All the groups were more than one year except 2 groups which were recently formed	95 x 10 = 950 2 x 5 = 10
		Six months and above but less than a year	5		
3	WEEKLY GROUP MEETINGS	Four meetings per month	10	4 meetings per month were regularly conducted by SHGs run by SKDRDP MFI, 2- 3 meetings per month were conducted by SHGs run by SCDCC and CODP NGOs and 1 meeting per month was usually	33 x 10 = 330 32 x 8 = 256 32 x 5 = 160
		2-3 meetings per month	8		
		1 meeting per month	5		

				conducted by SHGs run directly by banks	
4	ATTENDANCE	More than 90%	10	SHGs run by SKDRDP MFI have 90% attendance, SHGs run by SCDCC and CODP and banks have attendance between 70% and 90% and very few SHGs which were less active have attendance less than 70%	$33 \times 10 = 330$ $53 \times 5 = 265$ $11 \times 3 = 33$
		Between 70% and 90%	5		
		Less than 70%	3		
5	MINUTES BOOK	Written in detail	10	The entire sample SHGs maintained minutes book. Sample SHGs run by SKDRDP MFI wrote minutes in detail whereas the remaining SHGs run by SCDCC and CODP and those run directly by banks did not write minutes in detail. Presence of overwhelming illiterate members hampered functioning	$38 \times 10 = 380$ $59 \times 5 = 295$
		Maintained, but not in detail	5		
6	PARTICIPATION IN GROUP MEETINGS	Participation by only a few members	5	Majority of the members participated in group meetings while a few of the members who were new to the group did not show active participation	$62 \times 5 = 310$ $35 \times 10 = 350$
		Participation by majority of members	10		

7	SAVINGS (FREQUENCY)	4 times a month (by majority members)	10	Small amount of savings was usually done 4 times a month in sample SHGs run by SKDRDP MFI, 2 – 3 times a month in sample SHGs run by SCDCC and CODP NGOs and once a month in sample SHGs run directly by banks	$33 \times 10 = 330$ $32 \times 8 = 256$ $32 \times 3 = 96$
		4 times a month (but not by majority)	8		
		2 – 3 times a month (by majority members)	8		
		2 – 3 times a month (but not by majority)	5		
		1 time in a month (by majority members)	3		
		1 time a month (but not by majority)	1		
8	SAVINGS & LOAN RECOVERY (MODE OF COLLECTION)	Collected in group meetings	10	Usually savings were collected in group meetings. But there were exceptions as there was hardly 100% attendance in meetings. It could be inferred that only those groups where there was 100% attendance tend to pay their contributions at the meetings or else house – to house collection was done	$83 \times 10 = 830$ $14 \times 5 = 70$ Total 900
		House – to house collection	5		
9	STYLE OF FUNCTIONING AND GROUP DISCUSSIONS	By Consensus	10	Group on consensus basis usually took decisions. Sometimes decision was taken by few member/ members or group leaders	$40 \times 10 = 400$ $26 \times 0 = 0$ $31 \times 8 = 248$ Total 648
		Decision taken by few member / members /group leaders	0		
		Decision by majority	8		

				and sometimes by majority	
10	SANCTION AND DISBURSEMENT OF LOANS	Selection of borrowers in group meetings	2	All members were aware of how much they borrowed. Beneficiaries were decided in – group meeting. Terms and conditions for loan have been decided from the beginning. There was no review of loan utilisation. However, recovery was reviewed.	$97 \times 2 = 194$ $97 \times 2 = 194$ $97 \times 2 = 194$ $97 \times 0 = 0$ $97 \times 2 = 194$ Total 776
		Sanction and disbursement of loans in group meetings	2		
		Loan terms and conditions discussed in group meetings and recorded in minutes	2		
		Utilisation of loans reviewed regularly in group meetings	2		
		Recovery of loans reviewed regularly in group meetings	2		
11	INTEREST ON SHG LOANS	Uniform rate irrespective of source of funds	5	Uniform rate of interest is charged when they loan the internal savings amount but for loans they got from funding agencies they charged as per actual. They charged uniformly irrespective of differential risks attached with different activity	$97 \times 5 = 485$
		Different rates depending on source of funds	3		
		Interest rates vary according to the purpose of loan	5		
		Uniform interest rate for all purposes	3		
12	UTILISATION OF SAVINGS FOR LOANING	Above 80 %	10	SHG usually used the savings for loan	$97 \times 10 = 970$
		Above 50% and upto 80%	5		

13	RECOVERY OF LOANS	Dues not recovered in respect of 10% or less of total no. of accounts	10	Most of loans disbursed were not recovered in respect of 10% or less of total no. of accounts	97 x 10 = 970
		Dues not recovered between 10% and 30% of total no. of loan accounts	5		
14	BOOKS OF ACCOUNTS	Attendance cum minutes book	3	All surveyed SHGs have attendance cum minutes book, savings register, loan register and bank passbook	97 x 3 = 291
		Savings register	3		97 x 3 = 291
		Loan register	3		97 x 3 = 291
		Bank passbook	1		97 x 1 = 97
					Total 970
15	BYE LAWS / GROUP RULES	Known to all members	10	Members know that they have formed SHG to save regularly; they must sit once in a month; must pay loan amount regularly; savings must be regular	97 x 10 = 970
		Known to most of the members	5		
		Not known to many members	0		
		TOTAL MARKS	150	Total	11382
					Mean score of each SHG on 15 parameters recorded = 117.34 out of the total score 150 i.e. 11382/150 = 117.34

Source: Survey Data

Selection Criteria of SHG for Linkage to Bank Loan

1. SHG scoring more than 120 marks out of maximum of 150 marks could be chosen for credit linkage. As per NABARD guidelines, SHG scoring 80% of scores is eligible for bank linkage
2. SHG scoring less than 120 marks will have to be further developed before linkage.

5.4 Result of the Assessment of the eligibility of sample Self Help Groups to avail loans

The mean score is calculated by adding up the total score and dividing it by 97 SHGs covered, and the mean SHG score so calculated was 117.34, which constituted about 78.23%. Eligibility criteria indicates that only those SHGs which score more than 80% (i.e. 120/150) are eligible for bank linkage. In this case the sample SHGs score was 78.23%, which was just close to the minimum requirement of 80%. Hence, the entire sample SHGs should be further developed for the bank linkage and smooth flow of funds from the Self Help Group Bank Linkage Programme and microfinance to SHGs.

5.5 Conclusion

The factors responsible for poor functioning of Self Help Groups should be investigated, examined and analyzed scientifically to resolve the emerging problems, difficulties and challenges being faced by them. The key elements for the survival and sustainability of the Self Help Groups should naturally be built on those elements that have brought the group together. Self Help Groups have to evolve as sustainable institutions for taking active role in development and governance.

A fully motivated group is the one that achieves competency to independently handle issues of its internal practices both financial and non-financial. The group should be able to handle its leadership, problem solving and conflict resolution successfully with minimum help. It should also be positive to maintain its records and other books of accounts independently or through other arrangement.

A co-ordinated and integrated effort, timely and periodic appraisal, extensive awareness and motivation would no doubt go a long way to inculcate confidence in the minds of rural women entrepreneurs to empower them.

CHAPTER VI

Problems and Prospects of Self Help Group – Bank Linkage Programme and Microfinance to Rural Women Enterprises –Rural Women Entrepreneurial Members'of SHGs Perspective – Data Analysis and Interpretation

CHAPTER VI
PROBLEMS AND PROSPECTS OF SELF HELP GROUP – BANK LINKAGE
PROGRAMME AND MICROFINANCE TO RURAL WOMEN
ENTERPRISES –RURAL WOMEN ENTREPRENEURIAL MEMBERS’ OF
SHGs PERSPECTIVE – DATA ANALYSIS AND INTERPRETATION

The problems of rural women entrepreneurs and their satisfaction is the test for the success of efficiency of any women development programme. The rural women entrepreneurs of self help groups are the key members of any rural development and women welfare network. The rural women entrepreneurs in the self help groups equip themselves with the given financial potency to invest on their income generating activities in order to keep away from the exploitation of the money lenders. Even though the government of India has been launching various schemes and providing subsidies, due to poor socio-economic background, these women are not able to generate sufficient income from various programmes. Protective financial services may be critical for poverty alleviation, but they do little for helping people out of poverty. Hence, promotional financial services are required, primarily for enhancing livelihood among poor people. It is said that microfinance can also harm poor people. The increase in income of microfinance borrowers is directly proportional to their starting level of income – the poorer they were to start with, the less is the impact of the loan. Secondly, poor borrowers of the microfinancing institutions often do not graduate to higher and higher loans, and consequently to productive small enterprises. While credit may initially be the ruling constraint for micro enterprises, to grow beyond a certain size, other constraints come into play.

In the previous chapter, an assessment of the eligibility of sample Self Help Groups to avail loans from the banks was made. The present chapter covers the socio-economic profile of the rural women entrepreneurs of the self help groups, problems of the rural women entrepreneurs in the self help group, problems with regard to access to loan, social problems, economic problems, psychological and personality development problems, empowerment level of the rural women entrepreneurs before and after availing credit from microfinance institutions and Self Help Group - Bank Linkage Programme. This chapter deals with the analysis of the primary data collected by administering the structured questionnaire to the selected rural women entrepreneurs

of the self help groups who have availed loans through microfinance institutions and Self Help Group - Bank Linkage Programme.

6.1 Socio-Economic Profile of the Respondents

This section presents a profile of the socio-economic characteristics of the sample SHG members. In the present study, the socio-economic status of the sample SHG members is assessed based on the following factors:

6.1.1 Category of the SHGs of respondents: The study on category of SHGs of respondents becomes essential to know the different categories of SHGs and the major categories to which the respondents belong. The data relating to sample respondents of self help groups managed by Microfinance Institution, NGOs and Banks are presented in table 6.1

Table 6.1: Distribution of respondents based on the category of SHGs

Category of respondents SHGs	Number of Respondents	Percentage
Microfinance Institution- SKDRDP	322	42.2
NGO – SCDCC Bank	114	14.9
NGO – Prajna Counselling Centre	110	14.4
Bank – Syndicate Bank	109	14.3
Bank – Canara Bank	107	14.0
Total	762	100

Source: Survey data

An analysis of the above table 6.1 reveals that out of the total 762 Self Help Group members, 322 (42.2%) are from SHGs managed by MFI SKDRDP, 114 (14.9%) are from SHGs managed by NGO - SCDCC Bank, 110 (14.4%) are from SHGs managed by NGO - Prajna Counselling Centre, 109 (14.3%) are from SHGs managed by Syndicate Bank and 107 (14.0%) are from SHGs managed by Canara Bank. Thus, the study makes it clear that large numbers of respondents are from MFI SKDRDP (42.2%) and the least are from Canara Bank (14.0%)

6.1.2 Taluk wise distribution of sample rural women entrepreneurial members of SHGs: It is also necessary to study the Taluk wise spread of the sample rural women entrepreneurial members of SHGs to find out whether even representation is given to the districts selected for the study and also to the different taluks selected for the study and also their socio economic conditions. It is necessary to understand the number of respondents from various taluks of Dakshina Kannada and Udupi districts as the study is related to sample SHGs from Dakshina Kannada and Udupi districts. Therefore, the data is collected from the rural women entrepreneurial members of SHGs in the 8 taluks of Dakshina Kannada and Udupi districts and presented in table 6.2

Table 6.2: Taluk wise distribution of sample rural women entrepreneurial members of SHGs

Taluk of the Respondents	Category of respondents SHGs			Total
	Microfinance Institution (SKDRDP)	NGOs (SCDCC & Prajna Counseling Centre)	Banks (Syndicate Bank & Canara Bank)	
Belthangady	52 (16.1%)	30 (13.4%)	26 (12.0%)	108 (14.2%)
Puttur	39 (12.1%)	29 (12.9%)	28 (13.0%)	96 (12.6%)
Sullia	36 (11.2%)	28 (12.5%)	27 (12.5%)	91 (11.9%)
Bantwal	42 (13.0%)	26 (11.6%)	26 (12.0%)	94 (12.3%)
Mangalore	43 (13.4%)	28 (12.5%)	27 (12.5%)	98 (12.9%)
Udupi	38 (11.8%)	28 (12.5%)	28 (13.0%)	94 (12.3%)
Kundapur	36 (11.2%)	27 (12.1%)	25 (11.6%)	88 (11.5%)
Karkala	36 (11.2%)	28 (12.5%)	29 (13.4%)	93 (12.2%)
Total	322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)

Source: Survey data

$\chi = 3.196$, DF=14, p=0.999, NS

Note: Figures in parantheses denote percentage to the total number of sample Borrowers of respective facilitators

An analysis of the above table 6.2 reveals that out of the total 762 rural women entrepreneurial members of SHGs, 108 (14.2%) were from Belthangady taluk, 96 (12.6%) were from Puttur taluk, 91 (11.9%) were from Sullia taluk, 94 (12.3%) were from Bantwal taluk, 98 (12.9%) were from Mangalore taluk of Dakshina Kannada district and 94 (12.3%) were from Udupi taluk, 88 (11.5%) were from Kundapur taluk

and 93 (12.2%) were from Karkala taluk. Large number of respondents were from Belthangady taluk (14.2%). There is no significant difference in the taluk wise rural women entrepreneurial members of SHGs selected for the study ($p=0.999>0.05$)

6.1.3 Age wise distribution of rural women entrepreneurial members of SHGs:

Age of the rural women entrepreneurial members of SHGs is required for the purpose of study since this demographic variable has an impact on the participation of the members in the Self Help Group and also in entrepreneurship development. The data relating to the age of the sample rural women entrepreneurial members of SHGs are presented in table 6.3

Table 6.3: Age wise distribution of sample rural women entrepreneurial members of SHGs

Age of the Respondent	Category of respondents SHGs			Total
	Microfinance Institution (SKDRDP)	NGOs (SCDCC & Prajna Counseling Centre)	Banks (Syndicate Bank & Canara Bank)	
Less than 25	30 (9.3%)	23 (10.3%)	17 (7.9%)	70 (9.2%)
26-35	117 (36.3%)	85 (37.9%)	83 (38.4%)	285 (37.4%)
36-45	129 (40.1%)	87 (38.8%)	94 (43.5%)	310 (40.7%)
46 & above	46 (14.3%)	29 (12.9%)	22 (10.2%)	97 (12.7%)
Total	322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)

Source: Survey data

$\chi^2 = 27.294$, DF = 8, $p = 0.001$, HS

An analysis of the above table 6.3 reveals that out of 762 sample SHG members, 70 (9.2%) of them belong to less than 25 age group, 285 (37.4%) belong to the age group ranging between 26 and 35 years, 310 (40.7%) belong to the age group ranging between 36 and 45 years, 97 (12.7%) were 46 and above 46 years of age. It can also be observed that majority (40.7%) of the sample rural women entrepreneurial members of SHGs belonged to the age group ranging between 36 and 45 years. There is a highly significant difference in the age group of sample rural women entrepreneurial members of SHGs selected for the study ($0.001 < 0.05$)

6.1.4 Educational qualification of sample rural women entrepreneurial members of SHGs:

It is also essential to know the educational qualification of the rural women entrepreneurial members of SHGs to find out their awareness level of SHG rules and

regulations and also their ability to maintain the various books of accounts of SHGs. The data related to the educational qualification of the sample rural women entrepreneurial members of SHGs are presented in table 6.4

Table 6.4 Educational Qualification of the sample rural women entrepreneurial members of SHGs

Educational Qualification of the respondents	Category of respondents SHGs			Total
	Microfinance Institution (SKDRDP)	NGOs (SCDCC & Prajna Counseling Centre)	Banks (Syndicate Bank & Canara Bank)	
Illiterate	21 (6.5%)	16 (7.1%)	18 (8.3%)	55 (7.2%)
Primary school	134 (41.6%)	104 (46.4%)	124 (57.4%)	362 (47.5%)
SSLC	133 (41.3%)	74 (33.0%)	43 (19.9%)	250 (32.8%)
PUC	22 (6.8%)	19 (8.5%)	19 (8.8%)	60 (7.9%)
Graduation	12 (3.7%)	11 (4.9%)	12 (5.6%)	35 (4.6%)
Total	322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)

Source: Survey Data

$\chi = 27.294$, DF = 8, p = 0.001, HS

An analysis of the above table 6.4 reveals that out of the 762 sample rural women entrepreneurial members of SHGs, 55 (7.2%) were illiterates, 362 (47.5%) have primary school education, 250 (32.8%) have SSLC as their educational qualification, 60 (7.9%) have PUC level of education and 35 (4.6%) have graduation. It can also be observed that majority (47.5%) of the sample rural women entrepreneurial members under each category of SHGs have primary school education as their educational qualification. There is a highly significant difference in the educational qualification of the sample rural women entrepreneurial members of SHGs selected for the study ($p=0.001<0.05$)

6.1.5 Marital status of sample rural women entrepreneurial members of SHGs:

Marital status acts as a determinant of the savings of the members, manifested in their contribution to the groups and the deposits they accumulate in the groups during the span of their membership, and their credit use. The difference in the patterns of savings and credit use due to one's marital status reflects the family responsibilities of the members which they share with their parents or husbands. Hence, it is important

to study the marital status of the sample rural women entrepreneurial members of SHGs as it is one of the determining variables that affect women's occupational earnings and status attainment level. The data related to the marital status of the sample rural women entrepreneurial members of SHGs are presented in table 6.5

Table 6.5 Marital status of the sample rural women entrepreneurial members of SHGs

Marital status of the respondents	Category of respondents SHGs			Total
	Microfinance Institution (SKDRDP)	NGOs (SCDCC & Prajna Counseling Centre)	Banks (Syndicate Bank & Canara Bank)	
Married	268 (83.2%)	178 (79.5%)	158 (73.1%)	604 (79.3%)
Unmarried	11 (3.4%)	14 (6.3%)	17 (7.9%)	42 (5.5%)
Widow	29 (9.0%)	22 (9.8%)	26 (12.0%)	77 (10.1%)
Divorcee	14 (4.3%)	10 (4.5%)	15 (6.9%)	39 (5.1%)
Total	322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)

Source: Survey Data

$\chi^2 = 9.795$, DF = 6, p = 0.134, NS

An analysis of the above table 6.5 reveals that out of 762 sample rural women entrepreneurial members of SHGs, 604 (79.3%) of them were married, 42 (5.5%) were unmarried, 77 (10.1%) of them were widows and 39 (5.1%) were divorcees. It can be observed that majority (79.3%) of the sample rural women entrepreneurial members in each category of SHGs were married. There is no significant difference in the marital status of the sample rural women entrepreneurial members of SHGs ($p=0.134 > 0.05$)

6.1.6 Family Status of sample rural women entrepreneurial members of SHGs:

The following table 6.6 shows the family status of the sample rural women entrepreneurial members of SHGs with regard to family, head of family, activities of children, male adult literacy level, female adult literacy level, male children literacy level, female children literacy level, family prone to chronic diseases, family member alcoholic and consuming tobacco.

Table 6.6 Family status of sample rural women entrepreneurial members of SHGs

Family Data		Category of respondents			Total
		Microfinance Institution (SKDRDP)	NGOs (SCDCC & Prajna Counseling Centre)	Banks (Syndicate Bank & Canara Bank)	
Type of family	Nuclear	215 (66.8%)	152 (67.9%)	152 (70.4%)	519 (68.1%)
	Joint	107 (33.2%)	72 (32.1%)	64 (29.6%)	243 (31.9%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 0.781$, DF = 2, p = 0.677, NS					
Head of family	Husband	237 (73.6%)	163 (72.8%)	158 (73.1%)	558 (73.2%)
	Self	41 (12.7%)	23 (10.3%)	23 (10.6%)	87 (11.4%)
	Father	11 (3.4%)	14 (6.3%)	17 (7.9%)	42 (5.5%)
	In-laws	33 (10.2%)	24 (10.7%)	18 (8.3%)	75 (9.8%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 6.566$, DF = 6, p = 0.363, NS					
Activities of children	Small children	86 (26.7%)	59 (26.3%)	55 (25.5%)	200 (26.2%)
	School going	140 (43.5%)	84 (37.5%)	81 (37.5%)	305 (40.0%)
	Working children	80 (24.8%)	62 (27.7%)	59 (27.3%)	201 (26.4%)
	Not Applicable	16 (5.0%)	19 (8.5%)	21 (9.7%)	56 (7.3%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 6.769$, DF = 6, p=0.343, NS					
Male	Majority	210 (65.2%)	158 (70.5%)	162 (75.0%)	530 (69.6%)

Adult Literacy level	Literates				
	Majority Illiterates	110 (34.2%)	66 (29.5%)	54 (25.0%)	230 (30.2%)
	Not Applicable	2 (0.6%)	0 (0%)	0 (0%)	2 (0.3%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 0.171$, DF = 2, p = 0.084, NS					
Female Adult Literacy Level	Majority Literates	196 (60.9%)	133 (59.4%)	132 (61.1%)	461 (60.5%)
	Majority Illiterates	126 (39.1%)	91 (40.6%)	84 (38.9%)	301 (39.5%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 0.171$, DF = 2, p = 0.918, NS					
Male Children Literacy Level	Majority Literates	271 (84.2%)	187 (83.5%)	172 (79.6%)	630 (82.7%)
	Majority Illiterates	26 (8.1%)	21 (9.4%)	27 (12.5%)	74 (9.7%)
	Not Applicable	25 (7.8%)	16 (7.1%)	17 (7.9%)	58 (7.6%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 3.084$, DF = 4, p = 0.544, NS					
Female Children Literacy Level	Majority Literates	265 (82.3%)	170 (75.9%)	161 (74.5%)	596 (78.2%)
	Majority Illiterates	31 (9.6%)	33 (14.7%)	38 (17.6%)	102 (13.4%)
	Not Applicable	26 (8.1%)	21 (9.4%)	17 (7.9%)	64 (8.4%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 8.138$, DF = 4, p = 0.087, NS					
Prone to	Yes	115 (35.7%)	92 (41.1%)	93 (43.1%)	300 (39.4%)

Chronic diseases	No	207 (64.3%)	132 (58.9%)	123 (56.9%)	462 (60.6%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 3.304$, DF = 2, p = 0.192, NS					
Family member Alcoholic	Yes	110 (34.2%)	79 (35.3%)	81 (37.5%)	270 (35.4%)
	No	212 (65.8%)	145 (64.7%)	135 (62.5%)	492 (64.6%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 0.634$, DF = 2, p = 0.728, NS					
Family member consuming tobacco	Yes	124 (38.5%)	100 (44.6%)	92 (42.6%)	316 (41.5%)
	No	198 (61.5%)	124 (55.4%)	124 (57.4%)	446 (58.5%)
Total		322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)
$\chi^2 = 2.204$, DF = 2, p = 0.332, NS					

Source: Survey data

An analysis of the above table 6.6 reveals that out of 762 sample rural women entrepreneurial members of SHGs, 519 (68.1%) have nuclear type of family and 243 (31.9%) sample rural women entrepreneurial members of SHGs live in joint family. Majority (68.1%) of the sample rural women entrepreneurial members of SHGs have nuclear family. There is no significant difference in the type of family of the sample rural women entrepreneurial members of SHGs ($p=0.677>0.05$)

Among the 762 sample rural women entrepreneurial members of SHGs, 558 (73.2%) have husband as head of the family, 87 (11.4%) sample rural women entrepreneurial members of SHGs families are headed by themselves, 42 (5.5%) sample rural women entrepreneurial members of SHGs families are headed by their father and 75 (9.8%) sample rural women entrepreneurial members of SHGs families are headed by their in-laws. Majority (73.2%) of the sample rural women entrepreneurial members of SHGs families are headed by their husband. There is no significant difference in the head of the family of the sample rural women entrepreneurial members of SHGs ($p=0.363>0.05$)

As far as the activities of children of the sample rural women entrepreneurial members of SHGs are concerned, out of the 762 sample rural women entrepreneurial members of SHGs, 200 (26.2%) rural women entrepreneurial members of SHGs family children are small children, 305 (40.0%) are school going children, 201 (26.4%) are working children and 56 (7.3%) of the sample rural women entrepreneurial members of SHGs don't have children. Large number (40.0%) of the sample rural women entrepreneurial members of SHGs have school going children. There is no significant difference in the activities of the sample rural women entrepreneurial members of SHGs family children ($p=0.343>0.05$)

With regard to the male adult literacy level of the 762 sample rural women entrepreneurial members of SHGs, 530 (69.6%) of the sample rural women entrepreneurial members of SHGs have literate male adults in the family and 230 (30.2%) have illiterate male adults in the family. Majority (69.6%) of the sample rural women entrepreneurial members of SHGs have literate male adults in the family. There is no significant difference in the male adult literacy level in the family of the sample rural women entrepreneurial members of SHGs ($p=0.084>0.05$)

As far as the female adult literacy level of the 762 sample rural women entrepreneurial members of SHGs are concerned, 461 (60.5%) of the sample rural women entrepreneurial members of SHGs have literate female adults in the family and 301 (39.5%) have illiterate female adults in the family. Majority (60.5%) of the sample rural women entrepreneurial members of SHGs have literate female members in the family. There is no significant difference in the female adult literacy level in the family of the sample rural women entrepreneurial members of SHGs ($p=0.918>0.05$)

Out of the 762 sample rural women entrepreneurial members of SHGs, 630 (82.7%) of the sample rural women entrepreneurial members of SHGs have literate male children in the family and only 74 (9.7%) have illiterate male children in the family. 58 (7.6%) of the sample rural women entrepreneurial members of SHGs have no male children in the family. Majority (82.7%) of the sample rural women entrepreneurial members of SHGs have literate male children in the family. There is no significant difference in the male children literacy level in the family of the sample rural women entrepreneurial members of SHGs ($p=0.544>0.05$)

Out of the 762 sample rural women entrepreneurial members of SHGs, 596 (78.2%) of the sample rural women entrepreneurial members of SHGs have literate female children in the family and 102 (13.4%) have illiterate female children in the family. 64 (8.4%) of the sample rural women entrepreneurial members of SHGs have no female children in the family. Majority (78.2%) of the sample rural women entrepreneurial members of SHGs have literate female children in the family. There is no significant difference in the female children literacy level in the family of the sample rural women entrepreneurial members of SHGs ($p=0.087>0.05$)

With regard to the sample rural women entrepreneurial members of SHGs families prone to chronic diseases, 300 (39.4%) of the sample rural women entrepreneurial members of SHGs families are prone to chronic diseases and 462 (60.6%) of the sample rural women entrepreneurial members of SHGs families are not prone to chronic diseases. Majority (60.6%) of the sample rural women entrepreneurial members of SHGs families are not prone to chronic diseases. There is no significant difference in the sample rural women entrepreneurial members of SHGs families prone to chronic diseases ($p=0.192>0.05$)

Among the 762 sample rural women entrepreneurial members of SHGs, 270 (35.4%) have some alcoholic members in the family, while 492 (64.6%) have no alcohol consuming members in the family. Majority (64.6%) of the sample rural women entrepreneurial members of SHGs have no alcohol consuming members in the family. There is no significant difference in the sample rural women entrepreneurial members of SHGs family members consuming alcohol under different categories of SHGs. ($p=0.728>0.05$)

Out of the 762 sample rural women entrepreneurial members of SHGs, 316 (41.5%) have tobacco consuming members in the family, while 446 (58.5%) of the sample rural women entrepreneurial members of SHGs have no tobacco consuming members in the family. Majority (58.5%) of the sample rural women entrepreneurial members of SHGs have no tobacco consuming members in the family. There is no significant difference in the sample rural women entrepreneurial members of SHGs family members consuming tobacco under different categories of SHGs ($p=0.332>0.05$)

6.1.7 Previous experience of the sample rural women entrepreneurial members of SHGs as a member of SHG: Study about the previous experience of rural women entrepreneurial members of SHGs as a member of SHG helps us to understand the sample rural women entrepreneurial members of SHGs experience in the activities of the SHG especially with regard to taking of loan and its repayment and knowledge about the management of SHG. The data related to the sample rural women entrepreneurial members of SHGs previous experience as a member of SHG is presented in table 6.7

Table 6.7 Previous experience of sample rural women entrepreneurial members of SHGs as a member of SHG

Previous experience as a member of SHG	Category of respondents SHGs			Total
	Microfinance Institution (SKDRDP)	NGOs (SCDCC & Prajna Counseling Centre)	Banks (Syndicate Bank & Canara Bank)	
Previous Experience - Yes	102 (31.7%)	69 (30.8%)	55 (25.5%)	226 (29.7%)
Previous Experience - No	220 (68.3%)	155 (69.2%)	161 (74.5%)	536 (70.3%)
Total	322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)

Source: Survey Data

$\chi^2 = 2.592$, DF = 2, p = 0.274, NS

An analysis of the above table 6.7 reveals that out of the 762 sample rural women entrepreneurial members of SHGs, 226 (29.7%) sample rural women entrepreneurial members of SHGs have previous experience as members of SHGs and 536 (70.3%) have no previous experience of being a member of SHGs. Majority (70.3%) of the sample rural women entrepreneurial members of SHGs have no previous experience of being members of SHGs. There is no significant difference in the sample rural women entrepreneurial members of SHGs previous experience of being members of SHGs ($p=0.274 > 0.05$)

6.1.8 Factors which motivated the sample rural women entrepreneurial members of SHGs to join the Self Help Group: It is necessary to understand the source of motivation for the SHG members to join SHG as it helps us to know the efforts put forth by the Microfinance Institution, NGOs and Banks to motivate the rural women

entrepreneurial members of SHGs to join SHG, make savings and take up loan leading to empowerment. The data related to the sources motivated the sample rural women entrepreneurial members of SHGs to join the SHG is presented in table 6.8

Table 6.8 Motivating Factors to join Self Help Groups

Motivating factors to join SHG	Microfinance Institution		NGOs		Banks		Total	
	No. of respondents	Percentage	No. of respondents	Percentage	No. of respondents	Percentage	No. of respondents	Percentage
NGOs	62	19.3%	64	28.6%	85	39.4%	211	27.7%
Other SHG members	158	49.1%	68	30.4%	58	26.9%	284	37.3%
Banks	42	13.0%	90	40.2%	159	73.6%	291	38.2%
MFIs	227	70.5%	77	34.4%	31	14.4%	335	44.0%
Own interest	195	60.6%	102	45.5%	89	41.2%	386	50.7%
Family members	135	41.9%	82	36.6%	84	38.9%	301	39.5%
Neighbours	110	34.2%	91	40.6%	107	49.5%	308	40.4%

Source: Survey Data

An analysis of the above data in table 6.8 reveals that out of the 762 sample rural women entrepreneurial members of SHGs, 211 (27.7%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by NGOs, 284 (37.3%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by other SHG members, 291 (38.2%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by Banks, 335 (44%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by MFIs, 386 (50.7%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by Own interest, 301 (39.5%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by Family members, 308 (40.4%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by Neighbours.

Microfinance Institutions, 386 (50.7%) sample rural women entrepreneurial members of SHGs have joined SHG on their own interest, 301 (39.5%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by family members and 308 (40.4%) sample rural women entrepreneurial members of SHGs were motivated to join SHG by their neighbours. Majority (50.7%) of the sample rural women entrepreneurial members of SHGs have joined SHGs on their own interest and also were motivated by microfinance institutions (44%)

In order to reduce the above large set of variables to a small set that contains most of the information in the large set, Principal Component Analysis, a dimension reduction tool is used and presented in table 6.9

Principal Components of the factors motivated sample rural women entrepreneurial members of SHGs to join Self Help Group: by factor analysis

Table 6.9 KMO and Bartlett's Test

Kaiser - Meyer – Olkin Measure of sampling adequacy	0.514
Bartlett's Test of Approximate Chi-square sphericity	751.144
Degree of freedom	21
Significance	0.000 HS

Source: Survey Data

The above table 6.9 shows that, there is a highly significant difference between the Kaiser –Meyer – Olkin Measure of sampling adequacy and Bartlett's Test of Approximate Chi – square sphericity. The approximate chi-square is 751.144 with 21 degree of freedom, which is highly significant at the 0.000 level ($p = 0.000 < 0.01$, which is HS). The value of KMO test (0.514) is large (>0.5). Hence, sources motivated sample SHG members to join SHG do not have equal importance.

Kaiser – Meyer – Olkin (KMO) measure of sampling adequacy shows that sample is adequate and Bartlett's test of Sphercity shows that Factor analysis can be performed for the various components as $0.514 > 0.5$ and $p = 0.000 < 0.01$, which is HS.

Table 6.10 Total Variance Explained

Component	Initial Eigen Values			Extraction sum of squared loadings			Rotation sum of squared loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	2.032	29.035	29.035	2.032	29.035	29.035	1.648	23.548	23.548
2	1.379	19.705	48.740	1.379	19.705	48.740	1.536	21.945	45.493
3	1.072	15.321	64.062	1.072	15.321	64.062	1.300	18.569	64.062
4	0.886	12.650	76.712						
5	0.756	10.800	87.512						
6	0.519	7.410	94.921						
7	0.355	5.079	100.00						

Source: Survey Data

Extraction Method: Principal Component Analysis

From the above table 6.10 it can be observed that, an initial Eigen value represents the amount of variance associated with the factor. From the study, it is evident that the first three variables represent 64.062 percent of variance. Therefore only these three factors with the variance greater than 1 are retained, and other factors are not included in the model. Thus, from Eigen values in the above table only three factors can be extracted from seven variables.

The total variance of the three factors reduced from seven variables is presented in table 6.11, as Rotated Component Matrix makes it more reliable to understand the output

Table 6.11 Rotated Component Matrix: Total Variance explained for various factors which motivated sample rural women entrepreneurial members of SHGs to join Self Help Groups

Sources of motivation to join Self Help Group	Components		
	1	2	3
NGOs		-.854	

Other SHG members		.800	
Banks	-.876		
MFI	.771		
Own interest	.457		.419
Family members			-.799
Neighbours			.683

Source: Survey Data

Note: Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalisation, Rotation converged in 5 iterations

From the study it can be observed that, by applying Rotated Component Matrix method, the following three components are extracted.

Component 1: which contributes 23.548% variation as a contributing factor, consists of Banks with factor loading of -0.876; MFI with factor loading of 0.771; and own interest with factor loading of 0.457. This component may be named “Self Help Group Promotion Institutions with self interest” as a source of motivation to join Self Help Group.

Component 2: which contributes 45.493% variation as a contributing factor, consists of NGOs with factor loading of -0.854; Other SHG members with factor loading of 0.800. This component may be named “Organisations” as a source of motivation to join Self Help Group.

Component 3: which contributes 64.062 % variation as a contributing factor, consists of own interest with factor loading of 0.419; family members with factor loading of -0.799; and Neighbours with factor loading of 0.683. This component may be named as “Society” as a source of motivation to join Self Help Group.

6.1.9 Permission taken from family members before joining Self Help Group:

Whether the rural women entrepreneurial members of SHGs have taken permission

from family members to join SHG before joining Self Help Group or not helps us to understand the level of freedom and independence of sample rural women entrepreneurial members of SHGs. The data relating to whether the sample rural women entrepreneurial members of SHGs have taken permission from family members to join the SHG or not are presented in table 6.12

Table 6.12 Permission taken from family members before joining Self Help Group

Permission taken from family members before joining SHG	Category of respondents SHGs			Total
	Microfinance Institution (SKDRDP)	NGOs (SCDCC & Prajna Counseling Centre)	Banks (Syndicate Bank & Canara Bank)	
Yes	287 (89.1%)	193 (86.2%)	181 (83.8%)	661 (86.7%)
No	35 (10.9%)	31 (13.8%)	35 (16.2%)	101 (13.3%)
Total	322 (100.0%)	224 (100.0%)	216 (100.0%)	762 (100.0%)

Source: Survey Data

$\chi^2=3.294$, DF = 2, p = 0.193, NS

An analysis of the above table 6.12 shows that out of the 762 sample rural women entrepreneurial members of SHGs , 661 (86.7%) sample rural women entrepreneurial members of SHGs have taken permission from their family members before joining SHG while 101 (13.3%) have not taken permission before joining SHG. Majority (86.7%) of the sample rural women entrepreneurial members of SHGs have taken permission from their family members before joining SHG. There is no significant difference in the sample rural women entrepreneurial members of SHGs taking permission from family members before joining SHG ($p=0.193 > 0.05$)

6.1.10 Reasons which compelled the sample rural women entrepreneurial members of SHGs to join the SHG: It is necessary to understand the motive behind the rural women entrepreneurial members of SHGs joining Self Help Group so that the reasons and need for members joining SHG can be understood. The data relating to the various reasons that compelled the sample rural women entrepreneurial members of SHGs to join SHG are presented in table 6.13

Table 6.13 Reasons which compelled the sample rural women entrepreneurial members of SHGs to join Self Help Group

Reasons which compelled the sample rural women entrepreneurial members of SHGs to join SHG	Microfinance Institution (SKDRDP)		NGOs (SCDCC & Prajna Counseling Centre)		Banks (Syndicate Bank & Canara Bank)		Total	
	No. of respondents	Percentage	No. of respondents	Percentage	No. of respondents	Percentage	No. of respondents	Percentage
Loan facility	259	80.4%	172	76.8%	184	85.2%	615	80.7%
New employment and income opportunity	228	70.8%	127	56.7%	86	39.8%	441	57.9%
To overcome exploitation from money lenders	191	59.3%	88	39.3%	58	26.9%	337	44.2%
To cultivate the habit of savings	162	50.3%	127	56.7%	158	73.1%	447	58.7%
To benefit from the cooperation of SHG members	83	25.8%	60	26.8%	47	21.8%	190	24.9%

To improve the standard of living	212	65.8%	175	78.1%	184	85.2%	571	74.9%
To employ spare time	82	25.5%	50	22.3%	28	13.0%	160	21.0%
To benefit from the training of the SHG	131	40.7%	84	37.5%	86	39.8%	301	39.5%
To develop social ties and to gain social recognition	108	33.5%	58	25.9%	43	19.9%	209	27.4%
To develop leadership qualities	116	36.0%	73	32.6%	69	31.9%	258	33.9%
Poor economic conditions of the family	215	66.8%	112	50.0%	58	26.9%	385	50.5%
To gain social and economic empowerment	215	66.8%	127	56.7%	70	32.4%	412	54.1%
Lack of importance for women in family	113	35.1%	62	27.7%	58	26.9%	233	30.6%

Source: Survey Data

An analysis of the above table 6.13 reveals that out of the 762 sample rural women entrepreneurial members of SHGs, 615 (80.7%) of the sample rural women entrepreneurial members of SHGs joined SHG for loan facility, 441 (57.9%) joined SHG for new employment and income opportunity, 337 (44.2%) joined SHG to overcome exploitation from money lenders, 447 (58.7%) joined SHG to develop the habit of savings, 190 (24.9%) joined SHG to benefit from the cooperation of SHG members, 571 (74.9%) joined SHG to improve the standard of living, 160 (21.0%) joined SHG to employ free time, 301 (39.5%) joined SHG to benefit from the training of SHG, 209 (27.4%) joined SHG to develop social ties and to gain social recognition, 258 (33.9%) joined SHG to develop leadership qualities, 385 (50.5%) joined SHG to improve the poor economic conditions of the family, 412 (54.1%) joined SHG to gain social and economic empowerment and 233 (30.6%) joined SHG because of lack of importance for women in the family. Majority (80.7%) of the sample rural women entrepreneurial members of SHGs joined SHG to avail loan facility, to develop the habit of savings (58.7%) and to improve the standard of living (74.9%).

In order to reduce the above large set of variables to a small set that contains most of the information in the large set, Principal Component Analysis, a dimension reduction tool is used and presented in table 6.14

Principal Component of the various reasons for joining SHG by sample rural women entrepreneurial members of SHGs: by factor analysis

Table 6.14 : KMO and Bartlett's Test

Kaiser - Meyer – Olkin Measure of sampling adequacy	0.705
Bartlett's Test of Approximate Chi-square sphericity	4981.722
Degree of freedom	78
Significance	0.000 HS

The above table 6.14 shows that, there is a highly significant difference between the Kaiser –Meyer – Olkin Measure of sampling adequacy and Bartlett's Test of Approximate Chi-square sphericity. The approximate chi-square is 4981.722 with 78

degree of freedom, which is highly significant at the 0.000 level ($p = 0.000 < 0.01$, which is HS). The value of KMO test (0.705) is large (>0.5). Hence, reasons that compelled sample rural women entrepreneurial members of SHGs to join SHG do not have equal importance.

Kaiser – Meyer – Olkin (KMO) measure of sampling adequacy shows that sample is adequate and Bartlett’s test of Sphercity shows that Factor analysis can be performed for the various components as $0.705 > 0.5$ and $p = 0.000 < 0.01$, which is HS.

Table 6.15 Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sum of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.162	32.012	32.012	4.162	32.012	32.012	3.383	26.026	26.026
2	2.592	19.939	51.951	2.592	19.939	51.951	2.306	17.742	43.768
3	1.333	10.256	62.207	1.333	10.256	62.207	1.877	14.441	58.209
4	1.290	9.922	72.129	1.290	9.922	72.129	1.810	13.920	72.129
5	0.804	6.186	78.315						
6	0.635	4.884	83.199						
7	0.557	4.286	87.485						
8	0.410	3.150	90.636						

9	0.386	2.968	93.604						
10	0.280	2.153	95.757						
11	0.235	1.807	97.564						
12	0.165	1.269	98.833						
13	0.152	1.167	100.000						

Extraction Method: Principal Component Analysis

From the above table 6.15 it can be observed that, an initial Eigen value represents the amount of variance associated with the factor. From the study, it is evident that the first four variables represent the 72.129 percent of variance. Therefore only these four factors with the variance greater than 1 are retained, and other factors are not included in the model. Thus, from Eigen values in the above table only four factors can be extracted from thirteen variables.

The total variance of the four factors reduced from thirteen variables is presented in table 6.16 as Rotated Component Matrix makes it more reliable to understand the output.

Table 6.16: Rotated Component Matrix: Total Variance explained for various reasons which compelled sample rural women entrepreneurial members of SHGs to join Self Help Group

Reasons which compelled sample rural women entrepreneurial members of SHGs to join SHG	Component			
	1	2	3	4
Loan facility	-0.768			
New employment and income opportunity				0.704
Overcome exploitation from money lenders				0.613
Habit of savings		0.732		
To benefit from the cooperation of SHG members			0.890	
To improve the standard of living		0.697		
To employ spare time	0.760			
To benefit from the training of the SHGs	0.779			
Social ties and to gain social recognition			0.655	
To develop leadership qualities	0.861			
Poor economic conditions of the family				0.673
To gain social and economic empowerment		0.803		
Lack of importance for women in family		-0.526		0.592

Note: Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalisation, Rotation converged in 8 iterations

From the study it can be observed that, by applying Rotated Component Matrix method, the following four components are extracted.

Component 1: which contributes 26.026% variation as a contributing factor consists of loan facility with factor loading of -0.768; to employ spare time with factor loading of 0.760; to benefit from the training of the SHG with factor loading of 0.779 and to develop leadership qualities with factor loading of 0.861. This component may be named “Loan facility and development” reasons which compelled sample SHG members to join Self Help Group.

Component 2: which contributes 43.768% variation as a contributing factor consists of habit of savings with factor loading of 0.732; to improve standard of living with factor loading of 0.697; to gain social and economic empowerment with factor loading of 0.803 and lack of importance for women in family with factor loading of -0.526. This component may be named as “Social and economic empowerment” reasons which compelled sample SHG members to join Self Help Group.

Component 3: which contributes 58.209% variation as a contributing factor consists of benefit from the cooperation of SHG members with factor loading of 0.890; and social ties and to gain social recognition with factor loading of 0.655. This component may be named as “Social empowerment” reasons which compelled sample SHG members to join Self Help Group.

Component 4: which contributes 72.129% variation as a contributing factor consists of new employment and income opportunity with factor loading of 0.704; to overcome exploitation from money lenders with factor loading of 0.613; poor economic conditions of family with factor loading of 0.673; and lack of importance for women in the family with factor loading of 0.592. This component may be named as “employment and income opportunity from better sources”

6.1.11 Occupation wise distribution of sample rural women entrepreneurial members of SHGs: Occupation of the sample rural women entrepreneurial members of SHGs helps us to understand the type of occupation the rural women entrepreneurial members of SHGs are involved in so that we can understand in which occupation majority of the sample rural women entrepreneurial members of SHGs are involved for their income, standard of living and economic empowerment. The data relating to the occupation of the sample rural women entrepreneurial members of SHGs are collected and presented in table 6.17.

Table 6.17 Occupation wise distribution of sample rural women entrepreneurial members of SHGs

Occupation of sample rural women entrepreneurial members of SHGs	Microfinance Institution (SKDRDP)		NGOs (SCDCC & Prajna Counseling Centre)		Banks (Syndicate Bank & Canara Bank)		Total	
	No. of respondents	Percentage	No. of respondents	Percentage	No. of respondents	Percentage	No. of respondents	Percentage
Agriculture	198	61.5%	116	51.8%	98	45.4%	412	54.1%
Tenant farmer	83	25.8%	59	26.3%	55	25.5%	197	25.9%
Dairying	117	36.3%	75	33.5%	59	27.3%	251	32.9%
Petty shop	51	15.8%	57	25.4%	68	31.5%	176	23.1%
Household worker	31	9.6%	47	21.0%	69	31.9%	147	19.3%
Beedi rolling	207	64.3%	164	73.2%	155	71.8%	526	69.0%
Cobbler	24	7.5%	14	6.3%	12	5.6%	50	6.6%
Vegetable vendor	94	29.2%	85	37.9%	92	42.6%	271	35.6%
Tailoring	133	41.3%	114	50.9%	113	52.3%	360	47.2%
Laundry	28	8.7%	15	6.7%	22	10.2%	65	8.5%
Shop Assistant	26	8.1%	24	10.7%	34	15.7%	84	11.0%
Poultry farming	120	37.3%	79	35.3%	70	32.4%	269	35.3%

Piggery	72	22.4%	47	21.0%	38	17.6%	157	20.6%
Bee keeping	96	29.8%	66	29.5%	24	11.1%	186	24.4%
Bakery	61	18.9%	67	29.9%	85	39.4%	213	28%

Source: Survey Data

An analysis of the table 6.17 reveals that out of the 762 sample rural women entrepreneurial members of SHGs, 412 (54.1%) of the sample rural women entrepreneurial members of SHGs have agriculture as their occupation, 197 (25.9%) are tenant farmers, 251 (32.9%) have dairying as their occupation, 176 (23.1%) own petty shops, 147 (19.3%) are household workers, 526 (69.0%) are involved in beedi rolling, 50 (6.6%) are cobblers, 271 (35.6%) are vegetable vendors, 360 (47.2%) are tailors, 65 (8.5%) own laundry, 84 (11.0%) are working as shop assistants, 269 (35.3%) are engaged in poultry farming, 157 (20.6%) are into piggery, 186 (24.4%) are engaged in bee keeping and 213 (28.0%) own bakery. Majority (69.0%) of the sample rural women entrepreneurial members of SHGs have beedi rolling and also agriculture (54.1%) as their occupation.

6.1.12. Satisfaction level of the sample rural women entrepreneurial members of SHGs about the facilities provided by the Facilitators

Table 6.18 Satisfaction level of the sample rural women entrepreneurial members of SHGs about the facilities provided by the Facilitators

Facilities provided by the Facilitators	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskall wallis test value	DF	P value
Loan and savings facilities	Microfinance Institution	322	3.83	1.22	4.00	14.753	2	0.001 HS
	NGOs	224	3.89	1.26	4.00			
	Banks	216	4.07	1.29	5.00			
	Total	762	3.92	1.25	4.00			
Income Opportunities	Microfinance Institution	322	3.84	1.23	4.00	66.215	2	0.000 HS
	NGOs	224	3.36	1.43	4.00			
	Banks	216	2.77	1.48	2.00			
	Total	762	3.40	1.43	4.00			
Adequate	Microfinance	322	3.34	1.49	4.00	32.422	2	0.000

income for SHG enterprises	Institution							HS
	NGOs	224	2.91	1.49	2.00			
	Banks	216	2.57	1.44	2.00			
	Total	762	2.99	1.51	2.00			
Infrastructure for creation of employment opportunities	Microfinance Institution	322	2.89	1.52	2.00	4.265	2	0.119 NS
	NGOs	224	2.65	1.45	2.00			
	Banks	216	2.58	1.42	2.00			
	Total	762	2.73	1.48	2.00			
Marketing facilities for the products of rural women entrepreneurial members of SHGs	Microfinance Institution	322	3.71	1.26	4.00	84.119	2	0.000 HS
	NGOs	224	3.25	1.33	4.00			
	Banks	216	2.62	1.20	2.00			
	Total	762	3.27	1.34	4.00			
Job oriented training to rural	Microfinance Institution	322	3.86	1.25	4.00	41.364	2	0.000

women entrepreneurial members of SHGs	NGOs	224	3.53	1.42	4.00			HS
	Banks	216	2.93	1.55	2.00			
	Total	762	3.50	1.44	4.00			
Grants from external agencies	Microfinance Institution	322	3.16	1.08	3.00	8.950	2	0.011 Sig
	NGOs	224	3.28	1.24	3.00			
	Banks	216	3.40	1.42	4.00			
	Total	762	3.27	1.23	3.00			
Integrated approach in forming SHGs	Microfinance Institution	322	3.63	1.32	4.00	0.103	2	0.950 NS
	NGOs	224	3.69	1.22	4.00			
	Banks	216	3.66	1.26	4.00			
	Total	762	3.65	1.27	4.00			
Adequate training to rural	Microfinance Institution	322	3.74	1.24	4.00	20.252	2	0.000

women entrepreneurial members of SHGs in day to day operations of SHG	NGOs	224	3.41	1.39	4.00			HS
	Banks	216	3.17	1.38	4.00			
	Total	762	3.48	1.34	4.00			
Grants from Government	Microfinance Institution	322	3.20	1.08	3.00	2.332	2	0.312 NS
	NGOs	224	3.11	1.28	3.00			
	Banks	216	3.03	1.48	2.00			
	Total	762	3.13	1.26	3.00			
Overall level of satisfaction	Microfinance Institution	322	3.52	0.57	3.60	100.601	2	0.000 HS
	NGOs	224	3.31	0.51	3.30			
	Banks	216	3.08	0.41	3.20			
	Total	762	3.33	0.54	3.30			

Source: Survey Data

An analysis of the above table 6.18 reveals that the sample rural women entrepreneurs of SHGs positively responded to the various facilities provided by banks, NGOs and MFI. The satisfaction level of sample rural women entrepreneurs of SHGs to facilities provided with their mean values were; (i) Loan and savings facilities with a mean 3.92 [3.83 (MFI), 3.89 (NGOs) and 4.07 (Banks)], (ii) Identification/ Suggestions/ Guidance of income opportunities for members with a mean 3.40 [3.84 (MFI), 3.36 (NGOs) and 2.77 (Banks)], (iii) Generation of adequate income for SHG enterprises with a mean 2.99 [3.34 (MFI), 2.91 (NGOs) and 2.57 (Banks)], (iv) Infrastructure for creation of employment opportunities with a mean 2.73 [2.89 (MFI), 2.65 (NGOs) and 2.58 (Banks)], (v) Marketing facilities for the products of rural women entrepreneurial members of SHGs with a mean of 3.27 [3.71 (MFI), 3.25 (NGOs) and 2.62 (Banks)], (vi) Job – oriented training to rural women entrepreneurial members of SHGs with a mean of 3.50 [3.86 (MFI), 3.53(NGOs) and 2.93 (Banks)], (vii) Grants from external agencies with a mean of 3.27 [3.16 (MFI), 3.28(NGOs) and 3.40 (Banks)], (viii) Integrated approach in forming SHG with a mean of 3.65 [3.63 (MFI), 3.69 (NGOs) and 3.66 (Banks)], (ix) Adequate training to rural women entrepreneurial members of SHGs in day-to-day operations of the SHG with a mean of 3.48 [3.74 (MFI), 3.41 (NGOs) and 3.17 (Banks)], (x) Grants from Government with a mean of 3.13 [3.20 (MFI), 3.11 (NGOs) and 3.03 (Banks)], (xi) Overall level of satisfaction with a mean of 3.33 [3.52 (MFI), 3.31 (NGOs) and 3.08 (Banks)]

There is no significant difference in the satisfaction level of the sample rural women entrepreneurial members of SHGs regarding the following facilities provided by the SHGs operated by MFI, NGOs and Banks to the SHGs:

- a. Infrastructure for creation of employment opportunities ($p=0.119 > 0.05$). Sample rural women entrepreneurial members of SHGs operated by MFI agreed more on this facility compared to NGOs being next and banks the last.
- b. Integrated approach in forming SHGs ($p=0.950 > 0.05$). Sample rural women entrepreneurial members of SHGs operated by NGOs agreed more on this facility compared to MFIs being next and banks the last.
- c. Grants from Government ($p=0.312 > 0.05$). Sample rural women entrepreneurial members operated by MFI agreed more on this facility compared to NGOs and banks the last.

There is a significant difference in the satisfaction level of the sample rural women entrepreneurial members regarding the following facility provided by the SHGs operated by MFI, NGOs and Banks to the SHGs:

- a. Grants from external agencies ($p=0.011 < 0.05$). Sample rural women entrepreneurial members of SHGs operated by banks agreed more on this facility compared to NGOs being next and MFI the last.

There is a highly significant difference in the satisfaction level of the sample rural women entrepreneurial members regarding the following facilities provided by the SHGs operated by MFI, NGOs and Banks to the SHGs:

- a. Loan and savings facilities ($p=0.001 < 0.05$). Sample rural women entrepreneurial members of SHGs operated by banks agreed more on this facility compared to NGOs being next and MFI the last
- b. Identification / Suggestions /Guidance of income opportunities for members ($p=0.000 < 0.05$). Sample rural women entrepreneurial members of SHGs operated by MFI agreed more on this facility compared to NGOs being next and bank the last.
- c. Generation of adequate income for SHG enterprises ($p=0.000 < 0.05$). Sample rural women entrepreneurial members of SHGs operated by MFI agreed more on this facility compared to NGOs next and banks the last.
- d. Marketing facilities for the products of rural women entrepreneurial members of SHGs ($p=0.000 < 0.05$). Sample rural women entrepreneurial members of SHGs operated by MFI agreed more on this facility compared to NGOs being next and Banks the last.
- e. Job-oriented training to rural women entrepreneurial members of SHGs ($p=0.000 < 0.05$). Sample rural women entrepreneurial members of SHGs operated by MFI agreed more on this facility compared to NGOs being next and banks' the last.
- f. Adequate training to rural women entrepreneurial members of SHGs in day-to-day operations of SHGs ($p=0.000 < 0.05$). Sample rural women

entrepreneurial members of SHGs operated by MFI agreed more on this facility compared to NGOs next and banks' the last.

- g. Overall level of satisfaction of the rural women entrepreneurial members of SHGs towards the facilities provided by the facilitators ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs operated by the MFIs were more satisfied compared to NGOs next and banks' last.

Sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks were more satisfied with 'loans and savings facility' provided by the facilitators with the overall mean of 3.92

In order to reduce the above large set of variables to a small set that contains most of the information in the large set, Principal Component Analysis, a dimension reduction tool is used and presented in table 6.19

Principal Components of the sample rural women entrepreneurial members of SHGs satisfaction level on the facilities provided by SHGs operated by MFI, NGO and Banks: by factor analysis

Table 6.19: KMO and Bartlett's Test

Kaiser - Meyer – Olkin Measure of sampling adequacy	0.652
Bartlett's Test of Approximate Chi-square sphericity	564.334
Degree of freedom	45
Significance	0.000 HS

Source: Survey Data

The above table 6.19 shows that, there is a highly significant difference between the Kaiser –Meyer – Olkin Measure of sampling adequacy and Bartlett's Test of Approximate Chi – square sphericity. The approximate chi-square sphericity value is 564.334 with 45 degree of freedom, which is highly significant at the 0.000 level ($p = 0.000 < 0.01$, which is HS). The value of KMO test 0.652 is large (>0.5). Hence, satisfaction level of the sample SHG members regarding the facilities provided by MFI, NGOs and banks to the SHGs do not have equal importance.

Kaiser – Meyer – Olkin (KMO) measure of sampling adequacy shows that sample is adequate and Bartlett's test of Sphercity shows that Factor analysis can be performed for the various components as $0.652 > 0.5$ and $p = 0.000 < 0.01$, which is highly significant.

Table 6.20 Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sum of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.711	17.110	17.110	1.711	17.110	17.110	1.481	14.808	14.808
2	1.514	15.135	32.245	1.514	15.135	32.245	1.458	14.582	29.390
3	1.330	13.297	45.542	1.330	13.297	45.542	1.406	14.064	43.454
4	1.133	11.325	56.867	1.133	11.325	56.867	1.341	13.413	56.867
5	0.935	9.350	66.217						
6	0.830	8.297	74.515						
7	0.753	7.535	82.049						
8	0.681	6.812	88.862						
9	0.625	6.251	95.113						
10	0.489	4.887	100.00						

Extraction Method: Principal Component Analysis

It can be observed from the above that an initial Eigen value represents the amount of variance associated with the factor. From the study, it is evident that the first four variables represent the 56.867 percent of variance. Therefore, only these four factors with the variance greater than 1 are retained, and other factors are not included in the model. Thus, from Eigen values in the above table only four factors can be extracted from ten variables.

The total variance of the four factors reduced from ten variables is presented in table 6.21 as Rotated Component Matrix makes it more reliable to understand the output.

Table 6.21: Rotated Component Matrix: Total Variance explained for sample rural women entrepreneurial members of SHGs satisfaction level on the facilities provided by SHG operated by MFI, NGOs and Banks

Satisfaction level of sample rural women entrepreneurial members of SHGs regarding facilities provided by SHGs	Component			
	1	2	3	4
Loan and savings facilities	0.774			
Income Opportunities			0.697	
Adequate income for SHG enterprises		0.683		
Infrastructure for creation of employment opportunities		0.575		
Marketing facilities for the products of rural women entrepreneurial members of SHGs		0.597		
Job oriented training to rural women entrepreneurial members of SHGs			0.767	
Grants from external agencies	0.707			
Integrated approach in forming SHGs	0.532			
Adequate training to rural women entrepreneurial members of SHGs in day to day operations of SHGs				0.775
Grants from Government		0.465		

Note: Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalisation, Rotation converged in 6 iterations

It can be observed from the above table 6.21 that, by applying Rotated Component Matrix method, the following four components are extracted.

Component 1 – which contributes 14.808% variation as a contributing factor, constitutes loan and savings facilities with factor loading of 0.774; grants from external agencies with factor loading of 0.707 and integrated approach in forming SHGs with factor loading of 0.532

Component 2 – which contributes 29.390% variation as a contributing factor, constitutes adequate income for SHG enterprises with factor loading of 0.683; infrastructure for creation of employment opportunities with factor loading of 0.575; marketing facilities for the products of rural women entrepreneurial members of SHGs with factor loading of 0.597; and grants from government with factor loading of 0.465

Component 3 – which contributes 43.454% variation as a contributing factor, constitutes income opportunities with factor loading of 0.697; and job oriented training to rural women entrepreneurial members of SHGs with factor loading of 0.767

Component 4 – which contributes 51.867% variation as a contributing factor, constitutes adequate training to rural women entrepreneurial members of SHGs in day to day operations of SHG with factor loading of 0.775

6.1.13 Awareness about the objectives, rules, regulations and functions of the Self Help Group

Before a rural women entrepreneurial member of SHG borrows loan from the SHG, it is very important that the rural women entrepreneurial member must be aware of the objectives, rules, regulations and functions of the SHG. In order to understand the awareness level of rural women entrepreneurial members of SHGs about the objectives, rules, regulations and functions of the SHG the study has been carried out and the relevant data is presented in table 6.22

Table 6.22 Awareness level of the sample SHG members about the objectives, rules and regulations and functions of the Self Help Group

Objectives, Rules, regulations and Functions of SHG	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskal Wallis test value	D F	P value
Awareness of the objectives of SHGs	Microfinance Institution	322	4.17	1.01	4.00	7.878	2	0.019 Sig
	NGOs	224	3.98	1.13	4.00			
	Banks	216	3.89	1.20	4.00			
	Total	762	4.03	1.11	4.00			
Awareness of the rules and regulations of the SHGs	Microfinance Institution	322	3.91	1.14	4.00	4.954	2	0.084 NS
	NGOs	224	3.83	1.17	4.00			
	Banks	216	3.66	1.26	4.00			
	Total	762	3.82	1.19	4.00			
Awareness of the amount of personal savings and loans from the SHGs	Microfinance Institution	322	4.24	0.96	4.00	0.267	2	0.875 NS
	NGOs	224	4.17	1.05	4.00			
	Banks	216	4.10	1.17	4.00			
	Total	762	4.18	1.05	4.00			
Awareness of the amount of total savings and loans of the entire SHGs	Microfinance Institution	322	2.03	1.03	2.00	33.701	2	0.000 HS
	NGOs	224	2.43	1.41	2.00			
	Banks	216	2.86	1.56	2.00			
	Total	762	2.38	1.35	2.00			
Awareness	Microfinance	322	2.15	1.12	2.00	44.985	2	0.000

of the financial position of the SHGs	Institution							HS
	NGOs	224	2.56	1.38	2.00			
	Banks	216	2.98	1.48	2.00			
	Total	762	2.51	1.35	2.00			
Overall level of awareness	Microfinance Institution	322	3.30	0.61	3.40	18.202	2	0.000 HS
	NGOs	224	3.40	0.60	3.40			
	Banks	216	3.50	0.62	3.60			
	Total	762	3.38	0.62	3.40			

Source: Survey Data

An analysis of the above table 6.22 reveals that the sample rural women entrepreneurial members of SHGs are aware of the functioning of the self help group. The awareness level of the functioning of the self help groups among the rural women entrepreneurial members of SHGs with their mean values were; (i) Aware of the objectives of SHGs with a mean of 4.03 [4.17 (MFI), 3.98 (NGOs) and 3.89 (Banks)], (ii) Aware of the rules and regulations of the SHGs with a mean of 3.82 [3.91 (MFI), 3.83 (NGOs) and 3.66 (Banks)], (iii) Aware of the amount of personal savings and loans from the SHG with a mean of 4.18 [4.24 (MFI), 4.17(NGOs) and 4.10 (Banks)], (iv) Awareness level of the amount of total savings and loans of the entire self help groups with a mean of 2.38 [2.03 (MFI), 2.43 (NGOs) and 2.86 (Banks)], (v) Aware of the financial position of the SHGs with a mean of 2.51 [2.15 (MFI), 2.56 (NGOs) and 2.98 (Banks)], (vi) Overall level of awareness of the sample rural women entrepreneurial members of SHGs about the objectives, rules and regulations, functions of the self help group with a mean of 3.38 [3.30 (MFI), 3.40 (NGOs) and 3.50 (Banks)]

There is no significant difference in the awareness level of the sample rural women entrepreneurial members of SHGs regarding the following variables:

- a. Awareness of the rules and regulations of the Self Help Group ($p=0.084>0.05$). Sample rural women entrepreneurial members of SHGs of MFI were more aware of the rules and regulations of the SHGs compared to sample rural women entrepreneurial members of SHGs of NGOs next and sample rural women entrepreneurial members of SHGs of Banks last.
- b. Awareness of the amount of personal savings and loans with the SHG ($p=0.875>0.05$). Almost all the sample rural women entrepreneurial members of different categories of the Self Help Groups were equally aware of the personal savings and loans with the SHG.

There is a significant difference in the awareness level of the sample rural women entrepreneurial members of SHGs regarding the following variable:

- a. Awareness of the objectives of the Self Help Group ($p=0.019<0.05$). Sample rural women entrepreneurial members of SHGs of MFI were more aware of the objectives of the Self Help Groups compared to sample rural women entrepreneurial members of SHGs of NGOs next and sample rural women entrepreneurial members of SHGs of Banks last.

There is highly significant difference in the awareness level of the sample rural women entrepreneurial members of SHGs regarding the following variables:

- a. Awareness of the amount of total savings and loans of the entire Self Help Group ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks were more aware of the amount of total savings and loans of the entire Self Help Group compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.
- b. Awareness of the financial position of the SHGs ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks were more aware of the financial position of the SHGs compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

- c. Overall level of awareness of the sample rural women entrepreneurial members of SHGs ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs were more aware of all the objectives, rules and regulations and functions of SHG compared to NGOs next and banks last.

Sample rural women entrepreneurial members of SHGs were more aware of amount of personal savings and loans and loans with the SHGs compared to the awareness of objectives, rules and regulations and functions of the self help group with overall mean of 4.18

6.1.14 Participation of the rural women entrepreneurial members of SHGs in the activities of the Self Help Groups

A member can be an active member of a self help group only if he actively participates in the activities of the self help group. Study has been carried out to understand the level of participation of sample rural women entrepreneurial members of SHGs in the activities of the group and the relevant data is presented in the table 6.23

Table 6.23 Participation of the sample rural women entrepreneurial members of SHGs in the activities of the Self Help Groups

Activities of the Self Help Groups	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruska ll wallis test value	D F	P value
Ability to write the accounts and maintain other records and documents of the SHG	Microfinance Institution	322	3.61	1.23	4.00	1.452	2	0.484 NS
	NGOs	224	3.63	1.25	4.00			
	Banks	216	3.71	1.21	4.00			
	Total	762	3.64	1.23	4.00			
Able to transact SHG activities with the facilitators (Banks/MFIs/	Microfinance Institution	322	3.51	1.28	4.00	11.234	2	0.004 HS
	NGOs	224	3.63	1.26	4.00			
	Banks	216	3.85	1.23	4.00			

NGOs)	Total	762	3.64	1.26	4.00			
Confident of conducting SHG meetings	Microfinance Institution	322	3.22	1.37	4.00	1.424	2	0.491 NS
	NGOs	224	3.13	1.37	4.00			
	Banks	216	3.06	1.48	4.00			
	Total	762	3.15	1.40	4.00			
Confident of being the leader of SHG	Microfinance Institution	322	3.80	1.24	4.00	65.955	2	0.000 HS
	NGOs	224	3.43	1.39	4.00			
	Banks	216	2.78	1.37	2.00			
	Total	762	3.40	1.38	4.00			
Active and can speak in the meetings of the SHGs	Microfinance Institution	322	3.75	1.23	4.00	17.631	2	0.000 HS
	NGOs	224	3.41	1.37	4.00			
	Banks	216	3.25	1.42	4.00			
	Total	762	3.51	1.34	4.00			
Able to give problem solving inputs in the meetings of the SHGs	Microfinance Institution	322	3.55	1.27	4.00	27.233	2	0.000 HS
	NGOs	224	3.13	1.46	4.00			
	Banks	216	2.89	1.42	2.00			
	Total	762	3.24	1.40	4.00			
Developed the habit of savings regularly	Microfinance Institution	322	3.90	1.14	4.00	0.551	2	0.759 NS
	NGOs	224	3.97	1.10	4.00			
	Banks	216	3.88	1.21	4.00			
	Total	762	3.91	1.15	4.00			

Found a safe place and method of depositing savings	Microfinance Institution	322	3.89	1.18	4.00	2.895	2	0.235 NS
	NGOs	224	3.82	1.19	4.00			
	Banks	216	3.75	1.18	4.00			
	Total	762	3.83	1.18	4.00			

Source: Survey Data

An analysis of the above table 6.23 reveals that the sample rural women entrepreneurial members of SHGs are active in the participation of the activities of the Self Help Groups. The participation of the sample rural women entrepreneurial members of SHGs in the activities of the Self Help Group with the mean values are; (i) Ability to write the accounts and maintain other records and documents of the SHG with a mean of 3.64 [3.61(MFI), 3.63 (NGOs) and 3.71 (Banks)], (ii) Able to transact SHG activities with the facilitators with a mean of 3.64 [3.51 (MFI), 3.63 (NGOs) and 3.85 (Banks)], (iii) Confident of conducting SHG meetings with a mean of 3.15 [3.22 (MFI), 3.13 (NGOs) and 3.06 (Banks)], (iv) Confident of being the leader of SHG with a mean of 3.40 [3.80 (MFI), 3.43 (NGOs) and 2.78 (Banks)], (v) Active and can speak in the meetings of the SHGs with a mean of 3.51 [3.75 (MFI), 3.41 (NGOs) and 3.25 (Banks)], (vi) Able to give problem solving inputs in the meetings of the SHG with a mean of 3.24 [3.55 (MFI), 3.13 (NGOs) and 2.89 (Banks)], (vii) Developed the habit of savings regularly with a mean of 3.91 [3.90 (MFI), 3.97 (NGOs) and 3.88 (Banks)] and (viii) Found a safe place and method of depositing savings with a mean of 3.83 [3.89 (MFI), 3.82 (NGOs) and 3.75 (Banks)]

There is no significant difference in the participation of the sample rural women entrepreneurial members of SHGs in the activities of the self help groups regarding the following variables:

- a. Ability to write the accounts and maintain other records and documents of the SHG ($p=0.484>0.05$). Sample rural women entrepreneurial members of SHGs of Banks were more active in participating in this activity of the Self Help Group compared to NGOs sample rural women entrepreneurial members of SHGs being next and MFI sample rural women entrepreneurial members of SHGs being last.

- b. Confident of conducting SHG meetings ($p=0.491>0.05$). Sample rural women entrepreneurial members of SHGs of MFI were more confident of conducting meetings of the Self Help Groups compared to NGOs sample rural women entrepreneurial members of SHGs being next and Banks sample rural women entrepreneurial members of SHGs being last.
- c. Developed the habit of savings regularly ($p=0.759>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs were more active in participating in this activity of the Self Help Group compared to MFI sample rural women entrepreneurial members of SHGs being next and Banks sample rural women entrepreneurial members of SHGs being last.
- d. Found a safe place and method of depositing savings ($p=0.235>0.05$). Sample rural women entrepreneurial members of SHGs of MFI were more active in participating in this activity of the Self Help Group compared to NGOs sample rural women entrepreneurial members of SHGs being next and Banks sample rural women entrepreneurial members of SHGs being last.

There is a highly significant difference in the participation of the sample rural women entrepreneurial members of SHGs in the activities of the self help group regarding the following variables:

- a. Able to transact SHG activities with the facilitators (MFI/NGOs/Banks) ($p=0.004<0.05$). Sample rural women entrepreneurial members of SHGs of Banks were more active in participating in this activity of the Self Help Groups compared to NGOs sample rural women entrepreneurial members of SHGs being next and MFI sample rural women entrepreneurial members of SHGs being last.
- b. Confident of being the leader of SHG ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI were more active in participating in this activity of the Self Help Group compared to NGOs sample rural women entrepreneurial members of SHGs being next and Banks sample rural women entrepreneurial members of SHGs being last.
- c. Active and can speak in the meetings of the SHG ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI were more active in

participating in this activity of the Self Help Group compared to NGOs sample rural women entrepreneurial members of SHGs being next and Banks sample rural women entrepreneurial members of SHGs being last.

- d. Able to give problem solving inputs in the meetings of the SHG ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI were more active in participating in this activity of the Self Help Group compared to NGOs sample rural women entrepreneurial members of SHGs being next and Banks sample rural women entrepreneurial members of SHGs being last.

The overall participation of the sample rural women entrepreneurial members of SHGs in the activities of the Self Help Groups is presented in table 6.24

Table 6.24 Overall participation of sample rural women entrepreneurial members of SHGs in the activities of the Self Help Groups

Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskall wallis test value	DF	P value
Microfinance Institution	322	3.65	0.67	3.75	22.553	2	0.000 HS
NGOs	224	3.52	0.55	3.50			
Banks	216	3.40	0.58	3.38			
Total	762	3.54	0.62	3.50			

Source: Survey Data

An analysis of the above table 6.24 reveals that there is a highly significant difference in the overall participation of the sample rural women entrepreneurial members of SHGs in the activities of the self help groups ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI were more active in the participation of activities of the self help group compared to NGOs next and banks' last.

Sample rural women entrepreneurial members of SHGs of MFI, NGOs and banks participated more in the savings activity of the self help group compared to all other activities in the self help group with overall mean of 3.91.

In order to reduce the large set of variables to a small set that contains most of the information in the large set, Principal Component Analysis, a dimension reduction tool, is used and presented in table 6.25

Principal Component of the participation of the sample rural women entrepreneurial members of SHGs in the activities of the self help group: by factor analysis

Table 6.25: KMO and Bartlett's Test

Kaiser - Meyer – Olkin Measure of sampling adequacy	0.564
Bartlett's Test of Approximate Chi-square sphericity	562.716
Degree of freedom	28
Significance	0.000 HS

Source: Survey Data

The analysis of the above table 6.25 shows that, there is a highly significant difference between the Kaiser –Meyer – Olkin Measure of sampling adequacy and Bartlett's Test of Approximate Chi – square sphericity. The approximate chi-square is 562.716 with 28 degree of freedom, which is highly significant at the 0.000 level ($p = 0.000 < 0.01$, which is Highly Significant). The value of KMO test 0.564 is large (>0.5). Hence, participation of the sample rural women entrepreneurial members of SHGs in the various activities of the self help group do not have equal importance.

Kaiser – Meyer – Olkin (KMO) measure of sampling adequacy shows that sample is adequate and Bartlett's test of Sphercity shows that Factor analysis can be performed for the various components as $0.564 > 0.5$ and $p = 0.000 < 0.01$, which is Highly Significant.

Table 6.26 Total Variance Explained

Components	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sum of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.903	23.792	23.792	1.903	23.792	23.792	1.723	21.540	21.540
2	1.443	18.041	41.833	1.443	18.041	41.822	1.467	18.343	39.884
3	1.047	13.081	54.914	1.047	13.081	54.914	1.202	15.031	54.914
4	0.957	11.982	66.896						
5	0.860	10.752	77.648						
6	0.753	9.416	87.064						
7	0.553	6.917	93.981						
8	0.482	6.019	100.000						

Extraction Method: Principal Component Analysis

From the above table 6.26 it can be observed that, an initial Eigen value represents the amount of variance associated with the factor. From the study, it is evident that the first three variables represent the 54.914 percent of variance. Therefore, only these three factors with the variance greater than 1 are retained, and other factors are not included in the model. Thus, from Eigen values in the above table only three factors can be extracted from eight variables.

The total variance of the three factors reduced from eight variables is presented in table 6.27 as Rotated Component Matrix makes it more reliable to understand the output.

Table 6.27: Rotated Component Matrix: Total Variance Explained for the participation of the sample rural women entrepreneurial members of SHGs in the various activities of the Self Help Groups

Various activities of the Self Help Groups	Components		
	1	2	3
Ability to write the accounts and maintain other records and documents of the SHG		0.811	
Able to transact SHG activities with the facilitators (Bank/MFI/NGO)		0.827	
Confident in conducting SHG meetings			0.613
Confident of being the leader of SHG	0.714		
Active and can speak in the meetings of the SHG			0.689
Able to give problem solving inputs in the meetings of SHG	0.548		

Developed the habit of saving regularly	0.688		
Found a safe place and method for depositing savings	0.630		

Note: Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalisation, Rotation converged in 5 iterations

It can be observed from the above table 6.27 that, by applying Rotated Component Matrix method, the following three components are extracted:

Component 1 – which contributes 21.540% variation as a contributing factor, constitutes Confident of being the leader of SHG with factor loading of 0.714; developed the habit of saving regularly with factor loading of 0.688; Found a safe place and method of depositing savings with factor loading of 0.630; and able to give problem solving inputs in the meetings of the SHG with a factor loading of 0.548

Component 2 – which contributes 39.884% variation as a contributing factor, constitutes able to transact SHG activities with the operator (MFI/NGO/Bank) with factor loading of 0.827 and ability to write the accounts and maintain other records and documents with the SHG with the factor loading of 0.811

Component 3 – which contributes 54.914% variation as a contributing factor, constitutes active and can speak in the meetings of the SHG with factor loading of 0.689; and confident of conducting SHG meetings with factor loading of 0.613

6.2 Various problems faced by rural women entrepreneurial members of SHGs

The problems and constraints faced by rural women entrepreneurial members of SHGs have restricted and inhibited the expansion of rural women entrepreneurship. The sample rural women entrepreneurial members of SHGs face a number of problems in establishing and maintaining their businesses. Although many of these difficulties are common to both rural men and women, in many cases they tend to be more significant for rural women.

The sample rural women entrepreneurial members of SHGs were asked to rate on Likert's five point rating scale 1 to 5 showing level of problem least to high on the various problems faced by them.

The problems faced by sample rural women entrepreneurial members of SHGs are classified into five main groups in the study which are discussed below:

1. Problems in the Self Help Groups
2. Problems in accessing loan
3. Social problems
4. Economic problems
5. Psychological and Personality Development problems

6.2.1 Problems in the Self Help Groups

Study has been carried out to understand the problems faced by sample rural women entrepreneurial members in the Self Help Groups and the relevant data is presented in table 6.28

Table 6.28 Problems faced by sample rural women entrepreneurial members in the Self Help Group

Problems in the Self Help Groups	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskall wallis test value	DF	P value
Income has not increased as expected in spite of SHG assistance	Microfinance Institution	322	3.23	1.44	4.00		2	0.055 NS
	NGOs	224	3.34	1.39	4.00			
	Banks	216	3.59	1.21	4.00			
	Total	762	3.37	1.37	4.00			
Inadequate opportunities for generating income	Microfinance Institution	322	2.97	1.35	2.00	11.055	2	0.004 HS
	NGOs	224	3.11	1.41	4.00			
	Banks	216	3.37	1.43	4.00			
	Total	762	3.12	1.40	4.00			
Entrepreneurial training provided by	Microfinance Institution	322	2.71	1.39	2.00	30.454	2	0.000 HS
	NGOs	224	3.02	1.45	4.00			

SHGs is not useful	Banks	216	3.45	1.43	4.00			
	Total	762	3.01	1.45	4.00			
Non cooperation from family members for attending SHG activities	Microfinance Institution	322	2.69	1.37	2.00	18.992	2	0.000 HS
	NGOs	224	2.49	1.26	2.00			
	Banks	216	2.19	1.17	2.00			
	Total	762	2.49	1.30	2.00			
Conflict among rural women entrepreneurial members of SHGs	Microfinance Institution	322	2.47	1.25	2.00	3.498	2	0.174 NS
	NGOs	224	2.67	1.31	2.00			
	Banks	216	2.70	1.39	2.00			
	Total	762	2.59	1.31	2.00			
Accounts and records of SHGs are not maintained properly	Microfinance Institution	322	1.94	0.93	2.00	1.521	2	0.467
	NGOs	224	2.03	0.96	2.00			
	Banks	216	1.97	0.96	2.00			
	Total	762	1.98	0.95	2.00			
Non availability of child care facilities when attending SHGs financed venture	Microfinance Institution	322	3.90	1.20	4.00	17.037	2	0.000 HS
	NGOs	224	4.03	1.05	4.00			
	Banks	216	4.26	1.01	5.00			
	Total	762	4.04	1.12	4.00			
Leaders are not functioning	Microfinance Institution	322	3.08	1.42	3.00	8.357	2	0.015 SIG
	NGOs	224	3.06	1.39	3.00			

properly and more dynamic leadership is required	Banks	216	2.77	1.41	2.00			
	Total	762	2.99	1.41	2.00			
Leadership is not rotated among the members uniformly	Microfinance Institution	322	2.09	1.04	2.00	6.740	2	0.034 SIG
	NGOs	224	2.33	1.13	2.00			
	Banks	216	2.25	1.19	2.00			
	Total	762	2.21	1.12	2.00			
Political interference in the SHGs activities	Microfinance Institution	322	2.28	1.24	2.00	20.962	2	0.000 HS
	NGOs	224	2.16	1.11	2.00			
	Banks	216	1.79	0.81	2.00			
	Total	762	2.11	1.12	2.00			
Overall problems in the Self Help Group	Microfinance Institution	322	2.74	0.59	2.70	12.827	2	0.002 HS
	NGOs	224	2.82	0.38	2.80			
	Banks	216	2.83	0.34	2.90			
	Total	762	2.79	0.47	2.80			

Source: Survey Data

An analysis of the above table 6.28 reveals that the sample rural women entrepreneurial members faced several problems in the self help groups. The problems faced by the sample rural women entrepreneurial members of SHGs with their mean values are; (i) Income has not increased to the expected level in spite of SHG assistance with a mean of 3.37 [3.23 (MFI), 3.34 (NGOs) and 3.59 (Banks)], (ii) Inadequate opportunities for generating income with a mean of 3.12 [2.97 (MFI), 3.11 (NGOs) and 3.37 (Banks)], (iii) Entrepreneurial training provided by SHGs is not useful with a mean of 3.01 [2.71 (MFI), 3.02 (NGOs) and 3.45 (Banks)], (iv) Non-cooperation from family members for attending SHG activities with a mean of 2.49 [2.69 (MFI), 2.49 (NGOs) and 2.19 (Banks)], (v) Conflict among rural women

entrepreneurial members of SHGs with a mean of 2.59 [2.47 (MFI), 2.67 (NGOs) and 2.70 (Banks)], (vi) Accounts and records of SHG not maintained properly with a mean of 1.98 [1.94 (MFI), 2.03 (NGOs) and 1.97 (Banks)], (vii) Non-availability of child care facilities when attending SHG financed venture with a mean of 4.04 [3.90 (MFI), 4.03 (NGOs) and 4.26 (Banks)], (viii) Leaders are not functioning properly and more dynamic leadership is required with a mean of 2.99 [3.08 (MFI), 3.06(NGOs) and 2.77 (Banks)], (ix) Leadership is not rotated among the members uniformly with a mean of 2.21 [2.09 (MFI), 2.33 (NGOs) and 2.25 (Banks)], (x) Political interference in the SHGs activities with a mean of 2.11 [2.28 (MFI), 2.16 (NGOs) and 1.79 (Banks)].

Hence, the mean of the overall problems in the self help groups was 2.79 [2.74 (MFI), 2.82 (NGOs) and 2.83 (Banks)]

There is no significant difference in the problems faced by the sample rural women entrepreneurial members in the self help groups regarding the following variables:

- a. Income has not increased to the expected level in spite of SHG assistance ($p=0.055>0.05$). Sample rural women entrepreneurial members of SHGs of banks faced this problem more compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI's sample rural women entrepreneurial members of SHGs last.
- b. Conflict among rural women entrepreneurial members of SHGs ($p=0.174 > 0.05$). Sample rural women entrepreneurial members of SHGs of banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFIs sample rural women entrepreneurial members of SHGs last.
- c. Accounts and records of SHGs are not maintained properly ($p=0.467 > 0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to banks sample rural women entrepreneurial members of SHGs next and MFI's sample rural women entrepreneurial members of SHGs last.

There is a significant difference in the problems faced by the sample rural women entrepreneurial members in the self help groups regarding the following variables:

- a. Leaders are not functioning properly and more dynamic leadership is required ($p=0.015 < 0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and banks sample rural women entrepreneurial members of SHGs last.
- b. Leadership is not rotated among members uniformly ($p=0.034 < 0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

There is a highly significant difference in the problems faced by the sample rural women entrepreneurial members in the self help group regarding the following variables:

- a. Inadequate opportunities for generating income ($p=0.004 < 0.05$). Sample rural women entrepreneurial members of SHGs of banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.
- b. Entrepreneurial training provided by SHG is not useful ($p=0.000 < 0.05$). Sample rural women entrepreneurial members of SHGs of banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFIs sample rural women entrepreneurial members of SHGs last.
- c. Non - cooperation from family members for attending SHG activities ($p=0.000 < 0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and banks sample rural women entrepreneurial members of SHGs last.
- d. Non - availability of child care facilities when attending SHG financed venture ($p=0.000 < 0.05$). Sample rural women entrepreneurial members of SHGs of banks faced more of this problem compared to NGOs sample rural women

entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

- e. Political interference in the Self Help Group activities ($p=0.000 < 0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and banks sample rural women entrepreneurial members of SHGs last.
- f. Overall problems in the Self Help Group ($p=0.002 < 0.05$). Sample rural women entrepreneurial members of SHGs of banks faced more of all the problems in the Self Help Group compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last

In order to find out the most significant problem faced by the rural women entrepreneurial members of SHGs, Garretts ranking method was used and is presented in table 6.29

Table 6.29: Ranking of the problems faced by the rural women entrepreneurial members in the Self Help Groups

Problems in the Self Help Groups	Average Mean Score of MFI, NGOs and Banks	Rank
Income has not increased to the expected level in spite of SHG assistance	3.37	II
Inadequate opportunities for generating income	3.12	III
Entrepreneurial training provided by SHG is not useful	3.01	IV
Non cooperation from family members for attending SHG activities	2.49	VII
Conflict among SHG members	2.59	VI
Accounts and records of SHGs are not maintained properly	1.98	X
Non availability of child care facilities when attending SHG financed ventures	4.04	I

Leaders are not functioning properly and more dynamic leadership is required	2.99	V
Leadership is not rotated among members uniformly	2.21	VIII
Political interference in the SHGs	2.11	IX

Source: Survey data

An analysis of the above table 6.29 shows the ranking of the various problems faced by the sample rural women entrepreneurial members in the Self Help Groups. For the purpose of analysis, Garrett's Ranking method is applied and rank assigned to each of the factor based on Mean Score. Non availability of child care facilities when attending SHG financed venture given first rank by the sample rural women entrepreneurial members of SHGs (4.04)

Income has not increased to the expected level in spite of SHG assistance given second rank by the sample rural women entrepreneurial members of SHGs (3.37)

Inadequate opportunities for generating income given third rank by the sample rural women entrepreneurial members of SHGs (3.12)

Entrepreneurial training provided by SHG is not useful given fourth rank by the sample rural women entrepreneurial members of SHGs (3.01)

Leaders are not functioning properly and more dynamic leadership required given fifth rank by the sample rural women entrepreneurial members of SHGs (2.99)

Conflict among SHG members in the Self Help Group given sixth rank by the sample rural women entrepreneurial members of SHGs (2.59)

Non cooperation from family members for attending SHG activities given seventh rank by the sample rural women entrepreneurial members of SHGs (2.49)

Leadership is not rotated among members uniformly given eighth rank by the sample rural women entrepreneurial members of SHGs (2.21)

Political interference in the SHG activities given ninth rank by the sample rural women entrepreneurial members of SHGs (2.11)

Accounts and records of SHGs are not maintained properly given tenth rank by the sample rural women entrepreneurial members of SHGs (1.98)

According to Garrets Mean score ranking method, it is clear from the study that ‘non availability of child care facilities when attending SHG financed venture, income has not increased to the expected level in spite of SHG assistance, inadequate opportunities for generating income and entrepreneurial training provided by SHG is not useful’ are the major problems faced by the sample rural women entrepreneurial members in the Self Help Groups.

6.2.2 Problems with regard to accessing loan

Another major problem faced by rural women entrepreneurial members of SHGs is lack of access to credit and financial institutions. The financial institutions are sceptical about the entrepreneurial abilities of women. The bankers consider loan to women as higher risk than the loan to men. The bankers insist on unrealistic securities to sanction loan to rural women entrepreneurs. According to a report of the United Nations Industrial Development Organisation (UNIDO), “despite evidence that women’s loan repayment rates are higher than men’s, women still face more difficulties in obtaining credit”, often due to discriminatory attitudes of banks and informal lending groups (United Nations, 2002). Study has been carried out to understand the problems faced by sample rural women entrepreneurial members of SHGs with regard to accessing loan and the relevant data is presented in table 6.30

Table 6.30 Problems faced by sample rural women entrepreneurial members of SHGs in accessing loan

Problems faced in accessing loan	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskal Wallis test value	DF	P value
SHG loan amount is not adequate	Microfinance Institution	322	2.85	1.34	2.00	29.528	2	0.000 HS
	NGOs	224	3.27	1.34	4.00			
	Banks	216	3.44	1.43	4.00			
	Total	762	3.14	1.39	4.00			
High interest	Microfinance	322	4.13	1.17	4.00	256.92	2	0.000

rate on loan	Institution					8		HS
	NGOs	224	3.12	1.51	4.00			
	Banks	216	1.94	1.03	2.00			
	Total	762	3.21	1.53	4.00			
Repeat loans from SHG are not available on time	Microfinance Institution	322	2.66	1.32	2.00	36.784	2	0.000 HS
	NGOs	224	2.98	1.45	3.00			
	Banks	216	3.45	1.42	4.00			
	Total	762	2.98	1.42	3.00			
Loan repayment period is not sufficient	Microfinance Institution	322	3.43	1.26	4.00	31.768	2	0.000 HS
	NGOs	224	3.22	1.31	4.00			
	Banks	216	2.72	1.39	2.00			
	Total	762	3.17	1.35	4.00			
Delay in routine sanctioning of loan and loan amount is not available on time	Microfinance Institution	322	3.03	1.27	4.00	1.826	2	0.401 NS
	NGOs	224	3.14	1.26	4.00			
	Banks	216	3.15	1.39	4.00			
	Total	762	3.10	1.30	4.00			
Number of loans available from SHGs is not sufficient	Microfinance Institution	322	3.31	1.23	4.00	2.220	2	0.329 NS
	NGOs	224	3.42	1.34	4.00			
	Banks	216	3.31	1.46	4.00			
	Total	762	3.34	1.33	4.00			
Non repayment	Microfinance Institution	322	2.57	1.22	2.00	29.227	2	0.000

and late repayment of loans and savings by some rural women entrepreneurial members of SHGs	NGOs	224	2.49	1.19	2.00			HS
	Banks	216	2.11	1.23	2.00			
	Total	762	2.42	1.23	2.00			
Unable to generate enough revenue and profit from SHGs production loan	Microfinance Institution	322	2.41	1.23	2.00	57.804	2	0.000 HS
	NGOs	224	2.93	1.43	2.00			
	Banks	216	3.44	1.45	4.00			
	Total	762	2.85	1.42	2.00			
Partiality in advancing loan	Microfinance Institution	322	2.08	1.09	2.00	5.742	2	0.057 NS
	NGOs	224	1.91	0.95	2.00			
	Banks	216	1.91	0.99	2.00			
	Total	762	1.98	1.03	2.00			
Delay in linking the Self Help groups to banks for credit after they have operated with their own funds for 4-6 months	Microfinance Institution	322	2.18	1.18	2.00	24.639	2	0.000 HS
	NGOs	224	2.41	1.24	2.00			
	Banks	216	2.79	1.41	2.00			
	Total	762	2.42	1.29	2.00			
Refusal of permission by banks to	Microfinance Institution	322	3.61	1.30	4.00	22.506	2	0.000 HS
	NGOs	224	3.44	1.33	4.00			

withdraw the Self Help Group savings by the rural women entrepreneurial members of SHGs	Banks	216	3.05	1.35	4.00			
	Total	762	3.40	1.34	4.00			
Not aware of the formalities and procedures to avail loans from banks	Microfinance Institution	322	3.55	1.28	4.00	153.363	2	0.000 HS
	NGOs	224	2.83	1.34	2.00			
	Banks	216	2.03	0.91	2.00			
	Total	762	2.91	1.36	2.00			
The conditions imposed by banks discourage the rural women entrepreneurial members of SHGs to go to the bank for loan	Microfinance Institution	322	3.52	1.30	4.00	18.762	2	0.000 HS
	NGOs	224	3.23	1.41	4.00			
	Banks	216	2.94	1.47	2.00			
	Total	762	3.27	1.40	4.00			
Loan sanctioning procedure is lengthy, cumbersome and not easy to understand	Microfinance Institution	322	3.74	1.29	4.00	18.021	2	0.000 HS
	NGOs	224	3.46	1.37	4.00			
	Banks	216	3.25	1.40	4.00			
	Total	762	3.52	1.36	4.00			
Unable to provide the collateral	Microfinance Institution	322	3.70	1.16	4.00	38.117	2	0.000 HS
	NGOs	224	3.26	1.37	4.00			

security demanded by banks	Banks	216	3.12	1.40	2.00			
	Total	762	3.36	1.33	4.00			
Amount of loan provided by banks is very small	Microfinance Institution	322	3.59	1.32	4.00	46.240	2	0.000 HS
	NGOs	224	3.18	1.45	4.00			
	Banks	216	2.69	1.39	2.00			
	Total	762	3.22	1.43	4.00			
Higher service charges and short repayment period	Microfinance Institution	322	3.29	1.36	4.00	8.727	2	0.013 SIG
	NGO	224	2.94	1.46	2.00			
	Bank	216	2.95	1.47	2.00			
	Total	762	3.09	1.43	4.00			
Feeling that availing bank loan is very risky	Microfinance Institution	322	3.72	1.24	4.00	21.874	2	0.000 HS
	NGOs	224	3.37	1.42	4.00			
	Banks	216	3.09	1.47	4.00			
	Total	762	3.44	1.39	4.00			
The distance between the bank and the rural women entrepreneurial members of SHGs house is too far	Microfinance Institution	322	3.44	1.33	4.00	0.532	2	0.766 NS
	NGOs	224	3.41	1.37	4.00			
	Banks	216	3.46	1.42	4.00			
	Total	762	3.44	1.37	4.00			
Less concern shown by the	Microfinance Institution	322	3.14	1.42	4.00	1.601	2	0.449
	NGOs	224	3.07	1.40	4.00			

NGOs, MFIs and banks in lending loans to rural women entrepreneurial members of SHGs	Banks	216	3.25	1.40	4.00			
	Total	762	3.15	1.41	4.00			
No subsidized loans are given to the rural women entrepreneurial members of SHGs	Microfinance Institution	322	3.85	1.18	4.00	35.123	2	0.000 HS
	NGOs	224	3.60	1.30	4.00			
	Banks	216	3.21	1.31	4.00			
	Total	762	3.60	1.28	4.00			
Overall Problems with regard to accessing loan	Microfinance Institution	322	3.24	0.37	3.23	113.85 5	2	0.000 HS
	NGOs	224	3.07	0.33	3.09			
	Banks	216	2.88	0.35	2.89			
	Total	762	3.09	0.38	3.11			

Source: Survey Data

An analysis of the above table 6.30 reveals the various problems faced by the sample rural women entrepreneurial members of SHGs with regard to accessing loan from the MFI, NGOs and Banks. The various problems faced by the sample rural women entrepreneurial members of SHGs with regard to accessing loan with their mean values are; (i) SHG loan amount is not adequate with a mean of 3.14 [2.85 (MFI), 3.27 (NGOs) and 3.44 (Banks)], (ii) High interest rate on loans with a mean of 3.21 [4.13 (MFI), 3.12 (NGOs) and 1.94 (Banks)], (iii) Repeat loans from SHG are not available on time with a mean of 2.98 [2.66 (MFI), 2.98 (NGOs) and 3.45(Banks)], (iv) Loan repayment period is not sufficient with a mean of 3.17 [3.43 (MFI), 3.22 (NGOs) and 2.72 (Banks)], (v) Delay in routine sanctioning of loans and loan amount is not available on time with a mean of 3.10 [3.03 (MFI), 3.14 (NGOs), 3.15 (Banks)], (vi) Number of loans available from SHG is not sufficient with a mean of 3.34 [3.31 (MFI), 3.42 (NGOs) and 3.31 (Banks)], (vii) Non repayment and late repayment of

loans and savings by some rural women entrepreneurial members of SHGs with a mean of 2.42 [2.57 (MFI), 2.49 (NGOs) and 2.11 (Banks)], (viii) Unable to generate enough revenue and profit from SHG production loan with a mean of 2.85 [2.41 (MFI), 2.93 (NGOs) and 3.44 (Banks)], (ix) Partiality in advancing loan with a mean of 1.98 [2.08 (MFI), 1.91 (NGOs) and 1.91 (Banks)], (x) Delay in linking the groups to banks for credit after they have operated for 4-6 months with a mean of 2.42 [2.18 (MFI), 2.41 (NGOs) and 2.79 (Banks)], (xi) Refusal of permission by banks to withdraw the Self Help Group savings by the rural women entrepreneurial members of SHGs with a mean of 3.40 [3.61 (MFI), 3.44 (NGOs) and 3.05 (Banks)], (xii) Not aware of the formalities and procedures to avail loans from banks with a mean of 2.91 [3.55 (MFI), 2.83 (NGOs) and 2.03 (Banks)], (xiii) The conditions imposed by banks discourage the rural women entrepreneurial members of SHGs to go to the bank for loan with a mean of 3.27 [3.52 (Bank), 3.23 (NGOs) and 2.94 (Banks)], (xiv) Loan sanctioning procedure is lengthy, cumbersome and not easy to understand with a mean of 3.52 [3.74 (MFI), 3.46 (NGOs) and 3.25 (Banks)], (xv) Unable to provide the collateral security demanded by banks with a mean of 3.36 [3.70 (MFI), 3.26 (NGOs) and 2.95 (Banks)], (xvi) Amount of loan provided by banks is very small with a mean of 3.22 [3.59 (MFI), 3.18 (NGOs) and 2.69 (Banks)], (xvii) Higher service charges and short repayment period with a mean of 3.09 [3.29 (MFI), 2.94 (NGOs) and 2.95 (Banks)], (xviii) Feeling that availing bank loan is very risky with a mean of 3.44 [3.72 (MFI), 3.37 (NGOs) and 3.09 (Banks)], (xix) The distance between the bank and the rural women entrepreneurial members of SHGs house is too far with a mean of 3.44 [3.44 (MFI), 3.41 (NGOs) and 3.46 (Banks)], (xx) Less concern shown by the NGO's, MFI and banks in lending loans to rural women entrepreneurial members of SHGs with a mean of 3.15 [3.14 (MFI), 3.07 (NGOs) and 3.25 (Banks)], (xxi) No subsidized loans given to rural women entrepreneurial members of SHGs with a mean of 3.60 [3.85 (MFI), 3.60 (NGOs) and 3.21 (Banks)]

Hence, the mean of overall problems with regard to accessing loan is 3.09 [3.24 (MFI), 3.07 (NGOs) and 2.88 (Banks)]

There is no significant difference in the problems faced by the sample rural women entrepreneurial members of SHGs with regard to accessing loan from MFI/NGOs/Banks regarding the following variables:

- a. Delay in routine sanctioning of loan and loan amount is not available on time ($p=0.401>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.
- b. Number of loans available from SHG is not sufficient ($p=0.329>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.
- c. Partiality in advancing loans ($p=0.057>0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs and Banks rural women entrepreneurial members of SHGs.
- d. Distance between the bank and rural women entrepreneurial members of SHGs house is too far ($p=0.766>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to MFI sample rural women entrepreneurial members of SHGs next and NGO sample rural women entrepreneurial members of SHGs last.
- e. Less concern shown by NGOs, MFIs and banks in lending loans to rural women entrepreneurial members of SHGs ($p=0.449>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to MFI rural women entrepreneurial members of SHGs next and NGOs rural women entrepreneurial members of SHGs last.

There is a significant difference in the problems faced by the sample rural women entrepreneurial members of SHGs with regard to accessing loan from MFI/NGOs/Banks regarding the following variables:

- a. Higher service charges and short repayment period ($p=0.013>0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to Banks sample rural women entrepreneurial members of

SHGs next and NGOs sample rural women entrepreneurial members of SHGs last.

There is a highly significant difference in the problems faced by the sample rural women entrepreneurial members of SHGs with regard to accessing loan from MFI/NGOs/Banks regarding the following variables:

- a. SHG loan amount is not adequate ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.
- b. High interest rate on loans ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- c. Repeat loans from SHG are not available on time ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.
- d. Loan repayment period is not sufficient ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- e. Non repayment and late repayment of loans and savings by some rural women entrepreneurial members of SHGs ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- f. Unable to generate enough revenue and profit from SHG production loan ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women

entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last

- g. Delay in linking the Self help groups to banks for credit after they have operated with their own funds for 4-6 months ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.
- h. Refusal of permission by banks to withdraw the Self Help Group savings by the rural women entrepreneurial members of SHGs ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- i. Not aware of the formalities and procedures to avail loans from banks ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- j. The conditions imposed by banks discourage the rural women entrepreneurial members of SHGs to go for bank loans ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Bank sample rural women entrepreneurial members of SHGs last
- k. Loan sanctioning procedure is lengthy, cumbersome and not easy to understand ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- l. Unable to provide the collateral security demanded by banks ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of

this problem compared to NGO sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.

- m. Amount of loan provided by banks is very small ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- n. Feeling that availing bank loan is very risky ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- o. No subsidized loans given to rural women entrepreneurial members of SHGs ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.
- p. Overall problem with regard to accessing loan ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of all the problems with regard to accessing loan compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.

In order to find out the most significant problem faced by the sample rural women entrepreneurial members of SHGs in accessing loan , Garretts ranking method was used and is presented in table 6.31

Table 6.31: Ranking of the problems faced by the sample rural women entrepreneurial members of SHGs in accessing loan

Problems faced by the rural women entrepreneurial members of SHGs in accessing loan	Average Mean Score of MFI, NGOs and Banks	Rank
SHG loan amount is not adequate	3.14	XIII
High interest rate on loan	3.21	X
Repeat loans from SHG are not available on time	2.98	XVI
Loan repayment period is not sufficient	3.17	XI
Delay in routine sanctioning of loans and loan amount is not available on time	3.10	XIV
Number of loans available from SHG is not sufficient	3.34	VII
Non repayment and late repayment of loans and savings by some rural women entrepreneurial members of SHGs	2.42	XIX
Unable to generate enough revenue and profit from SHG production loan	2.85	XVIII
Partiality in advancing loan	1.98	XXI
Delay in linking the groups to banks for credit after they have operated with their own funds for 4-6 months	2.42	XIX
Refusal of permission by banks to withdraw the Self Help Group savings by the rural women entrepreneurial members of SHGs	3.40	V
Not aware of the formalities and procedures to avail loans from banks	2.91	XVII
The conditions imposed by banks discourage the rural women entrepreneurial members of SHGs to go for bank loans	3.27	VIII

Loan sanctioning procedure is lengthy, cumbersome and not easy to understand	3.52	II
Unable to provide the collateral security demanded by banks	3.36	VI
Amount of loan provided by banks is very small	3.22	IX
Higher service charges and short repayment period	3.09	XV
Feeling that availing bank loan is very risky	3.44	III
The distance between the bank and the rural women entrepreneurial members of SHGs house is too far	3.44	III
Less concern shown by the NGO's, MFI's and banks in lending loans to rural women entrepreneurial members of SHGs	3.15	XII
No subsidized loans are given to the rural women entrepreneurial members of SHGs	3.60	I

Source: Survey Data

An analysis of the above table 6.31 shows the ranking of the various problems faced by the sample rural women entrepreneurial members of SHGs in accessing loan. For the purpose of analysis, Rank method is applied and rank is assigned to each of the factor based on Garrets Mean Score. The problem of no subsidized loans given to the rural women entrepreneurial members of SHGs is given first rank by the sample rural women entrepreneurial members of SHGs (3.60)

The problem of loan sanctioning procedure is lengthy, cumbersome and not easy to understand is given second rank by the sample rural women entrepreneurial members of SHGs (3.52)

The problem of feeling that availing bank loan is very risky and the distance between the bank and the rural women entrepreneurial members of SHGs house is too far are given third rank by the sample rural women entrepreneurial members of SHGs (3.44)

The problem of refusal of permission by banks to withdraw the Self Help Group savings by the rural women entrepreneurial members of SHGs is given fifth rank by the sample rural women entrepreneurial members of SHGs (3.40)

The problem of unable to provide the collateral security demanded by banks is given sixth rank by the sample rural women entrepreneurial members of SHGs (3.36)

The problem of number of loans available from SHG is not sufficient is given seventh rank by the sample rural women entrepreneurial members of SHGs (3.34)

The problem of the conditions imposed by banks discourage the members to go for bank loans is given eighth rank by the sample rural women entrepreneurial members of SHGs (3.27)

The problem of amount of loan provided by banks is very small is given ninth rank by the sample rural women entrepreneurial members of SHGs (3.22)

The problem of high interest rate on loans is given tenth rank by the sample rural women entrepreneurial members of SHGs (3.21)

The problem of repayment period is not sufficient is given eleventh rank by the sample rural women entrepreneurial members of SHGs (3.17)

The problem of less concern shown by the NGO's, MFI's and banks in lending loans to rural women entrepreneurial members of SHGs is given twelfth rank by the sample rural women entrepreneurial members of SHGs (3.15)

The problem of SHG loan amount is not adequate is given thirteenth rank by the sample rural women entrepreneurial members of SHGs (3.14)

The problem of delay in routine sanctioning of loans and loan amount is not available on time is given fourteenth rank by the sample rural women entrepreneurial members of SHGs (3.10)

The problem of higher service charges and short repayment period is given fifteenth rank by the sample rural women entrepreneurial members of SHGs (3.09)

The problems of repeat loans from SHGs are not available on time is given sixteenth rank by the sample rural women entrepreneurial members of SHGs (2.98)

The problem of not aware of the formalities and procedures to avail loans from banks is given seventeenth rank by the sample rural women entrepreneurial members of SHGs (2.91)

The problem of unable to generate enough revenue and profit from SHG production loan is given eighteenth rank by the sample rural women entrepreneurial members of SHGs (2.85)

The problems of non repayment and late repayment of loans and savings of some rural women entrepreneurial members of SHGs and delay in linking the groups to banks for credit after they have operated with their own funds for 4-6 months are given nineteenth rank by the sample rural women entrepreneurial members of SHGs (2.42)

The problem of partiality in advancing loans is given twenty first rank by the sample rural women entrepreneurial members of SHGs (1.98)

According to Garrets Mean score ranking method, it is clear from the study that ‘no subsidized loans are given to the rural women entrepreneurial members of SHGs, loan sanctioning procedure is lengthy, cumbersome and not easy to understand, feeling that availing bank loan is very risky and the distance between the bank and the members house is too far, refusal of permission by banks to withdraw the Self Help Group savings by the rural women entrepreneurial members of SHGs, unable to provide the collateral security demanded by banks, number of loans available from SHG is not sufficient, conditions imposed by banks discourage the rural women entrepreneurial members of SHGs to go for bank loans, amount of loan provided by banks is very small, high interest rate on loans, repayment period is not sufficient, less concern shown by the NGO’s, MFI’s and banks in lending loans to rural women entrepreneurial members of SHGs, SHG loan amount is not adequate, delay in routine sanctioning of loans and loan amount is not available on time, higher service charges and short repayment period’ are the major problems faced by the sample rural women entrepreneurial members of SHGs in the order of their ranking.

6.2.3 Social Problems

There are traditions, customs and religious barriers which cause social problems for the women SHG members. In rural areas, social norms have stronger influence on

women's daily life. This makes female behaviour in rural areas less open than male. In such society, women must fully comply with their primary duty as their husband's partners and housewives and they are not allowed to start their own business or to do jobs that involve contract with or managing men, and simply they are not allowed to leave the home alone. All these social problems lead to an exclusion of women from taking up entrepreneurial activities. Study has been carried out to understand the social problems faced by sample rural women entrepreneurial members of SHGs and the relevant data is presented in table 6.32

Table 6.32 Social problems of sample rural women entrepreneurial members of SHGs

Social Problems	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskall wallis test value	D F	P value
Lack of motivation from the family to carry on business	Microfinance Institution	322	2.68	1.37	2.00	8.086	2	0.018 SIG
	NGOs	224	2.53	1.32	2.00			
	Banks	216	2.36	1.27	2.00			
	Total	762	2.55	1.33	2.00			
Lack of moral support from family	Microfinance Institution	322	2.47	1.27	2.00	0.578	2	0.749 NS
	NGOs	224	2.50	1.30	2.00			
	Banks	216	2.48	1.41	2.00			
	Total	762	2.48	1.32	2.00			
Society does not take rural women entrepreneurial members of SHGs work in good spirit	Microfinance Institution	322	2.88	1.43	2.00	24.103	2	0.000 HS
	NGOs	224	2.67	1.34	2.00			
	Banks	216	2.26	1.18	2.00			
	Total	762	2.64	1.36	2.00			

Lack of education and access to information	Microfinance Institution	322	3.76	1.15	4.00	3.004	2	0.223 NS
	NGOs	224	3.84	1.16	4.00			
	Banks	216	3.89	1.20	4.00			
	Total	762	3.82	1.17	4.00			
Lack of adequate responsibility for rural women entrepreneurial members of SHGs in business	Microfinance Institution	322	3.17	1.37	4.00	25.772	2	0.000 HS
	NGOs	224	2.90	1.39	2.00			
	Banks	216	2.52	1.34	2.00			
	Total	762	2.91	1.39	2.00			
Lack of time due to family responsibility	Microfinance Institution	322	3.22	1.39	4.00	17.479	2	0.000 HS
	NGOs	224	3.12	1.40	4.00			
	Banks	216	2.70	1.39	2.00			
	Total	762	3.04	1.41	4.00			
Lack of respect and recognition in the society	Microfinance Institution	322	2.98	1.49	2.00	0.149	2	0.928 NS
	NGOs	224	2.97	1.44	3.00			
	Banks	216	2.94	1.47	2.00			
	Total	762	2.96	1.47	2.00			
Affected by gender inequalities	Microfinance Institution	322	2.64	1.30	2.00	1.497	2	0.473 NS
	NGOs	224	2.82	1.44	2.00			
	Banks	216	2.79	1.61	2.00			
	Total	762	2.73	1.43	2.00			
Harassment	Microfinance Institution	322	2.66	1.37	2.00	0.266	2	0.875

in operating business	NGOs	224	2.70	1.35	2.00			NS
	Banks	216	2.75	1.38	2.00			
	Total	762	2.70	1.37	2.00			
Overall Social Problems of rural women entrepreneurial members of SHGs	Microfinance Institution	322	2.94	0.67	3.00	25.003	2	0.000 HS
	NGOs	224	2.90	0.47	2.89			
	Banks	216	2.74	0.44	2.78			
	Total	762	2.87	0.56	2.89			

Source: Survey Data

An analysis of the above table 6.32 reveals the various social problems faced by the sample rural women entrepreneurial members of SHGs. The various social problems faced by the sample rural women entrepreneurial members of SHGs with their mean values are; (i) Lack of motivation from family to carry on business with a mean of 2.55 [2.68 (MFI), 2.53 (NGOs) and 2.36 (Banks)], (ii) Lack of moral support from family with a mean of 2.48 [2.47 (MFI), 2.50 (NGOs) and 2.48 (Banks)], (iii) Society does not take rural women entrepreneurial members of SHGs work in good spirit with a mean of 2.64 [2.88 (MFI), 2.67 (NGOs) and 2.26 (Banks)], (iv) Lack of education and access to information with a mean of 3.82 [3.76 (MFI), 3.84 (NGOs) and 3.89 (Banks)], (v) Lack of adequate responsibility for rural women entrepreneurial members of SHGs in business with a mean of 2.91 [3.17 (MFI), 2.90 (NGOs) and 2.52 (Banks)], (vi) Lack of time due to family responsibility with a mean of 3.04 [3.22 (MFI), 3.12 (NGOs) and 2.70 (Banks)], (vii) Lack of respect and recognition in the society with a mean of 2.96 [2.98 (MFI), 2.97 (NGOs) and 2.94 (Banks)], (viii) Affected by gender inequalities with a mean of 2.73 [2.64 (MFI), 2.82 (NGOs) and 2.79 (Banks)], (ix) Harassment in operating business with a mean of 2.70 [2.66 (MFI), 2.70 (NGOs) and 2.75 (Banks)],

Hence, the mean of overall social problems faced by sample rural women entrepreneurial members of SHGs is 2.87 [2.94 (MFI), 2.90 (NGOs) and 2.74 (Banks)]

There is no significant difference in the social problems faced by the sample women rural women entrepreneurial members of SHGs regarding the following variables:

- a.) Lack of moral support from family ($p=0.749>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- b.) Lack of education and access to information ($p=0.223>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- c.) Lack of respect and recognition in the society ($p=0.928>0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last
- d.) Affected by gender inequalities ($p=0.473>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- e.) Harassment in operating business ($p=0.875>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last

There is a significant difference in the social problems faced by the sample rural women entrepreneurial members of SHGs regarding the following variable:

- a.) Lack of motivation from family to carry on business ($p=0.018<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last

There is a highly significant difference in the social problems faced by the sample rural women entrepreneurial members of SHGs regarding the following variables:

- a.) Society does not take rural women entrepreneurial members of SHGs work in good spirit ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last
- b.) Lack of adequate responsibility for rural women entrepreneurial members of SHGs in business ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last
- c.) Lack of time due to family responsibility ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last
- d.) Overall social problems ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of all the social problems put together compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.

In order to find out the most significant social problem faced by the sample rural women entrepreneurial members of SHGs, Garretts ranking method was used and is presented in table 6.32

Table 6.32: Ranking of the Social problems faced by the sample rural women entrepreneurial members of SHGs

Social Problems	Average Mean Score of MFI, NGOs and Banks	Rank
Lack of motivation from family to carry on business	2.55	VIII
Lack of moral support from family	2.48	IX
Society does not take rural women entrepreneurial members of SHGs work in good spirit	2.64	VII

Lack of education and access to information	3.82	I
Lack of adequate responsibility for rural women entrepreneurial members of SHGs in business	2.91	IV
Lack of time due to family responsibility	3.04	II
Lack of recognition in the society	2.96	III
Affected by gender inequalities	2.73	V
Harassment in operating business	2.70	VI

Source: Survey Data

An analysis of the above table 6.32 shows the ranking of the various social problems faced by the sample rural women entrepreneurial members of SHGs. For the purpose of analysis, Rank method is applied and rank is assigned to each of the factor based on Garrets Mean Score. The problem of lack of education and access to information is given first rank by the sample rural women entrepreneurial members of SHGs (3.82). The problem of lack of time due to family responsibility is given second rank by the sample rural women entrepreneurial members of SHGs (3.04)

The problem of lack of respect and recognition in the society is given third rank by the sample rural women entrepreneurial members of SHGs (2.96)

The problem of lack of adequate responsibility for rural women entrepreneurial members of SHGs in business is given fourth rank by the sample rural women entrepreneurial members of SHGs (2.91)

The problem of rural women entrepreneurial members of SHGs affected by gender inequalities is ranked fifth by the sample rural women entrepreneurial members of SHGs (2.73)

Problem of harassment in operating business problem is given sixth rank by the sample rural women entrepreneurial members of SHGs (2.70)

The problem of society not taking rural women entrepreneurial members of SHGs work in good spirit is ranked seventh by the sample rural women entrepreneurial members of SHGs (2.64)

Lack of family motivation to carry on business problem is ranked eighth by the sample rural women entrepreneurial members of SHGs (2.55)

The problem of lack of moral support from family is given ninth rank by the sample rural women entrepreneurial members of SHGs (2.48)

According to Garrets ranking method, it is clear that lack of education and access to information and lack of time due to family responsibility are the major social problems faced by the sample rural women entrepreneurial members of SHGs.

6.2.4 Economic Problems

The rural women entrepreneurial members of SHGs face both household economic problems and entrepreneurial economic problems. Household economic problems are due to lack of adequate earnings which lead to lack of savings to purchase household assets, food, health, education and repayment of loan.

Entrepreneurial economic problems: Marketing involves mobility and confidence in dealing with the external world, both of which women have been discouraged from developing by social conditioning. Knowledge of alternative source of raw materials availability and high negotiation skills are the basic requirements to run a business. Getting the raw materials from different sources with discount prices is the factor that determines the profit margin. Lack of knowledge of availability of raw materials, low level of negotiation and bargaining skills and various other factors cause entrepreneurial problems. Study has been carried out to understand the economic problems faced by sample rural women entrepreneurial members of SHGs and the relevant data is presented in table 6.34

Table 6.34 Economic problems of sample rural women entrepreneurial members of SHGs

Economic Problems	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskal I wallis test value	DF	P value
HOUSEHOLD ECONOMIC PROBLEMS								
Lack of adequate savings for purchase of household	Microfinance Institution	322	3.14	1.44	4.00	39.727	2	0.000 HS
	NGOs	224	2.83	1.54	2.00			
	Banks	216	2.28	1.57	2.00			

assets	Total	762	2.80	1.55	2.00			
Lack of adequate savings for purchase of food	Microfinance Institution	322	3.11	1.09	3.00	0.185	2	0.911 NS
	NGOs	224	3.13	1.03	3.00			
	Banks	216	3.12	0.93	3.00			
	Total	762	3.12	1.03	3.00			
Lack of adequate savings for health maintenance	Microfinance Institution	322	2.17	1.20	2.00	68.373	2	0.000 HS
	NGOs	224	2.65	1.42	2.00			
	Banks	216	3.25	1.40	4.00			
	Total	762	2.61	1.40	2.00			
Inadequate savings for education	Microfinance Institution	322	2.53	1.34	2.00	15.109	2	0.001 HS
	NGOs	224	2.79	1.37	2.00			
	Banks	216	2.99	1.43	2.00			
	Total	762	2.74	1.38	2.00			
Lack of adequate income and savings for repayment of loan	Microfinance Institution	322	3.35	1.42	4.00	6.082	2	0.048 SIG
	NGOs	224	3.24	1.44	4.00			
	Banks	216	2.99	1.42	2.00			
	Total	762	3.21	1.43	4.00			
Overall Household economic problems	Microfinance Institution	322	2.86	0.71	2.80	0.341	2	0.843 NS
	NGOs	224	2.93	0.68	3.00			
	Banks	216	2.92	0.79	3.00			
	Total	762	2.90	0.73	2.80			

ENTREPRENEURIAL ECONOMIC PROBLEMS								
Margin of profit is not adequate	Microfinance Institution	322	3.11	1.44	4.00	4.483	2	0.106 NS
	NGOs	224	3.25	1.44	4.00			
	Banks	216	3.35	1.37	4.00			
	Total	762	3.22	1.42	4.00			
Non-availability of raw material	Microfinance Institution	322	2.69	1.30	2.00	1.581	2	0.454 NS
	NGOs	224	2.81	1.29	2.00			
	Banks	216	2.81	1.32	2.00			
	Total	762	2.76	1.30	2.00			
Lack of demand and low price for the products	Microfinance Institution	322	3.43	1.34	4.00	0.437	2	0.804 NS
	NGOs	224	3.42	1.36	4.00			
	Banks	216	3.45	1.42	4.00			
	Total	762	3.44	1.37	4.00			
Lack of infrastructure	Microfinance Institution	322	3.23	1.34	4.00	5.123	2	0.077 NS
	NGOs	224	3.16	1.39	4.00			
	Banks	216	2.95	1.43	4.00			
	Total	762	3.13	1.38	4.00			
Inadequate warehousing facilities	Microfinance Institution	322	3.16	1.40	4.00	0.412	2	0.814 NS
	NGOs	224	3.17	1.37	4.00			
	Banks	216	3.23	1.37	4.00			
	Total	762	3.19	1.38	4.00			

Inadequate power supply	Microfinance Institution	322	3.45	1.31	4.00	0.786	2	0.675 NS
	NGOs	224	3.46	1.32	4.00			
	Banks	216	3.54	1.31	4.00			
	Total	762	3.48	1.31	4.00			
Lack of skilled workforce and technology	Microfinance Institution	322	2.88	1.42	2.00	1.593	2	0.451 NS
	NGOs	224	2.92	1.42	2.00			
	Banks	216	2.75	1.39	2.00			
	Total	762	2.85	1.41	2.00			
Lack of training to rural women entrepreneurial members of SHGs	Microfinance Institution	322	3.03	1.43	3.00	37.516	2	0.000 HS
	NGOs	224	3.46	1.31	4.00			
	Banks	216	3.81	1.17	4.00			
	Total	762	3.38	1.36	4.00			
Lack of transportation for marketing of the products	Microfinance Institution	322	3.70	1.23	4.00	0.291	2	0.865 NS
	NGOs	224	3.80	1.11	4.00			
	Banks	216	3.85	1.04	4.00			
	Total	762	3.77	1.14	4.00			
High production and marketing cost	Microfinance Institution	322	3.11	1.43	4.00	1.742	2	0.419 NS
	NGOs	224	3.23	1.44	4.00			
	Banks	216	3.25	1.40	4.00			
	Total	762	3.18	1.42	4.00			
Overall	Microfinance Institution	322	3.18	0.71	3.20	2.071	2	0.355

Entrepreneurial economic problems	NGOs	224	3.27	0.51	3.30			NS
	Banks	216	3.30	0.46	3.30			
	Total	762	3.24	0.59	3.20			
Overall Economic Problems	Microfinance Institution	322	3.07	0.64	3.13	0.347	2	0.841 NS
	NGOs	224	3.15	0.45	3.10			
	Banks	216	3.17	0.46	3.20			
	Total	762	3.13	0.54	3.13			

Source: Survey Data

An analysis of the above table 6.34 reveals the various household and entrepreneurial economic problems faced by the sample rural women entrepreneurial members of SHGs. The various household economic problems faced by the sample rural women entrepreneurial members of SHGs with their mean values are; (i) Lack of adequate savings for purchase of household assets with a mean of 2.80 (3.14 MFI, 2.83 NGOs, 2.28 Banks), (ii) Lack of adequate savings for purchase of food with a mean of 3.12 (3.11 MFI, 3.13 NGOs, 3.12 Banks), (iii) Lack of adequate savings for health maintenance with a mean of 2.61 (2.17 MFI, 2.65 NGOs, 3.25 Banks), (iv) Lack of adequate savings for education with a mean of 2.74 (2.53 MFI, 2.79 NGOs, 2.99 Banks), (v) Lack of adequate income and savings for repayment of loan with a mean of 3.21 (3.35 MFI, 3.24 NGOs, 2.99 Banks), (vi) Overall household economic problems with a mean of 2.90 (2.86 MFI, 2.93 NGOs, 2.92 Banks)

The various entrepreneurial economic problems faced by the sample rural women entrepreneurial members of SHGs with their mean values are; (i) Margin of profit is not sufficient with a mean of 3.22 (3.11 MFI, 3.25 NGOs, 3.35 Banks), (ii) Non-availability of raw material with a mean of 2.76 (2.69 MFI, 2.81 NGOs, 2.81 Banks), (iii) Lack of demand and low price for the products with a mean of 3.44 (3.43 MFI, 3.42 NGOs, 3.45 Banks), (iv) Lack of infrastructure with a mean of 3.13 (3.23 MFI, 3.16 NGOs, 2.95 Banks), (v) Lack of warehousing facilities with a mean of 3.19 (3.16 MFI, 3.17 NGOs, 3.23 Banks), (vi) Inadequate power supply with a mean of 3.48 (3.45 MFI, 3.46 NGOs, 3.54 Banks), (vii) Lack of skilled workforce and technology with a mean of 2.85 (2.88 MFI, 2.92 NGOs, 2.75 Banks), (viii) Lack of training to

rural women entrepreneurial members of SHGs with a mean of 3.38 (3.03 MFI, 3.46 NGOs, 3.81 Banks), (ix) Lack of transportation for marketing the products with a mean of 3.77 (3.70 MFI, 3.80 NGOs, 3.85 Banks), (x) High production and marketing cost with a mean of 3.18 (3.11 MFI, 3.23 NGOs, 3.25 Banks), (xi) Overall entrepreneurial economic problems with a mean of 3.24 (3.18 MFI, 3.27 NGOs, 3.30 Banks).

Hence, the mean of the overall economic problems faced by the sample rural women entrepreneurial members of SHGs is 3.13 (3.07 MFI, 3.15 NGOs, 3.17 Banks)

There is no significant difference in the economic problems faced by the sample rural women entrepreneurial members of SHGs regarding the following variables:

1. Household economic problems: a.) Lack of adequate savings for purchase of food ($p=0.911>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
 b.) Overall Household economic problems ($p=0.843>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
2. Entrepreneurial economic problems: a.) Margin of profit is not sufficient ($p=0.106>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
 b.) Non-availability of raw material ($p=0.454>0.05$). Sample rural women entrepreneurial members of SHGs of Banks and NGOs faced more of this problem compared to MFI sample rural women entrepreneurial members of SHGs last
 c.) Lack of demand and low price for the products ($p=0.804>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to MFI sample rural women entrepreneurial members of SHGs next and NGOs sample rural women entrepreneurial members of SHGs last

- d.) Lack of infrastructure ($p=0.077>0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last
- e.) Inadequate warehousing facilities ($p=0.814>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- f.) Inadequate power supply ($p=0.675>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- g.) Lack of skilled workforce and technology ($p=0.451>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to MFI sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last
- h.) Lack of transportation for marketing of products ($p=0.865>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- i.) High production and marketing cost ($p=0.419>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- j.) Overall entrepreneurial economic problems ($p=0.355>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of all the entrepreneurial economic problems compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- k) Overall economic problems ($p=0.841>0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of all the economic problems compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

There is a significant difference in the household economic problems faced by the sample rural women entrepreneurial members of SHGs regarding the following variable:

Lack of adequate income and savings for repayment of loan ($p=0.048<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.

There is highly significant difference in the economic problems faced by the sample rural women entrepreneurial members of SHGs regarding the following variables:

1.) Household economic problems: a.) Lack of adequate savings for purchase of household assets ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of MFI faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.

b.) Lack of adequate savings for health maintenance ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

c.) Lack of adequate savings for education ($p=0.001<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

2.) Entrepreneurial Economic Problem: Lack of training to rural women entrepreneurial members of SHGs ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

In order to find out the most significant household economic problem faced by the sample rural women entrepreneurial members of SHGs, Garretts ranking method was used and is presented in table 6.35

Table 6.35: Ranking of the Household economic problems faced by the sample rural women entrepreneurial members of SHGs

Household Economic Problems	Average Mean Score of MFI, NGOs and Banks	Rank
Lack of adequate savings for purchase of household assets	2.80	III
Lack of adequate savings for purchase of food	3.12	II
Inadequate savings for health maintenance	2.61	V
Lack of adequate savings for education	2.74	IV
Lack of adequate income and savings for repayment of loan	3.21	I

Source: Survey data

An analysis of the above table 6.35 shows the ranking of the various household economic problems faced by the sample rural women entrepreneurial members of SHGs. For the purpose of analysis, Rank method is applied and rank is assigned to each of the factor based on Garretts Mean Score. The problem of ‘lack of adequate income and savings for repayment of loan’ is given first rank by the sample rural women entrepreneurial members of SHGs (3.21).

The problem of ‘inadequate savings for purchase of food’ is given second rank by the sample rural women entrepreneurial members of SHGs (3.12)

The problem of ‘lack of adequate savings for purchase of household assets’ problem is ranked third by the sample rural women entrepreneurial members of SHGs (2.80)

The problem of ‘lack of adequate savings for education’ problem is given fourth rank by the sample rural women entrepreneurial members of SHGs (2.74)

The problem of ‘lack of adequate savings for health maintenance’ is given fifth rank by the sample rural women entrepreneurial members of SHGs (2.61)

According to Garrets ranking method, it is clear from the study that lack of adequate income and savings for repayment of loan and inadequate savings for purchase of food are the major household economic problems faced by the sample rural women entrepreneurial members of SHGs.

In order to find out the most significant entrepreneurial economic problem faced by the sample rural women entrepreneurial members of SHGs, Garretts ranking method was used and is presented in table 6.36

Table 6.36: Ranking of the Entrepreneurial economic problems faced by the sample rural women entrepreneurial members of SHGs

Entrepreneurial Economic Problems	Average Mean Score of MFI, NGOs and Banks	Rank
Margin of profit is not sufficient	3.22	V
Non - availability of raw material	2.76	X
Lack of demand and low price for products	3.44	III
Lack of infrastructure	3.13	VIII
Inadequate warehousing facilities	3.19	VI
Inadequate power supply	3.48	II
Lack of skilled workforce and technology	2.85	IX
Lack of training to rural women entrepreneurial members of SHGs	3.38	IV
Lack of transportation for marketing of the products	3.77	I
High production and marketing cost	3.18	VII

Source: Survey Data

An analysis of the above table 6.36 shows the ranking of the various entrepreneurial economic problems faced by the sample rural women entrepreneurial members of SHGs. For the purpose of analysis, Rank method is applied and rank is assigned to each of the factor based on Garrets Mean Score. The problem of 'lack of

transportation for marketing of the products' is given first rank by the sample rural women entrepreneurial members of SHGs (3.77).

The problem of 'inadequate power supply' is ranked second by the sample rural women entrepreneurial members of SHGs (3.48)

The problem of 'lack of demand and low price for the products' is given the third rank by the sample rural women entrepreneurial members of SHGs (3.44)

The problem of 'lack of training to rural women entrepreneurial members of SHGs' is given fourth rank by the sample rural women entrepreneurial members of SHGs (3.38)

The problem of 'margin of profit is not sufficient' is ranked fifth by the sample rural women entrepreneurial members of SHGs (3.22)

The problem of 'inadequate warehousing facilities' is given sixth rank by the sample rural women entrepreneurial members of SHGs (3.19)

The problem of 'high production and marketing cost' is ranked seventh by the sample rural women entrepreneurial members of SHGs (3.18)

The problem of 'lack of infrastructure' is ranked eighth by the sample rural women entrepreneurial members of SHGs (3.13)

The problem of 'lack of skilled workforce and technology' is given ninth rank by the sample rural women entrepreneurial members of SHGs (2.85)

The problem of 'lack of availability of raw material' is given tenth rank by the sample rural women entrepreneurial members of SHGs (2.76)

According to Garrets ranking method, it is clear from the study that lack of transportation for marketing of the products, inadequate power supply, lack of demand low price for the products, lack of training to rural women entrepreneurial members of SHGs, margin of profit is not sufficient, inadequate warehousing facilities, high production and marketing cost and lack of infrastructure are the major entrepreneurial problems faced by the sample rural women entrepreneurial members of SHGs.

6.2.5 Psychological and Personality Development Problems

Low level of risk taking attitude is another factor affecting rural women folk decision to get into business. Low level of education provides low-level of self-confidence and self-reliance to the women folk to engage in business. Investing money, maintaining the operations and ploughing back of money for surplus generation requires high risk taking attitude, courage and confidence. Rural women lack these qualities which lead to psychological and personality problems. Study has been carried out to understand the psychological and personality development problems faced by sample rural women entrepreneurial members of SHGs and the relevant data is presented in table 6.37

Table 6.37 Psychological and personality development problems of sample rural women entrepreneurial members of SHGs

Psychological and Personality Development problems	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskall wallis test value	DF	P value
Lack of urge for learning new information about entrepreneurship	Microfinance Institution	322	2.73	1.43	2.00	7.412	2	0.025 SIG
	NGOs	224	3.02	1.45	3.00			
	Banks	216	3.00	1.48	2.00			
	Total	762	2.89	1.45	2.00			
Afraid of failures and business risk	Microfinance Institution	322	2.58	1.37	2.00	52.620	2	0.000 HS
	NGOs	224	3.09	1.38	4.00			
	Banks	216	3.54	1.29	4.00			
	Total	762	3.00	1.41	3.00			
Gets discouraged easily	Microfinance Institution	322	2.69	1.37	2.00	16.113	2	0.000 HS
	NGOs	224	2.96	1.46	2.00			
	Banks	216	3.24	1.54	4.00			
	Total	762	2.93	1.46	2.00			

Low self esteem	Microfinance Institution	322	2.73	1.39	2.00	32.093	2	0.000 HS
	NGOs	224	3.11	1.41	4.00			
	Banks	216	3.45	1.42	4.00			
	Total	762	3.04	1.43	4.00			
Lack of confidence to deal with business situations	Microfinance Institution	322	3.48	1.43	4.00	4.280	2	0.118 NS
	NGOs	224	3.57	1.37	4.00			
	Banks	216	3.33	1.44	4.00			
	Total	762	3.47	1.42	4.00			
Lack of confidence to go alone to the bank for loan and money transactions	Microfinance Institution	322	2.74	1.55	2.00	35.312	2	0.000 HS
	NGOs	224	3.17	1.54	4.00			
	Banks	216	3.61	1.42	4.00			
	Total	762	3.11	1.55	4.00			
Overall Psychological and personality development problems	Microfinance Institution	322	2.82	0.81	2.83	82.767	2	0.000 HS
	NGOs	224	3.15	0.60	3.33			
	Banks	216	3.36	0.49	3.50			
	Total	762	3.07	0.71	3.17			

Source: Survey Data

An analysis of the above table 6.37 reveals the various psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs. The various psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs with their mean values are; (i) Lack of urge for learning new information about entrepreneurship with a mean of 2.89 (2.73 MFI, 3.02 NGOs, 3.00 Banks), (ii) Afraid of business risk and failures with a mean of 3.00 (2.58 MFI, 3.09 NGOs, 3.54 Banks), (iii) Gets discouraged easily with a

mean of 2.93 (2.69 MFI, 2.96 NGOs, 3.24 Banks), (iv) Low self esteem with a mean of 3.04 (2.73 MFI, 3.11 NGOs, 3.45 Banks), (v) Lack of confidence to deal with business situations with a mean of 3.47 (3.48 MFI, 3.57 NGOs 3.33 Banks), (vi) Lack of confidence to go alone to the bank for loan and money transactions with a mean of 3.11 (2.74 MFI, 3.17 NGOs, 3.61 Banks)

Hence, the mean of overall psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs is 3.07 (2.82 MFI, 3.15 NGOs, 3.36 Banks)

There is no significant difference in the psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs regarding the following variable:

- a.) Lack of confidence to deal with business situations ($p=0.118>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to MFI sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last.

There is a significant difference in the psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs regarding the following variable:

- a.) Lack of urge for learning new information about entrepreneurship ($p=0.025<0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of this problem compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

There is a highly significant difference in the psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs regarding the following variables:

- a.) Afraid of business risk and failures ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem

compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

- b.) Gets discouraged easily ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.
- c.) Low self esteem ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- d.) Lack of confidence to go alone to bank for loan and money transactions ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of this problem compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
- e.) Overall psychological and personality development problems ($p=0.000<0.05$). Sample rural women entrepreneurial members of SHGs of Banks faced more of all the psychological and personality development problems compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last

In order to find out the most significant psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs, Garretts ranking method was used and is presented in table 6.38

Table 6.38: Ranking of the Psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs

Psychological and Personality Development Problems	Average Mean Score of MFI, NGOs and Banks	Rank
Lack of urge for learning new information about entrepreneurship	2.89	VI

Afraid of business risk and failures	3.00	IV
Gets discouraged easily	2.93	V
Low self esteem	3.04	III
Lack of confidence to deal with business situations	3.47	I
Lack of confidence to go alone to the bank for loan and money transactions	3.11	II

Source: Survey Data

An analysis of the above table 6.38 shows the ranking of the various psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs. For the purpose of analysis, Rank method is applied and rank is assigned to each of the factor based on Garrets ranking method. The problem of ‘lack of confidence to deal with business situations’ is ranked first by the sample rural women entrepreneurial members of SHGs (3.47)

The problem of ‘lack of confidence to go alone to the bank for loan and money transactions’ is given second rank by the sample rural women entrepreneurial members of SHGs (3.11)

The problem of ‘low self esteem’ is given third rank by the sample rural women entrepreneurial members of SHGs (3.04)

The problem of ‘afraid of business risk and failures’ is ranked fourth by the sample rural women entrepreneurial members of SHGs (3.00)

The problem of ‘getting discouraged easily’ is given fifth rank by the sample rural women entrepreneurial members of SHGs (2.93)

The problem of ‘lack of urge for learning new information about entrepreneurship’ is ranked sixth by the sample rural women entrepreneurial members of SHGs (2.89)

According to Garrets ranking method, it is clear from the study that lack of confidence to deal with business situations, lack of confidence to go alone to the bank for loan and money transactions, low self esteem, afraid of business risk and failures

are the major psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs.

Overall level of problems: Study has been carried out to understand the overall level of problems faced by sample rural women entrepreneurial members of SHGs and the relevant data is presented in table 6.39

Table 6.39 Overall level of problems faced by sample rural women entrepreneurial members of SHGs

OVERALL LEVEL OF PROBLEMS	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Krusk all wallis test value	DF	P value
	Microfinance Institution	322	2.96	0.51	3.03	0.666	2	0.717
	NGOs	224	3.02	0.28	3.00			
	Banks	216	3.00	0.25	2.97			
	Total	762	2.99	0.39	3.00			

Source: Survey Data

An analysis of the above table 6.39 reveals the overall level of problems faced by the sample rural women entrepreneurial members of SHGs with a mean of 2.99 (2.96 MFI, 3.02 NGOs, 3.00 Banks)

There is no significant difference in the overall level of problems faced by sample rural women entrepreneurial members of SHGs ($p=0.717>0.05$). Sample rural women entrepreneurial members of SHGs of NGOs faced more of all the problems compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last.

In order to find out the most significant problem among all the problems faced by the sample rural women entrepreneurial members of SHGs, Garretts ranking method was used and is presented in table 6.40

Table 6.40: Ranking of all the problems faced by the sample rural women entrepreneurial members of SHGs

Overall Problems	Average Mean Score of MFI, NGOs and Banks	Rank
Problems in the Self Help Group	2.79	V
Problems with regard to accessing loan	3.09	II
Social problems	2.87	IV
Economic problems	3.13	I
Psychological and personality development problems	3.07	III

Source: Survey Data

An analysis of the above table 6.40 shows the ranking of all the problems faced by the sample rural women entrepreneurial members of SHGs. For the purpose of analysis, Rank method is applied and rank is assigned to each of the factor based on Garrets ranking method. Economic problems are ranked first by the sample rural women entrepreneurial members of SHGs (3.13)

Problems with regard to accessing loan is ranked second by the sample rural women entrepreneurial members of SHGs (3.09)

Psychological and personality development problem is given third rank by the sample rural women entrepreneurial members of SHGs (3.07)

Social problem is ranked fourth by the sample rural women entrepreneurial members of SHGs (2.87)

Problems in the Self Help Group is given fifth rank by the sample rural women entrepreneurial members of SHGs (2.79)

According to Garrets ranking method, it is clear from the study that economic problems, problems with regard to accessing loan and psychological and personality development problems are the major problems faced by the sample rural women entrepreneurial members of SHGs.

After understanding the major problems faced by the rural women entrepreneurial members of SHGs, an attempt has been made to understand the empowerment level of

the sample rural women entrepreneurial members of SHGs before and after SBLP and availing microfinance

6.3 Empowerment of Sample rural women entrepreneurial members of SHGs before and after Self Help Group Bank Linkage Programme and availing microfinance

Self Help Groups (SHGs), especially women's groups in particular, represent as a form of intervention that is a radical departure from most of the current programmes. They are effective strategy for poverty alleviation, human development and social empowerment.

The concept of empowerment is of increasing interest to researchers, practitioners and particularly disadvantaged citizens of all nations. According to Wallenstein (2001), empowerment is a social-action process that promotes participation of people, organizations and communities towards the goals of increased individual and community control, political efficacy, improved quality of community life and social justice. While Whitemore (2000) feels the concept of empowerment needs to be more clearly defined, she states that there are some common underlying assumptions; which are a.) individuals are assumed to understand that their own needs are better than anyone else and therefore should have the power both to define and act upon them; b.) all people possess strengths upon which they can build; c.) empowerment is a lifelong endeavor; and d.) personal knowledge and experience are valid and useful in coping effectively.

Key elements of empowerment

Empowerment has become a popular term in women's development programmes. Key elements of empowerment were identified to include decision making power, ability to make choices, assertiveness, education, skill acquisition and increase in self image. Empowerment has both an individual and group benefits which are as follows:

- Having decision – making power : No one can become independent unless he or she is given the opportunity to make important decisions about his or her life
- Assertiveness : Assertiveness refers to one's ability to clearly state what she wishes and to stand up for oneself. It is an important element of women's

empowerment as it helps an individual to get what she wants (Chamberlin 1997)

- Health and well – being

Improved well-being is a concept related to the substantial differences between women and men in their access to sufficient nutrition, healthcare and reproductive facilities, and issues of fundamental safety and integrity of a person

- Growth and change that is never ending and self-initiated

Growth and change as elements of empowerment emphasize that empowerment is not a destination, but a journey; that no one reaches a final stage in which further growth and change is unnecessary

- Increasing women's positive self-image

As a person becomes more empowered, she begins to feel more confident and capable. This, in turn, leads to increased ability to manage one's life, resulting in more improved self-image. The negative perception of women that has been internalized also begins to change and may redefine it to convey positive qualities (Chamberlin 1997)

An attempt has been made in the study to understand the level of empowerment of the sample rural women entrepreneurial members of SHGs after joining them and accessing credit from MFI, NGOs and Banks. The sample rural women entrepreneurial members of SHGs were asked to rate on Likert's five point rating scale 1 to 5 showing level of empowerment least to high on the various factors of empowerment

To understand the level of empowerment, the following dimensions of empowerment have been considered:

1. Social empowerment
2. Economic empowerment – a. Household economic empowerment
b. Entrepreneurial economic empowerment
3. Psychological and Personality Development empowerment

6.3.1 Social empowerment: Social empowerment of women is not a one way process, it is a two way process in which women empower and get empowered. Literacy could be one of the first steps to empower women to participate more equally in society and free themselves from economic exploitation and oppression. Social empowerment means improvement in the status of the women. Social empowerment brings about women's literacy and access to a broad range of educational options, participation in extra familial groups and social networks (ibid)

Wilcoxon signed rank test for social empowerment of the sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Wilcoxon signed rank test is used to find out whether the sample rural women entrepreneurial members of SHGs have been socially empowered after Self Help Group - Bank Linkage Programme and availing microfinance. The results of Wilcoxon signed rank test relating to social empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance is presented in table 6.41 .

Table 6.41 Wilcoxon signed test for social empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Factors of Empowerment	Category of respondents SHGs	Period	N	Mean	Std. Deviation	Median	Change (%)	Wilcoxon – Z value	P value
Better social acceptability	Microfinance Institution	Before availing credit	322	3.03	1.46	2.00	5.32	1.02	.309
		After availing credit	322	3.20	1.45	4.00			
	NGOs	Before availing credit	224	2.70	1.40	2.00	22.48	4.09	.000
		After availing credit	224	3.30	1.39	4.00			
	Banks	Before availing credit	216	2.85	1.38	2.00	30.57	6.24	.000
		After availing credit	216	3.72	1.20	4.00			
	Total	Before availing credit	762	2.88	1.43	2.00	17.11	6.08	.000
		After availing credit	762	3.38	1.38	4.00			
Better contacts with outsiders	Microfinance Institution	Before availing credit	322	2.73	1.45	2.00	8.18	1.80	.072
		After availing credit	322	2.96	1.48	2.50			
	NGOs	Before availing credit	224	2.79	1.43	2.00	3.53	.70	.487
		After availing credit	224	2.88	1.42	2.00			

	Banks	Before availing credit	216	2.52	1.33	2.00	18.68	3.52	.000
		After availing credit	216	3.00	1.42	2.00			
	Total	Before availing credit	762	2.69	1.41	2.00	9.56	3.39	.001
		After availing credit	762	2.95	1.44	2.00			
No prejudice or class bias	Microfinance Institution	Before availing credit	322	2.97	1.44	2.00	8.67	2.16	.031
		After availing credit	322	3.23	1.41	4.00			
	NGOs	Before availing credit	224	2.98	1.52	2.00	2.69	.63	.529
		After availing credit	224	3.06	1.44	4.00			
	Banks	Before availing credit	216	2.75	1.41	2.00	11.95	2.09	.037
		After availing credit	216	3.08	1.49	4.00			
	Total	Before availing credit	762	2.91	1.46	2.00	7.75	2.85	.004
		After availing credit	762	3.14	1.44	4.00			
Society's attitude	Microfinance Institution	Before availing credit	322	3.02	1.45	2.00	6.89	1.77	.077
		After availing credit	322	3.23	1.42	4.00			

towards products and services of rural women entrepreneurs is positive	NGOs	Before availing credit	224	3.55	1.37	4.00	3.52	1.04	.296
		After availing credit	224	3.43	1.34	4.00			
	Banks	Before availing credit	216	3.06	1.40	4.00	23.48	5.23	.000
		After availing credit	216	3.77	1.19	4.00			
	Total	Before availing credit	762	3.19	1.43	4.00	7.99	3.32	.001
		After availing credit	762	3.44	1.35	4.00			
Positive relationship with the workforce	Microfinance Institution	Before availing credit	322	2.94	1.46	2.00	7.60	1.90	.058
		After availing credit	322	3.16	1.43	4.00			
	NGOs	Before availing credit	224	3.09	1.49	4.00	.72	.13	.899
		After availing credit	224	3.11	1.41	4.00			
	Banks	Before availing credit	216	2.77	1.36	2.00	16.69	3.39	.001
		After availing credit	216	3.24	1.40	4.00			
	Total	Before availing credit	762	2.94	1.44	2.00	7.91	3.08	.002
		After availing credit	762	3.17	1.41	4.00			

No conflicting gender roles	Microfinance Institution	Before availing credit	322	3.04	1.50	4.00	9.82	2.34	.019
		After availing credit	322	3.34	1.41	4.00			
	NGOs	Before availing credit	224	3.50	1.34	4.00	.64	.02	.988
		After availing credit	224	3.52	1.30	4.00			
	Banks	Before availing credit	216	3.08	1.36	4.00	24.17	5.84	.000
		After availing credit	216	3.83	1.13	4.00			
	Total	Before availing credit	762	3.19	1.43	4.00	10.79	4.53	.000
		After availing credit	762	3.53	1.32	4.00			
Not affected by gender inequalities	Microfinance Institution	Before availing credit	322	3.12	1.42	4.00	8.85	2.35	.019
		After availing credit	322	3.40	1.34	4.00			
	NGOs	Before availing credit	224	2.91	1.62	2.00	6.13	1.06	.289
		After availing credit	224	3.09	1.49	4.00			
	Banks	Before availing credit	216	2.69	1.46	2.00	18.76	3.33	.001
		After availing credit	216	3.19	1.60	4.00			

	Total	Before availing credit	762	2.94	1.50	4.00	10.63	3.91	.000
		After availing credit	762	3.25	1.47	4.00			
Better communication ability	Microfinance Institution	Before availing credit	322	3.06	1.47	4.00	10.67	2.68	.007
		After availing credit	322	3.38	1.40	4.00			
	NGOs	Before availing credit	224	3.93	1.22	4.00	12.73	4.43	.000
		After availing credit	224	3.43	1.39	4.00			
	Banks	Before availing credit	216	2.93	1.41	2.00	17.85	3.88	.000
		After availing credit	216	3.45	1.42	4.00			
	Total	Before availing credit	762	3.28	1.44	4.00	4.25	1.46	.145
		After availing credit	762	3.42	1.40	4.00			
No cultural influences	Microfinance Institution	Before availing credit	322	3.25	1.48	4.00	11.96	3.05	.002
		After availing credit	322	3.63	1.33	4.00			
	NGOs	Before availing credit	224	3.13	1.50	4.00	13.39	2.83	.005
		After availing credit	224	3.55	1.36	4.00			

	Banks	Before availing credit	216	3.08	1.45	4.00	12.18	2.73	.006
		After availing credit	216	3.45	1.42	4.00			
	Total	Before availing credit	762	3.17	1.48	4.00	12.44	4.99	.000
		After availing credit	762	3.56	1.36	4.00			
Never encountered harassments in registering and operating business	Microfinance Institution	Before availing credit	322	3.21	1.41	4.00	8.21	2.37	.018
		After availing credit	322	3.48	1.34	4.00			
	NGOs	Before availing credit	224	2.44	1.32	2.00	24.18	4.29	.000
		After availing credit	224	3.03	1.40	4.00			
	Banks	Before availing credit	216	2.58	1.32	2.00	8.08	1.66	.097
		After availing credit	216	2.79	1.41	2.00			
	Total	Before availing credit	762	2.81	1.40	2.00	12.25	4.76	.000
		After availing credit	762	3.15	1.41	4.00			
Overall Social Empowerment	Microfinance Institution	Before availing credit	322	3.04	1.41	3.00	8.65	1.58	.113
		After availing credit	322	3.30	0.70	3.30			

	NGOs	Before availing credit	224	3.10	1.27	3.00	4.49	1.56	.119
		After availing credit	224	3.24	0.49	3.20			
	Banks	Before availing credit	216	2.83	1.33	2.60	18.39	3.89	.000
		After availing credit	216	3.35	0.49	3.40			
	Total	Before availing credit	762	3.00	1.35	2.90	9.99	3.98	.000
		After availing credit	762	3.30	0.59	3.30			

Source: Survey Data

An analysis of the above table 6.41 reveals the various social factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance. The various social factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance with their mean values are; (i) Better social acceptability with a mean of 2.88 (3.03 MFI, 2.70 NGOs, 2.85 Banks), (ii) Better contacts with outsiders with a mean of 2.69 (2.73 MFI, 2.79 NGOs, 2.53 Banks), (iii) No prejudice or class bias with a mean of 2.91 (2.97 MFI, 2.98 NGOs, 2.75 Banks), (iv) Society's attitude towards my products and services of rural women entrepreneurs is positive with a mean of 3.19 (3.02 MFI, 3.55 NGOs, 3.06 Banks), (v) Positive relationship with workforce with a mean of 2.94 (2.94 MFI, 3.09 NGOs, 2.77 Banks), (vi) No conflicting gender roles with a mean of 3.19 (3.03 MFI, 3.50 NGOs, 3.08 Banks), (vii) Not affected by gender inequalities with a mean of 2.94 (3.12 MFI, 2.91 NGOs, 2.69 Banks), (viii) Better communication ability with a mean of 3.28 (3.06 MFI, 3.93 NGOs, 2.93 Banks), (ix) No cultural influences with a mean of 3.17 (3.25 MFI, 3.13 NGOs, 3.08 Banks), (x) Never encountered harassments in registering and operating business with a mean of 2.81 (3.21 MFI, 2.43 NGOs, 2.58 Banks)

Hence, the mean of the overall level of social empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance is 3.00 (3.04 MFI, 3.10 NGOs, 2.83 Banks)

An analysis of the above table 6.41 also reveals the various social factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance. The various social factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance with their mean values are; (i) Better social acceptability with a mean of 3.38 (3.20 MFI, 3.31 NGOs, 3.72 Banks), (ii) Better contacts with outsiders with a mean of 2.95 (2.96 MFI, 2.88 NGOs, 3.00 Banks), (iii) No prejudice or class biases with a mean of 3.14 (3.23 MFI, 3.06 NGOs, 3.08 Banks), (iv) Society's attitude towards products and services of rural women entrepreneurs is positive with a mean of 3.44 (3.23 MFI, 3.43 NGOs, 3.77 Banks), (v) Positive relationship with workforce with a mean of 3.17 (3.16 MFI, 3.11 NGOs, 3.24 Banks), (vi) No conflicting gender roles with a mean of

3.53 (3.34 MFI, 3.52 NGOs, 3.83 Banks), (vii) Not affected by gender inequalities with a mean of 3.25 (3.40 MFI, 3.09 NGOs, 3.19 Banks), (viii) Better communication ability with a mean of 3.42 (3.38 MFI, 3.43 NGOs, 3.45 Banks), (ix) No cultural influences with a mean of 3.56 (3.63 MFI, 3.55 NGOs, 3.45 Banks), (x) Never encountered harassments in registering and operating business with a mean of 3.15 (3.47 MFI, 3.03 NGOs, 2.79 Banks)

Hence, the mean of the overall level of social empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance is 3.30 (3.30 MFI, 3.24 NGOs, 3.35 Banks)

Empowerment of sample rural women entrepreneurial members of SHGs of MFI

There is no significant difference in the following factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Better social acceptability ($p=0.309>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better social acceptability after SBLP and availing microfinance than before.
- b.) Better contacts with outsiders ($p=0.072>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI had better contacts with outsiders after SBLP and availing microfinance than before.
- c.) Society's attitude towards the products and services of rural women entrepreneurs is positive ($p=0.077>0.05$). It was found that the society's attitude towards the sample rural women entrepreneurial members of SHGs products and services of MFI is positive after SBLP and availing microfinance
- d.) Positive relationship with workforce ($p=0.058>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better positive relationship with workforce after SBLP and availing microfinance than before.
- e.) Overall social empowerment ($p=0.113>0.05$). It was found that the overall social empowerment of the sample rural women entrepreneurial members of SHGs of MFI have improved after SBLP and availing microfinance

There is significant difference in the following factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance

- a.) No prejudice or class biases ($p=0.031<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI faced less prejudice or class bias after SBLP and availing microfinance
- b.) No conflicting gender roles ($p=0.019<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI faced less conflicting gender roles after SBLP and availing microfinance
- c.) Not affected by gender inequalities ($p=0.019<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI were less affected by gender inequalities after SBLP and availing microfinance
- d.) Never encountered harassments in registering and operating the business ($p=0.018<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI encountered less harassments in registering and operating the business after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of MFI before and after SBLP and availing microfinance:

- a.) Better communication ability ($p=0.007<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better communication ability after SBLP and availing microfinance
- b.) No cultural influences ($p=0.002<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have less of cultural influence after SBLP and availing microfinance

Empowerment of sample rural women entrepreneurial members of SHGs of NGOs

There is no significant difference in the following factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Better contacts with outsiders ($p=0.487>0.05$). It was found that the NGOs sample rural women entrepreneurial members of SHGs have better contacts with outsiders after SBLP and availing microfinance
- b.) No prejudice or class bias ($p=0.529>0.05$). It was found that the NGOs sample rural women entrepreneurial members of SHGs faced less of prejudice or class bias after SBLP and availing microfinance
- c.) Society's attitude towards the products and services of rural women entrepreneurs ($p=0.296>0.05$). It was found that the society's attitude towards the NGOs sample rural women entrepreneurial members of SHGs products and services was positive after SBLP and availing microfinance
- d.) Positive relationship with workforce ($p=0.899>0.05$). It was found that the NGOs sample rural women entrepreneurial members of SHGs have better positive relationship with workforce after SBLP and availing microfinance
- e.) No conflicting gender roles ($p=0.988>0.05$). It was found that the NGOs sample rural women entrepreneurial members of SHGs faced less conflicting gender roles after SBLP and availing microfinance
- f.) Not affected by gender inequalities ($p=0.289>0.05$). It was found that the NGOs sample rural women entrepreneurial members of SHGs were less affected by gender inequalities after SBLP and availing microfinance
- g.) Overall social empowerment ($p=0.119>0.05$). It was found that the NGOs sample rural women entrepreneurial members of SHGs were more socially empowered in terms of overall social empowerment after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of social empowerment of the sample rural women

entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Better social acceptability ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better social acceptability after SBLP and availing microfinance
- b.) Better communication ability ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better communication ability after SBLP and availing microfinance
- c.) No cultural influences ($p=0.005<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have less of cultural influence after SBLP and availing microfinance
- d.) Never encountered harassments in registering and operating the business ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs encountered less harassments in registering and operating the business after SBLP and availing microfinance

There is no significant difference in the following factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs of banks before and after SBLP and availing microfinance:

- a.) Never encountered harassments in registering and operating the business ($p=0.097>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of banks encountered less harassments in registering and operating the business after SBLP and availing microfinance

There is significant difference in the following factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs of banks before and after SBLP and availing microfinance:

- a.) No prejudice or class bias ($p=0.037<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of banks faced less prejudice or class bias after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of social empowerment of the sample rural women entrepreneurial members of SHGs of banks before and after SBLP and availing microfinance:

- a.) Better social acceptability ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of banks have better social acceptability after SBLP and availing microfinance
- b.) Better contacts with outsiders ($p=0.000<0.05$). It was found that the banks sample rural women entrepreneurial members of SHGs have better contacts with outsiders after SBLP and availing microfinance
- c.) Society's attitude towards the products and services of rural women entrepreneurs is positive ($p=0.000<0.05$). It was found that the society's attitude towards the products and services of banks sample rural women entrepreneurial members of SHGs was positive after SBLP and availing microfinance
- d.) Positive relationship with workforce ($p=0.001<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of banks have better positive relationship with workforce after SBLP and availing microfinance
- e.) No conflicting gender roles ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of banks faced less conflicting gender roles after SBLP and availing microfinance
- f.) Not affected by gender inequalities ($p=0.001<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of banks were less affected by gender inequalities after SBLP and availing microfinance
- g.) Better communication ability ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of banks have better communication ability after SBLP and availing microfinance
- h.) No cultural influences ($p=0.006<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of banks have less of cultural influence after SBLP and availing microfinance

- i.) Overall social empowerment ($p=0.000<0.05$). It was found that the overall social empowerment of the sample rural women entrepreneurial members of SHGs of banks have improved after SBLP and availing microfinance

6.3.2 Economic empowerment: The economic component requires that women be able to engage in a productive activity that will allow them some degree of autonomy, no matter how small and hard to obtain at the beginning (UNESCO, 2000). Economic empowerment also concerns the quality of women's economic involvement, beyond their mere presence as workers. Their presence in the workforce in quantitative terms is important not only for lowering the disproportionate levels of poverty among women, but also as an important step towards raising household income and encouraging economic development in countries as a whole (World Economic Forum, 2005)

In the study, the level of economic empowerment has been classified into A.) Household economic empowerment and B.) Entrepreneurial economic empowerment

A.) Household Economic empowerment: Various factors such as acquisition of land, house, vehicles, household utensils and equipments, health, education, food and nutrition are considered in the study to understand the level of household economic empowerment.

Wilcoxon signed rank test relating to household economic empowerment of the sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Wilcoxon signed rank test is used to find out whether the sample rural women entrepreneurial members of SHGs have shown improvement in household economic empowerment after Self Help Group - Bank Linkage Programme and availing microfinance. The results of Wilcoxon signed rank test relating to household economic empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance is presented in table 6.42

Table 6.42 Wilcoxon signed test relating to household economic empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group Bank Linkage Programme and availing microfinance

Factors of Empowerment	Category of respondents SHGs	Period	N	Mean	Std. Deviation	Median	Change (%)	Wilcoxon – Z value	P value
Acquired Land	Micro Finance Institution	Before availing credit	322	2.89	1.41	2.00	2.69	.68	.498
		After availing credit	322	2.81	1.40	2.00			
	NGOs	Before availing credit	224	3.35	1.41	4.00	10.00	2.41	.016
		After availing credit	224	3.01	1.46	2.00			
	Banks	Before availing credit	216	3.09	1.43	4.00	.45	.03	.972
		After availing credit	216	3.11	1.42	4.00			
	Total	Before availing credit	762	3.08	1.43	4.00	4.13	1.75	.080
		After availing credit	762	2.95	1.43	2.00			
Acquired House	Micro Finance Institution	Before availing credit	322	3.00	1.37	2.00	1.76	.48	.628
		After availing credit	322	3.05	1.37	2.00			
	NGOs	Before availing credit	224	3.40	1.57	4.00	9.84	2.31	.021
		After availing credit	224	3.07	1.45	4.00			

	Banks	Before availing credit	216	2.91	1.42	2.00	17.68	3.47	.001
		After availing credit	216	3.42	1.54	4.00			
	Total	Before availing credit	762	3.09	1.46	4.00	2.25	.91	.363
		After availing credit	762	3.16	1.45	4.00			
Purchased Car/Jeep/Pick up/Tractor	Micro Finance Institution	Before availing credit	322	2.76	1.37	2.00	.79	.20	.841
		After availing credit	322	2.78	1.38	2.00			
	NGOs	Before availing credit	224	3.15	1.42	4.00	7.23	1.64	.101
		After availing credit	224	2.92	1.44	2.00			
	Banks	Before availing credit	216	2.78	1.41	2.00	13.14	2.64	.008
		After availing credit	216	3.15	1.40	4.00			
	Total	Before availing credit	762	2.88	1.41	2.00	1.59	.62	.532
		After availing credit	762	2.93	1.41	2.00			
Purchased Cycle	Micro Finance Institution	Before availing credit	322	2.81	1.34	2.00	6.97	1.87	0.061
		After availing credit	322	3.00	1.32	3.00			

	NGOs	Before availing credit	224	3.13	1.39	4.00	11.14	2.87	0.004
		After availing credit	224	2.78	1.37	2.00			
	Banks	Before availing credit	216	2.59	1.26	2.00	10.00	1.89	0.058
		After availing credit	216	2.85	1.40	2.00			
	Total	Before availing credit	762	2.84	1.35	2.00	1.89	0.64	0.523
		After availing credit	762	2.89	1.36	2.00			
Purchased Household Utensils & Equipments	Micro Finance Institution	Before availing credit	322	2.95	1.40	3.00	10.31	2.40	0.187
		After availing credit	322	3.25	1.33	3.00			
	NGOs	Before availing credit	224	3.06	1.33	3.00	7.76	1.91	0.277
		After availing credit	224	3.25	1.31	3.00			
	Banks	Before availing credit	216	2.76	1.29	3.00	18.43	3.78	0.138
		After availing credit	216	3.26	1.15	3.00			
	Total	Before availing credit	762	2.94	1.36	3.00	10.07	3.78	0.023
		After availing credit	762	3.24	1.32	3.00			

Purchased Jewellery	Micro Finance Institution	Before availing credit	322	2.15	1.21	2.00	1.16	0.16	0.874
		After availing credit	322	2.17	1.24	2.00			
	NGOs	Before availing credit	224	2.13	1.16	2.00	1.46	0.06	0.953
		After availing credit	224	2.17	1.20	2.00			
	Banks	Before availing credit	216	2.02	1.00	2.00	4.81	0.77	0.439
		After availing credit	216	2.12	1.11	2.00			
	Total	Before availing credit	762	2.11	1.14	2.00	2.24	0.47	0.635
		After availing credit	762	2.15	1.19	2.00			
Improvement in housing facilities	Micro Finance Institution	Before availing credit	322	2.76	1.45	2.00	6.64	1.57	0.116
		After availing credit	322	2.94	1.46	2.00			
	NGOs	Before availing credit	224	3.05	1.43	4.00	0.15	0.12	0.901
		After availing credit	224	3.05	1.41	4.00			
	Banks	Before availing credit	216	2.70	1.37	2.00	21.92	4.30	0.000
		After availing credit	216	3.30	1.38	4.00			

	Total	Before availing credit	762	2.83	1.42	2.00	8.72	3.33	0.001
		After availing credit	762	3.08	1.43	4.00			
Improvement in Food and Nutrition	Micro Finance Institution	Before availing credit	322	3.33	1.38	4.00	14.83	5.07	.000
		After availing credit	322	3.82	1.27	4.00			
	NGOs	Before availing credit	224	3.20	1.36	4.00	20.67	5.52	.000
		After availing credit	224	3.86	1.16	4.00			
	Banks	Before availing credit	216	3.18	1.42	4.00	17.78	3.99	.000
		After availing credit	216	3.74	1.12	4.00			
	Total	Before availing credit	762	3.25	1.38	4.00	17.34	8.34	.000
		After availing credit	762	3.81	1.20	4.00			
Health Empowerment	Micro Finance Institution	Before availing credit	322	3.28	1.44	4.00	7.00	1.99	.047
		After availing credit	322	3.51	1.38	4.00			
	NGOs	Before availing credit	224	3.36	1.35	4.00	4.25	.98	.329
		After availing credit	224	3.50	1.26	4.00			

	Banks	Before availing credit	216	3.09	1.32	4.00	16.17	4.11	.000
		After availing credit	216	3.59	1.21	4.00			
	Total	Before availing credit	762	3.25	1.38	4.00	8.64	3.94	.000
		After availing credit	762	3.53	1.30	4.00			
Education Empowerment	Micro Finance Institution	Before availing credit	322	3.30	1.43	4.00	6.96	1.99	.047
		After availing credit	322	3.53	1.37	4.00			
	NGOs	Before availing credit	224	3.06	1.52	4.00	10.35	1.96	.050
		After availing credit	224	3.38	1.38	4.00			
	Banks	Before availing credit	216	3.00	1.42	3.00	10.17	2.38	.017
		After availing credit	216	3.31	1.47	4.00			
	Total	Before availing credit	762	3.15	1.46	4.00	8.80	3.63	.000
		After availing credit	762	3.42	1.40	4.00			
Household Economic	Micro Finance Institution	Before availing credit	322	2.94	1.31	2.94	7.27	1.83	.068
		After availing credit	322	3.15	0.54	3.14			

Empowerment									
	NGOs	Before availing credit	224	3.10	1.23	3.36	1.60	.08	.932
		After availing credit	224	3.14	0.34	3.17			
	Banks	Before availing credit	216	2.79	1.23	2.72	15.49	3.46	.001
		After availing credit	216	3.22	0.30	3.22			
	Total	Before availing credit	762	2.94	1.27	2.89	7.72	3.13	.002
		After availing credit	762	3.17	0.43	3.22			

Source: Survey Data

An analysis of the above table 6.42 reveals the various household economic factors considered to understand the level of household economic empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance. The various household economic factors considered to understand the level of economic empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance with their mean values are; (i) Acquired land with a mean of 3.08 (2.89 MFI, 3.35 NGOs, 3.09 Banks), (ii) Acquired house with a mean of 3.09 (3.00 MFI, 3.40 NGOs, 2.91 Banks), (iii) Purchased Car/Jeep/Pick up/Tractor with a mean of 2.88 (2.76 MFI, 3.15 NGOs, 2.78 Banks), (iv) Purchased Cycle with a mean of 2.84 (2.81 MFI, 3.13 NGOs, 2.59 Banks), (v) Purchased Household Utensils & Equipments with a mean of 2.94 (2.95 MFI, 3.06 NGOs, 2.76 Banks), (vi) Purchased jewellery with a mean of 2.11 (2.15 MFI, 2.13 NGOs and 2.02 Banks), (vii) Improvement in housing facilities with a mean of 2.83 (2.76 MFI, 3.05 NGOs, 2.70 Banks), (viii) Improvement in food and nutrition with a mean of 3.25 (3.33 MFI, 3.20 NGOs, 3.18 Banks), (ix) Health empowerment with a mean of 3.25 (3.28 MFI, 3.36 NGOs, 3.09 Banks), (x) Education empowerment with a mean of 3.15 (3.30 MFI, 3.06 NGOs, 3.00 Banks)

Hence, the mean of overall household economic empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance is 2.94 (2.94 MFI, 3.10 NGOs, 2.79 Banks)

An analysis of the above table 6.42 reveals the various household economic factors considered to understand the level of economic empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance. The various household economic factors considered to understand the level of economic empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance with their mean values are; (i) Acquired land with a mean of 2.95 (2.81 MFI, 3.01 NGOs, 3.11 Banks), (ii) Acquired house with a mean of 3.16 (3.05 MFI, 3.07 NGOs, 3.42 Banks), (iii) Purchased Car/Jeep/Pick up/Tractor with a mean of 2.93 (2.78 MFI, 2.92 NGOs, 3.15 Banks), (iv) Purchased Cycle with a mean of 3.89 (3.00 MFI, 2.78 NGOs, 2.85 Banks), (v) Purchased Household Utensils & Equipments with a mean of 3.24 (3.25 MFI, 3.25 NGOs, 3.26 Banks) (vi) Purchased jewellery with a mean of 2.15 (2.17 MFI, 2.17 NGOs, 2.12 Banks), (vii) Improvement in housing facilities with a mean of 3.08 (2.94 MFI, 3.05 NGOs, 3.29

Banks), (viii) Improvement in food and nutrition with a mean of 3.81 (3.82 MFI, 3.86 NGOs, 3.74 Banks), (ix) Health empowerment with a mean of 3.53 (3.51 MFI, 3.51 NGOs, 3.59 Banks), (x) Education empowerment with a mean of 3.42 (3.53 MFI, 3.38 NGOs, 3.31 Banks)

Hence, the mean of overall household economic empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance is 3.17 (3.15 MFI, 3.14 (NGOs) and 3.22 (Banks)

MFI

There is no significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Acquired land ($p=0.498>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household economic empowerment in terms of land after SBLP and availing microfinance
- b.) Acquired house ($p=0.628>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household economic empowerment in terms of house after SBLP and availing microfinance
- c.) Purchased Car/Jeep/Pickup/Tractor ($p=0.841>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household economic empowerment in terms of car/jeep/pickup/tractor after SBLP and availing microfinance
- d.) Purchased Cycle ($p=0.061>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household economic empowerment in terms of cycle after SBLP and availing microfinance
- e.) Purchased Household Utensils & Equipments ($p=0.187>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household empowerment in terms of household utensils & equipments after SBLP and availing microfinance

- f.) Purchased Jewellery ($p=0.874>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household economic empowerment in terms of jewellery after SBLP and availing microfinance
- g.) Improvement in housing facilities ($p=0.116>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household economic empowerment as there was improvement in housing facilities after SBLP and availing microfinance
- h.) Overall household economic empowerment ($p=0.068>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better overall household economic empowerment after SBLP and availing microfinance

There is significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Improvement in health condition ($0.047<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household economic empowerment as there was improvement in health condition after SBLP and availing microfinance
- b.) Improvement in education ($0.047<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better household economic empowerment as there was improvement in education after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Improvement in food and nutrition ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better

household economic empowerment as there was improvement in food and nutrition after SBLP and availing microfinance

NGOs

There is no significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Purchased Car/Jeep/Pickup/Tractor ($p=0.101>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment in terms of car/jeep/pickup/tractor after SBLP and availing microfinance
- b.) Purchased Jewellery ($p=0.953>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment in terms of jewellery after SBLP and availing microfinance
- c.) Purchased Household Utensils & Equipments ($p=0.277>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment in terms of household utensils & equipments after SBLP and availing microfinance
- d.) Improvement in housing facilities ($p=0.901>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment as there as improvement in housing facilities after SBLP and availing microfinance
- e.) Improvement in health condition ($p=0.329>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment as there was improvement in health condition after SBLP and availing microfinance
- f.) Overall Household Economic Empowerment ($p=0.932>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better overall household economic empowerment after SBLP and availing microfinance

There is significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Acquired Land ($p=0.016<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment in terms of land after SBLP and availing microfinance
- b.) Acquired House ($p=0.021<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment in terms of house after SBLP and availing microfinance
- c.) Purchased Cycle ($p=0.004<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment in terms of cycle after SBLP and availing microfinance
- d.) Improvement in Education ($p=0.050=0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment as there was improvement in education after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Improvement in food and nutrition ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better household economic empowerment as there was improvement in food and nutrition after SBLP and availing microfinance

Banks

There is no significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women

entrepreneurial members of SHGs of Banks before and after SBLP and availing microfinance:

- a.) Acquired Land ($p=0.972>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment in terms of land after SBLP and availing microfinance
- b.) Purchased Cycle ($p=0.058>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment in terms of cycle after SBLP and availing microfinance
- c.) Purchased Household Utensils & Equipments ($p=0.138>0.05$). It was found that the sample rural women entrepreneurial members of SHGs have better household empowerment in terms of household utensils & equipments after SBLP and availing microfinance
- d.) Purchased Jewellery ($p=0.439>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment in terms of jewellery after SBLP and availing microfinance

There is significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women entrepreneurial members of SHGs of Banks before and after SBLP and availing microfinance:

- a.) Purchased Car/Jeep/Pickup/Tractor ($p=0.008<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment in terms of Car/Jeep/Pickup/Tractor after from SBLP and availing microfinance
- b.) Improvement in education ($p=0.017<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment as there was improvement in education after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of household economic empowerment of the sample rural women

entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Acquired House ($p=0.001<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment in terms of house after SBLP and availing microfinance
- b.) Improvement in housing facilities ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment as there was improvement in housing facilities after from SBLP and availing microfinance
- c.) Improvement in food and nutrition ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment as there was improvement in food and nutrition after SBLP and availing microfinance
- d.) Improvement in health condition ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better household economic empowerment as there was improvement in health condition after SBLP and availing microfinance
- e.) Overall Household Economic Empowerment ($p=0.001<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better overall household economic empowerment after SBLP and availing microfinance

B.) Entrepreneurial Economic empowerment: Various factors such as own premises to run the business, business information, technology, infrastructure and inputs and raw materials are considered in the study to understand the level of entrepreneurial economic empowerment.

Wilcoxon signed rank test for entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Wilcoxon signed rank test is used to find out whether the sample rural women entrepreneurial members of SHGs have shown improvement in entrepreneurial

economic empowerment after Self Help Group - Bank Linkage Programme and availing microfinance. The results of Wilcoxon signed rank test relating to entrepreneurial economic empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance is presented in table 6.43

Table 6.43 Wilcoxon signed test relating to entrepreneurial economic empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Factors of Economic Empowerment	Category of respondents SHGs	Period	N	Mean	Std. Deviation	Median	Change (%)	Wilcoxon – Z value	P value
Own premises to run the business	Microfinance Institution	Before availing credit	322	2.91	1.39	2.00	.43	.10	.921
		After availing credit	322	2.91	1.39	2.00			
	NGOs	Before availing credit	224	2.89	1.39	2.00	.31	.12	.902
		After availing credit	224	2.89	1.36	2.00			
	Banks	Before availing credit	216	2.76	1.31	2.00	3.53	.69	.491
		After availing credit	216	2.85	1.36	2.00			
	Total	Before availing credit	762	2.85	1.37	2.00	1.24	.50	.621
		After availing credit	762	2.89	1.37	2.00			
Access to information to exploit business opportunities	Microfinance Institution	Before availing credit	322	2.86	1.49	2.00	6.95	1.65	.100
		After availing credit	322	3.06	1.48	4.00			
	NGOs	Before availing credit	224	2.48	1.29	2.00	16.22	2.78	.005
		After availing credit	224	2.88	1.43	2.00			

	Banks	Before availing credit	216	2.38	1.27	2.00	15.92	3.21	.001
		After availing credit	216	2.76	1.33	2.00			
	Total	Before availing credit	762	2.61	1.39	2.00	11.85	4.22	.000
		After availing credit	762	2.92	1.43	2.00			
Access to necessary technologies	Microfinance Institution	Before availing credit	322	2.27	1.06	2.00	12.88	3.07	.002
		After availing credit	322	2.56	1.21	2.00			
	NGOs	Before availing credit	224	2.75	1.39	2.00	5.67	1.11	.267
		After availing credit	224	2.91	1.42	2.00			
	Banks	Before availing credit	216	2.29	1.20	2.00	41.50	6.93	.000
		After availing credit	216	3.24	1.38	4.00			
	Total	Before availing credit	762	2.46	1.25	2.00	13.97	5.06	.000
		After availing credit	762	2.81	1.34	2.00			
Adequate infrastructure	Microfinance Institution	Before availing credit	322	2.61	1.38	2.00	9.64	2.25	.024
		After availing credit	322	2.86	1.42	2.00			

is available to run the business	NGOs	Before availing credit	224	2.74	1.42	2.00	2.61	.47	.637
		After availing credit	224	2.81	1.39	2.00			
	Banks	Before availing credit	216	2.37	1.22	2.00	27.54	5.00	.000
		After availing credit	216	3.02	1.40	2.00			
	Total	Before availing credit	762	2.58	1.35	2.00	12.11	4.35	.000
		After availing credit	762	2.89	1.41	2.00			
Access to necessary inputs and raw materials	Microfinance Institution	Before availing credit	322	3.19	1.38	4.00	7.59	2.20	.028
		After availing credit	322	3.43	1.31	4.00			
	NGOs	Before availing credit	224	2.86	1.33	2.50	9.69	2.13	.033
		After availing credit	224	3.13	1.34	4.00			
	Banks	Before availing credit	216	2.69	1.27	2.00	15.52	3.42	.001
		After availing credit	216	3.10	1.29	4.00			
	Total	Before availing credit	762	2.95	1.35	3.50	10.24	4.41	.000
		After availing credit	762	3.25	1.32	4.00			

Entrepreneurial Economic Empowerment	Micro Finance Institution	Before availing credit	322	2.77	1.26	2.40	10.19	3.86	.000
		After availing credit	322	3.05	0.74	3.00			
	NGOs	Before availing credit	224	2.77	1.32	2.10	7.72	2.85	.004
		After availing credit	224	2.99	0.54	3.00			
	Banks	Before availing credit	216	2.50	1.19	2.00	23.98	6.81	.000
		After availing credit	216	3.09	0.46	3.16			
	Total	Before availing credit	762	2.69	1.26	2.40	13.07	7.66	.000
		After availing credit	762	3.04	0.62	3.00			

Source: Survey Data

An analysis of the above table 6.43 reveals the various entrepreneurial economic factors considered to understand the level of economic empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance. The various entrepreneurial economic factors considered to understand the level of economic empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance with their mean values are; (i) Own premises to run the business with a mean of 2.85 (2.91 MFI, 2.89 NGOs, 2.76 Banks), (ii) Access to information to exploit business opportunities with a mean of 2.61 (2.86 MFI, 2.48 NGOs, 2.38 Banks), (iii) Access to necessary technologies with a mean of 2.46 (2.27 MFI, 2.91 NGOs, 2.29 Banks), (iv) Adequate infrastructure is available to run the business with a mean of 2.58 (2.61 MFI, 2.74 NGOs, 2.37 Banks), (v) Access to necessary inputs and raw materials with a mean of 2.95 (3.19 MFI, 2.86 NGOs, 2.69 Banks)

Hence, the mean of the overall entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance is 2.77 (MFI), 2.77 (NGOs) and 2.50 (Banks)

An analysis of the above table 5.43 also reveals the various entrepreneurial economic factors considered to understand the level of economic empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance. The various entrepreneurial economic factors considered to understand the level of economic empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance with their mean values are; (i) Own premises to run the business with a mean of 2.89 (2.91 MFI, 2.89 NGOs, 2.85 Banks), (ii) Access to information to exploit business opportunities with a mean of 2.92 (3.06 MFI, 2.88 NGOs, 2.76 Banks), (iii) Access to necessary technologies with a mean of 2.81 (2.56 MFI, 2.75 NGOs, 3.24 Banks), (iv) Adequate infrastructure is available to run the business with a mean of 2.89 (2.86 MFI, 2.81 NGOs, 3.02 Banks), (v) Access to necessary inputs and raw materials with a mean of 3.25 (3.43 MFI, 3.13 NGOs, 3.10 Banks)

Hence, the mean of the overall entrepreneurial economic empowerment after SBLP and availing microfinance is 3.04 (3.05 MFI, 2.99 NGOs, 3.10 Banks)

MFI

There is no significant difference in the following factors considered to understand the level of entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Own premises to run the business ($p=0.921>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI's entrepreneurial economic empowerment remained the same after SBLP and availing microfinance as there was no improvement in owning own premises to run the business
- b.) Access to information to exploit business opportunities ($p=0.100>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better entrepreneurial economic empowerment as there was better access to information to exploit business opportunities after SBLP and availing microfinance

There is a significant difference in the following factors considered to understand the level of entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Adequate infrastructure is available to run the business ($p=0.024<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better entrepreneurial economic empowerment as there was better infrastructure to run the business after SBLP and availing microfinance
- b.) Access to necessary inputs and raw materials ($p=0.028<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better entrepreneurial economic empowerment as there was better access to necessary inputs and raw materials after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of entrepreneurial economic empowerment of the sample rural

women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Overall Entrepreneurial Economic Empowerment ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better overall entrepreneurial economic empowerment after SBLP and availing microfinance
- b.) Access to necessary technologies ($p=0.002<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better entrepreneurial economic empowerment as there was better access to necessary technologies after SBLP and availing microfinance

NGOs

There is no significant difference in the following factors considered to understand the level of entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Own premises to run the business ($p=0.902>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGO's entrepreneurial economic empowerment remained the same after SBLP and availing microfinance as there was no improvement in owning own premises to run the business
- b.) Adequate infrastructure is available to run the business ($p=0.637>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better entrepreneurial economic empowerment as there was better infrastructure to run the business after SBLP and availing microfinance
- c.) Access to necessary technologies ($p=0.267>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better entrepreneurial economic empowerment as there was better access to necessary technologies after SBLP and availing microfinance

There is a significant difference in the following factors considered to understand the level of entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Access to information to exploit business opportunities ($p=0.005<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better entrepreneurial economic empowerment as there was better access to information to exploit business opportunities after SBLP and availing microfinance
- b.) Access to necessary inputs and raw materials ($p=0.033<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better entrepreneurial economic empowerment as there was better access to necessary inputs and raw materials after SBLP and availing microfinance

There is a highly significant difference in the following factor considered to understand the level of entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

Overall Entrepreneurial Economic Empowerment ($p=0.004<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better overall entrepreneurial economic empowerment after SBLP and availing microfinance

Banks

There is no significant difference in the following factors considered to understand the level of entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs of Banks before and after SBLP and availing microfinance:

- a.) Own premises to run the business ($p=0.491>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better entrepreneurial economic empowerment as they have their own premises to run the business after SBLP and availing microfinance

There is highly significant difference in the following factors considered to understand the level of entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs of Banks before and after SBLP and availing microfinance:

- a.) Access to information to exploit business opportunities ($p=0.001<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better entrepreneurial economic empowerment as there was better access to information to exploit business opportunities after SBLP and availing microfinance
- b.) Access to necessary technologies ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better entrepreneurial economic empowerment as there was better access to necessary technologies after SBLP and availing microfinance
- c.) Adequate infrastructure is available to run the business ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better entrepreneurial economic empowerment as there was better infrastructure to run the business after SBLP and availing microfinance
- d.) Access to necessary inputs and raw materials ($p=0.001<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better entrepreneurial economic empowerment as there was better access to necessary inputs and raw materials after SBLP and availing microfinance
- e.) Overall Entrepreneurial Economic Empowerment ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better overall entrepreneurial economic empowerment after SBLP and availing microfinance

C.) Overall Economic Empowerment: The overall economic empowerment of the sample rural women entrepreneurial members of SHGs is calculated by considering the overall household economic empowerment and the overall entrepreneurial economic empowerment.

Wilcoxon signed rank test for overall economic empowerment of the sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Wilcoxon signed rank test is used to find out whether the sample rural women entrepreneurial members of SHGs have shown improvement in overall economic empowerment after Self Help Group - Bank Linkage Programme and availing microfinance. The results of Wilcoxon signed rank test relating to overall economic empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance is presented in table 6.44

Table 6.44 Wilcoxon signed test relating to overall economic empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Economic Empowerment	Category of respondents SHGs	Period	N	Mean	Std. Deviation	Median	Change (%)	Wilcoxon – Z value	P value
Overall Economic Empowerment	Microfinance Institution	Before availing credit	322	2.86	1.29	2.67	8.73	2.85	0.034
		After availing credit	322	3.10	0.64	3.07			
	NGOs	Before availing credit	224	2.94	1.28	2.73	4.66	1.47	0.47
		After availing credit	224	3.07	0.44	3.09			
	Banks	Before availing credit	216	2.65	1.21	2.36	19.74	5.14	0.0005
		After availing credit	216	3.16	0.38	3.19			
	Total	Before availing credit	762	2.82	1.27	2.65	10.40	5.40	0.001
		After availing credit	762	3.10	0.53	3.11			

Source: Survey Data

An analysis of the above table 6.44 reveals the overall economic empowerment before SBLP and availing microfinance. The mean of the overall economic empowerment before SBLP and availing microfinance is 2.82 (2.86 MFIs, 2.94 NGOs and 2.65 Banks).

The mean of the overall economic empowerment after SBLP and availing microfinance is 3.10 (3.1 MFIs, 3.07 NGOs and 3.16 Banks)

There is a highly significant difference in the overall economic empowerment of the sample rural women entrepreneurial members of SHGs before and after SBLP and availing microfinance

It was found that the sample rural women entrepreneurial members of SHGs of Banks have better overall economic empowerment after SBLP and availing microfinance

6.3.3 Psychological and Personality Empowerment

Various factors such as gained confidence to talk to customers, to buy raw materials, to find new markets, to go alone to banks for loan and money transactions and so on are considered in the study to understand the level of psychological and personality empowerment.

Wilcoxon signed rank test for psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Wilcoxon signed rank test is used to find out whether the sample rural women entrepreneurial members of SHGs have shown improvement in psychological and personality empowerment after Self Help Group - Bank Linkage Programme and availing microfinance. The results of Wilcoxon signed rank test relating to psychological and personality empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance is presented in table 6.45

Table 6.45 Wilcoxon signed test relating to psychological and personality empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Factors of Personality & Psychological Empowerment	Category of respondents SHGs	Period	N	Mean	Std. Deviation	Median	Change (%)	Wilcoxon – Z value	P value
Gained confidence to talk to customers	Microfinance Institution	Before availing credit	322	2.35	1.36	2.00	8.47	1.68	.093
		After availing credit	322	2.55	1.43	2.00			
	NGOs	Before availing credit	224	2.39	1.37	2.00	1.87	0.07	.944
		After availing credit	224	2.43	1.36	2.00			
	Banks	Before availing credit	216	2.00	1.04	2.00	32.25	4.83	0.000
		After availing credit	216	2.64	1.44	2.00			
	Total	Before availing credit	762	2.26	1.29	2.00	12.37	3.66	0.000
		After availing credit	762	2.54	1.41	2.00			
Gained confidence to buy raw materials	Microfinance Institution	Before availing credit	322	2.37	1.44	2.00	9.69	1.76	0.078
		After availing credit	322	2.60	1.52	2.00			
	NGOs	Before availing credit	224	2.57	1.30	2.00	0.35	0.53	0.598

		After availing credit	224	2.58	1.45	2.00			
	Banks	Before availing credit	216	2.15	1.22	2.00	31.18	5.73	0.000
		After availing credit	216	2.82	1.31	2.00			
	Total	Before availing credit	762	2.37	1.35	2.00	12.25	3.78	0.000
		After availing credit	762	2.66	1.45	2.00			
Gained confidence to find new markets	Microfinance Institution	Before availing credit	322	2.35	1.37	2.00	8.45	1.73	0.084
		After availing credit	322	2.55	1.42	2.00			
	NGOs	Before availing credit	224	2.36	1.33	2.00	2.08	0.40	0.686
		After availing credit	224	2.41	1.32	2.00			
	Banks	Before availing credit	216	1.97	1.00	2.00	28.17	3.90	0.0000
		After availing credit	216	2.53	1.40	2.00			
	Total	Before availing credit	762	2.24	1.27	2.00	11.40	3.41	0.001
		After availing credit	762	2.50	1.39	2.00			
Gained	Microfinance	Before availing credit	322	2.49	1.38	2.00	8.24	1.75	0.081

confidence to increase the scale of business	Institution	After availing credit	322	2.69	1.44	2.00			
	NGOs	Before availing credit	224	2.53	1.52	2.00	2.12	0.45	0.654
		After availing credit	224	2.58	1.46	2.00			
	Banks	Before availing credit	216	2.23	1.29	2.00	21.78	3.17	0.002
		After availing credit	216	2.72	1.53	2.00			
	Total	Before availing credit	762	2.43	1.40	2.00	9.89	3.07	0.002
		After availing credit	762	2.67	1.47	2.00			
Gained confidence to solve problems	Microfinance Institution	Before availing credit	322	2.42	1.34	2.00	9.37	1.97	0.048
		After availing credit	322	2.65	1.41	2.00			
	NGOs	Before availing credit	224	2.64	1.40	2.00	10.30	1.93	0.054
		After availing credit	224	2.94	1.56	2.00			
	Banks	Before availing credit	216	2.21	1.17	2.00	42.56	6.22	0.000
		After availing credit	216	3.15	1.54	4.00			
	Total	Before availing credit	762	2.51	1.39	2.00	10.86	3.55	0.000

		After availing credit	762	2.79	1.46	2.00			
Gained confidence to deal with regulatory bodies	Microfinance Institution	Before availing credit	322	2.28	1.33	2.00	12.67	2.39	0.017
		After availing credit	322	2.57	1.47	2.00			
	NGOs	Before availing credit	224	2.57	1.32	2.00	2.26	0.80	0.426
		After availing credit	224	2.51	1.39	2.00			
	Banks	Before availing credit	216	2.07	1.10	2.00	32.89	5.46	0.000
		After availing credit	216	2.75	1.34	2.00			
	Total	Before availing credit	762	2.31	1.28	2.00	12.92	3.93	0.000
		After availing credit	762	2.60	1.41	2.00			
Gained confidence to go out alone to banks for loan and money transactions	Microfinance Institution	Before availing credit	322	3.02	1.43	4.00	6.38	1.68	0.092
		After availing credit	322	3.21	1.40	4.00			
	NGOs	Before availing credit	224	2.25	1.25	2.00	24.65	4.07	0.000
		After availing credit	224	2.80	1.40	2.00			
	Banks	Before availing credit	216	2.43	1.24	2.00	3.63	0.71	0.479

		After availing credit	216	2.34	1.26	2.00			
	Total	Before availing credit	762	2.62	1.37	2.00	8.35	3.02	0.003
		After availing credit	762	2.84	1.41	2.00			
Gained confidence to go out alone to express views in public	Microfinance Institution	Before availing credit	322	2.86	1.42	2.00	8.70	2.20	0.028
		After availing credit	322	3.11	1.41	4.00			
	NGOs	Before availing credit	224	2.35	1.43	2.00	22.39	3.51	0.000
		After availing credit	224	2.88	1.49	2.00			
	Banks	Before availing credit	216	2.43	1.36	2.00	7.25	1.16	0.247
		After availing credit	216	2.60	1.51	2.00			
	Total	Before availing credit	762	2.59	1.42	2.00	11.97	4.01	0.000
		After availing credit	762	2.90	1.48	2.00			
Gained confidence to go out alone to settle matters at	Microfinance Institution	Before availing credit	322	3.05	1.47	4.00	7.54	1.94	0.052
		After availing credit	322	3.28	1.44	4.00			
	NGOs	Before availing credit	224	2.33	1.27	2.00	22.80	3.98	0.000

home, business and society		After availing credit	224	2.86	1.40	2.00			
	Banks	Before availing credit	216	2.44	1.27	2.00	7.40	1.40	0.161
		After availing credit	216	2.62	1.36	2.00			
	Total	Before availing credit	762	2.67	1.40	2.00	11.42	4.12	0.000
		After availing credit	762	2.97	1.43	2.00			
Overall Psychological and Personality Empowerment	Microfinance Institution	Before availing credit	322	2.62	1.33	2.60	8.52	4.11	0.000
		After availing credit	322	2.84	0.79	2.80			
	NGOs	Before availing credit	224	2.44	1.28	2.00	8.78	5.30	0.000
		After availing credit	224	2.65	0.51	2.70			
	Banks	Before availing credit	216	2.24	1.14	2.00	18.71	6.46	0.000
		After availing credit	216	2.66	0.55	2.80			
	Total	Before availing credit	762	2.46	1.27	2.00	11.23	8.90	0.000
		After availing credit	762	2.73	0.66	2.80			

Source: Survey Data

An analysis of the above table 6.45 reveals the various psychological and personality development factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance. The various psychological and personality empowerment factors considered to understand the level of economic empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance with their mean values are; (i) Gained confidence to talk to customers with a mean of 2.26 (2.35 MFI, 2.39 NGOs, 2.00 Banks), (ii) Gained confidence to buy raw materials with a mean of 2.37 (2.37 MFI, 2.57 NGOs, 2.15 Banks), (iii) Gained confidence to find new markets with a mean of 2.24 (2.35 MFI, 2.36 NGOs, 1.97 Banks), (iv) Gained confidence to increase the scale of business with a mean of 2.43 (2.49 MFI, 2.53 NGOs, 2.23 Banks), (v) Gained confidence to solve problems with a mean of 2.51 (2.42 MFI, 2.95 NGOs, 2.21 Banks), (vi) Gained confidence to deal with regulatory bodies with a mean of 2.31 (2.28 MFI, 2.57 NGOs, 2.07 Banks), (vii) Gained confidence to go out alone to places for loan and money transactions with a mean of 2.62 (3.02 MFI, 2.25 NGOs, 2.43 Banks), (viii) Gained confidence to go out alone to express views in public with a mean of 2.59 (2.86 MFI, 2.35 NGOs, 2.43 Banks), (ix) Gained confidence to go out alone to settle matters at home, business and society with a mean of 2.67 (3.05 MFI, 2.33 NGOs, 2.44 Banks).

Hence, the mean of the overall psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance is 2.46 (2.62 MFI, 2.44 NGOs, 2.24 Banks)

An analysis of the above table 6.45 also reveals the various psychological and personality development factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance. The various psychological and personality development factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance with their mean values are; (i) Gained confidence to talk to customers with a mean of 2.54 (2.55 MFI, 2.43 NGOs, 2.64 Banks), (ii) Gained confidence to buy raw materials with a mean of 2.66 (2.60 MFI, 2.58 NGOs, 2.82 Banks), (iii) Gained confidence to find new markets with a mean of

2.50 (2.55 MFI, 2.41 NGOs, 2.53 Banks), (iv) Gained confidence to increase the scale of business with a mean of 2.67 (2.69 MFI, 2.58 NGOs, 2.72 Banks), (v) Gained confidence to solve problems with a mean of 2.79 (2.65 MFI, 2.64 NGOs, 3.15 Banks), (vi) Gained confidence to deal with regulatory bodies with a mean of 2.60 (2.57 MFI, 2.51 NGOs, 2.75 Banks), (vii) Gained confidence to go out alone to places for loan with a mean of 2.84 (3.21 MFI, 2.80 NGOs, 2.34 Banks), (viii) Gained confidence to go out alone to express views in public with a mean of 2.90 (3.11 MFI, 2.88 NGOs, 2.60 Banks), (ix) Gained confidence to go out alone to settle matters at home, business and society with a mean of 2.97 (3.28 MFI, 2.86 NGOs, 2.62 Banks).

Hence, the mean of the overall psychological and personality empowerment of sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance is 2.73 (2.84 MFI, 2.65 NGOs, 2.66 Banks)

MFI

There is no significant difference in the following factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Gained confidence to talk to customers ($p=0.093>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to talk to customers after SBLP and availing microfinance
- b.) Gained confidence to buy raw materials ($p=0.078>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to buy raw materials after SBLP and availing microfinance
- c.) Gained confidence to find new markets ($p=0.084>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to find new markets after SBLP and availing microfinance
- d.) Gained confidence to increase the scale of business ($p=0.081>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI

have better psychological and personality empowerment as they have gained more confidence to increase the scale of business after SBLP and availing microfinance

- e.) Gained confidence to go out alone to banks for loan and money transactions ($p=0.092>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to go out alone to places for loan and money transactions after SBLP and availing microfinance

There is a significant difference in the following factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Gained confidence to solve problems ($p=0.048<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to solve problems after SBLP and availing microfinance
- b.) Gained confidence to deal with regulatory bodies ($p=0.017<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to deal with regulatory bodies after SBLP and availing microfinance
- c.) Gained confidence to go out alone to express views in public ($p=0.028<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to go out alone to express views in public after SBLP and availing microfinance
- d.) Gained confidence to go out alone to settle matters at home, business and society ($p=0.05=0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to go out

alone to settle matters at home, business and society after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs of MFI before and after SBLP and availing microfinance:

- a.) Overall Psychological and personality empowerment ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better overall psychological and personality empowerment after SBLP and availing microfinance

NGOs

There is no significant difference in the following factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Gained confidence to talk to customers ($p=0.944>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better psychological and personality empowerment as they have gained more confidence to talk to customers after SBLP and availing microfinance
- b.) Gained confidence to buy raw materials ($p=0.598>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better psychological and personality empowerment as they have gained more confidence to buy raw materials after SBLP and availing microfinance
- c.) Gained confidence to find new markets ($p=0.686>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better psychological and personality empowerment as they have gained more confidence to find new markets after SBLP and availing microfinance
- d.) Gained confidence to increase the scale of business ($p=0.654>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have

better psychological and personality empowerment as they have gained more confidence to increase the scale of business after SBLP and availing microfinance

- e.) Gained confidence to deal with regulatory bodies ($p=0.426>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of MFI have better psychological and personality empowerment as they have gained more confidence to deal with regulatory bodies after SBLP and availing microfinance

There is a significant difference in the following factor considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Gained confidence to solve problems ($p=0.05=0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better psychological and personality empowerment as they have gained more confidence to solve problems after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs of NGOs before and after SBLP and availing microfinance:

- a.) Gained confidence to go out alone to banks for loan and money transactions ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better psychological and personality empowerment as they have gained more confidence to go out alone to banks for loan after SBLP and availing microfinance
- b.) Gained confidence to go out alone to express views in public ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better psychological and personality empowerment as they have gained more confidence to go out alone to express views in public after SBLP and availing microfinance
- c.) Gained confidence to go out alone to settle matters at home, business and society ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better psychological and

personality empowerment as they have gained more confidence to go out alone to settle matters at home, business and society after SBLP and availing microfinance

- d.) Overall Psychological and personality empowerment ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of NGOs have better overall psychological and personality empowerment after SBLP and availing microfinance

Banks

There is no significant difference in the following factors considered to understand the level of psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs of Banks before and after SBLP and availing microfinance:

- a.) Gained confidence to go out alone to banks for loan and money transaction ($p=0.479>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to go out alone to banks for loan after SBLP and availing microfinance
- b.) Gained confidence to go out alone to express views in public ($p=0.247>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to go out alone to express views in public after SBLP and availing microfinance
- c.) Gained confidence to go out alone to settle matters at home, business and society ($p=0.161>0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to go out alone to settle matters at home, business and society after SBLP and availing microfinance

There is a highly significant difference in the following factors considered to understand the level of psychological and personality empowerment of the sample

rural women entrepreneurial members of SHGs of banks before and after SBLP and availing microfinance:

- a.) Gained confidence to talk to customers ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to talk to customers after SBLP and availing microfinance
- b.) Gained confidence to buy raw materials ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to buy raw materials after SBLP and availing microfinance
- c.) Gained confidence to find new markets ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to find new markets after SBLP and availing microfinance
- d.) Gained confidence to increase the scale of business ($p=0.002<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to increase the scale of business after SBLP and availing microfinance
- e.) Gained confidence to solve problems ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to solve problems after SBLP and availing microfinance
- f.) Gained confidence to deal with regulatory bodies ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of Banks have better psychological and personality empowerment as they have gained more confidence to deal with regulatory bodies after SBLP and availing microfinance
- g.) Overall Psychological and personality empowerment ($p=0.000<0.05$). It was found that the sample rural women entrepreneurial members of SHGs of

Banks have better overall psychological and personality empowerment after SBLP and availing microfinance

6.3.4 Overall Empowerment: The overall empowerment of the sample rural women entrepreneurial members of SHGs is calculated by considering the overall social empowerment, overall economic empowerment and overall psychological & personality empowerment

Wilcoxon signed rank test for overall empowerment of the sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

Wilcoxon signed rank test is used to find out whether the sample rural women entrepreneurial members of SHGs have shown improvement in overall empowerment after Self Help Group - Bank Linkage Programme and availing microfinance. The results of Wilcoxon signed rank test relating to overall empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance is presented in table 6.46

Table 6.46 Wilcoxon signed test relating to overall empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

	Category of respondents of SHGs	Period	N	Mean	Std. Deviation	Median	Change (%)	Wilcoxon – Z value	P value
Overall Empowerment	Micro Finance Institution	Before availing credit	322	2.84	1.33	2.76	8.63	2.47	.014
		After availing credit	322	3.08	0.61	3.02			
	NGOs	Before availing credit	224	2.83	1.25	2.58	5.74	3.19	.001
		After availing credit	224	3.02	0.26	3.02			
	Banks	Before availing credit	216	2.57	1.20	2.32	18.87	5.70	.000
		After availing credit	216	3.06	0.23	3.05			
	Total	Before availing credit	762	2.76	1.28	2.48	10.46	6.15	.000
		After availing credit	762	3.05	0.44	3.03			

Source: Survey Data

An analysis of the above table 6.46 reveals the overall empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance. The mean of the overall empowerment of the sample rural women entrepreneurial members of SHGs before SBLP and availing microfinance is 2.82 (2.86 MFIs, 2.94 NGOs and 2.65 Banks).

The mean of the overall empowerment of the sample rural women entrepreneurial members of SHGs after SBLP and availing microfinance is 3.10 (3.1 MFIs, 3.07 NGOs and 3.16 Banks)

There is a highly significant difference in the overall empowerment of the sample rural women entrepreneurial members of SHGs before and after SBLP and availing microfinance

It was found that the sample rural women entrepreneurial members of SHGs of MFIs have better overall empowerment after SBLP and availing microfinance.

6.4 Prospects of SBLP and microfinance – Rural Women Entrepreneurial Members’ of SHGs perspective

Study has been carried out to understand the prospects of SBLP and microfinance from the rural women entrepreneurial members of SHGs perspective. The sample rural women entrepreneurial members of SHGs were asked to rate on Likert’s five point rating scale 1 to 5 showing level of prospects least to high on the various aspects of SBLP and microfinance and the relevant data is presented in table 6.47

Table 6.47 Prospects of SBLP and microfinance – Sample Rural Women Entrepreneurial Members of SHGs perspective

Aspects of SBLP and microfinance	Category of respondents SHGs	N	Mean	Std. Deviation	Median	Kruskall wallis test value	P value
Income generating activities	Microfinance Institution	322	3.45	1.26	4.00	2.364	0.307 NS
	NGOs	224	3.30	1.26	4.00		
	Banks	216	3.45	1.15	4.00		
	Total	762	3.41	1.23	4.00		
Skill Development	Microfinance Institution	322	3.53	1.37	4.00		

	NGOs	224	3.31	1.47	4.00	2.772	0.250 NS
	Banks	216	3.38	1.38	4.00		
	Total	762	3.42	1.40	4.00		
Low rate of interest	Microfinance Institution	322	2.69	1.44	2.00	1.069	0.586 NS
	NGOs	224	2.58	1.46	2.00		
	Banks	216	2.72	1.53	2.00		
	Total	762	2.67	1.47	2.00		
Training and Development	Microfinance Institution	322	3.50	1.33	4.00	3.491	0.175 NS
	NGOs	224	3.55	1.23	4.00		
	Banks	216	3.76	1.08	4.00		
	Total	762	3.59	1.24	4.00		
Quantum of loan amount	Microfinance Institution	322	2.68	1.29	2.00	4.724	0.094 NS
	NGOs	224	2.69	1.38	2.00		
	Banks	216	2.51	1.39	2.00		
	Total	762	2.64	1.35	2.00		
Better Accessibility	Microfinance Institution	322	3.76	1.11	4.00	0.714	0.700 NS
	NGOs	224	3.77	1.09	4.00		
	Banks	216	3.65	1.21	4.00		
	Total	762	3.73	1.13	4.00		
Overall Prospects	Microfinance Institution	322	3.27	1.30	4.00	4.638	0.098 NS
	NGOs	224	3.20	1.32	4.00		
	Banks	216	3.25	1.29	4.00		
	Total	762	3.24	1.30	4.00		

Source: Survey Data

An analysis of the above table 6.47 reveals the prospects of the various aspects of SBLP and microfinance opined by sample rural women entrepreneurial members of SHGs. The prospects of SBLP and microfinance on the following aspects with their mean values are: (i) Income generating activities with a mean of 3.41 (3.45 MFI, 3.30 NGOs and 3.45 Banks), (ii) Skill Development with a mean of 3.42 (3.53 MFI, 3.31 NGOs and 3.38 Banks), (iii) Low rate of interest with a mean of 2.67 (2.69 MFI, 2.58 NGOs and 2.72 Banks), (iv) Training and Development with a mean of 3.59 (3.50 MFI, 3.55 NGOs and 3.76 Banks), (v) Quantum of loan amount with a mean of 2.64 (2.68 MFI, 2.69 NGOs and 2.51 Banks), (vi) Better Accessibility with a mean of 3.73 (3.76 MFI, 3.77 NGOs and 3.65 Banks).

Hence, the mean of the overall prospects of SBLP and microfinance was 3.24 (3.27 MFI, 3.20 NGOs and 3.25 Banks)

There is no significant difference in the prospects of SBLP and microfinance opined by the sample rural women entrepreneurial members of SHGs in the all the following aspects:

- a. Income generating activities ($p=0.307>0.05$). The opinion of the sample rural women entrepreneurial members of SHGs of MFI and banks regarding the prospects of SBLP and microfinance in terms of income generating activities is high compared to sample rural women entrepreneurial members of NGOs next
- b. Skill Development ($p=0.250>0.05$). The opinion of the sample rural women entrepreneurial members of SHGs of MFI regarding the prospects of SBLP and microfinance in terms of skill development is high compared to sample rural women entrepreneurial members of banks next and sample rural women entrepreneurial members of NGOs last
- c. Low rate of interest ($p=0.586>0.05$). The opinion of the sample rural women entrepreneurial members of SHGs of banks regarding the prospects of SBLP and microfinance in terms of low rate of interest is low compared to sample rural women entrepreneurial members of MFIs next and sample rural women entrepreneurial members of NGOs last
- d. Training and development ($p=0.175>0.05$). The opinion of the sample rural women entrepreneurial members of SHGs of banks regarding the prospects of SBLP and microfinance in terms of training and development is high

compared to sample rural women entrepreneurial members of NGOs next and sample rural women entrepreneurial members of MFI last

- e. Quantum of loan amount ($p=0.094>0.05$). The opinion of the sample rural women entrepreneurial members of SHGs of NGOs regarding the prospects of SBLP and microfinance in terms of quantum of loan amount is low compared to sample rural women entrepreneurial members of MFI next and sample rural women entrepreneurial members of banks last
- f. Better Accessibility ($p=0.700>0.05$). The opinion of the sample rural women entrepreneurial members of SHGs of NGOs regarding the prospects of SBLP and microfinance in terms of better accessibility is high compared to sample rural women entrepreneurial members of MFI next and sample rural women entrepreneurial members of banks last
- g. Overall prospects ($p=0.098>0.05$). The opinion of the sample rural women entrepreneurial members of SHGs of MFI regarding the overall prospects of SBLP and microfinance is high compared to sample rural women entrepreneurial members of banks next and sample rural women entrepreneurial members of NGOs last

6.5 Conclusion

In this chapter the researcher has analyzed and interpreted the primary data collected by administering the structured questionnaire to the selected sample rural women entrepreneurial members of SHGs, and who have availed loans through Self Help Group – Bank Linkage Programme and microfinance from the self help groups. The present chapter analyzed the socio-economic profile, problems in the self help groups, problems with regard to access to loan, social problems, economic problems, psychological and personality development problems of the sample rural women entrepreneurial members of SHGs. The chapter has also covered the empowerment level of the sample rural women entrepreneurial members of SHGs before and after SBLP and availing microfinance from the self help groups. The opinion of the sample rural women entrepreneurial members of SHGs regarding the prospects of SBLP and microfinance in terms of various aspects is also covered in this chapter.

The study found that out of 762 respondents, large number (14.2%) were from Bethangady taluk of the Dakshina Kannada, large number (40.7%) of them were in

the age group ranging between 36 - 45 years, large number (41.6%) of them have primary school education qualification, majority (79.3%) of them are married, majority (68.1%) of them have nuclear type of family, majority (73.2%) of them have husband as the head of the family, large number (40.0%) of them have school going children, majority of the male and female adults and children in the family are literates, majority (60.6%) of the family members are not prone to chronic diseases, majority (64.6%) of the family members are not alcoholic and majority (58.5%) of them are not consuming tobacco.

It is found that majority (50.7%) of the respondents have joined self help groups by their own interest, the main reason for joining the self help group was to avail loan facility (80.7%) and the main occupation of the self help group members was agriculture (54.1%). It is found that 'non-availability of child care facilities when attending self help group financed venture', 'income has not increased to the expected level inspite of self help group assistance', 'inadequate opportunities for generating income' and 'entrepreneurial training provided by the self help group is not useful' are the major problems faced by the sample rural women entrepreneurial members of SHGs in the self help group. 'No subsidized loans are given to the members' and 'loan sanctioning procedure is lengthy, cumbersome and not easy to understand' are the major problems faced by the sample rural women entrepreneurial members of SHGs with regard to accessing loan, 'lack of education', 'lack of access to information' and 'lack of time due to family responsibility' are the major social problems faced by the sample rural women entrepreneurial members of SHGs, 'lack of adequate savings for repayment of loan' and 'inadequate savings for purchase of food' are the major household economic problems faced by the sample rural women entrepreneurial members of SHGs, 'lack of transportation for marketing the products' is the major entrepreneurial economic problem faced by the sample rural women entrepreneurial members of SHGs and 'lack of confidence to deal with business situation' is the major psychological and personality development problem faced by the sample rural women entrepreneurial members of SHGs. The study shows that economic problem is the major overall problem faced by the sample rural women entrepreneurial members of SHGs.

It is found that the overall social empowerment, economic empowerment and psychological and personality development level of the sample rural women

entrepreneurial members of SHGs of the MFI, NGOs and Banks has improved after SBLP and availing microfinance.

It is also found that the sample rural women entrepreneurial members of SHGs have opined that the overall prospects of SBLP and microfinance is high.

Hence, the problems faced by the rural women entrepreneurs of SHGs can be overcome by educating the rural poor, banks simplifying the process of granting loan and by having better co-operation and co-ordination between the groups and agencies of the government involved in the promotion of entrepreneurship.

Chapter VII

**Problems and Prospects of Self Help
Group – Bank Linkage Programme and
Microfinance to Rural Women
Enterprises – Facilitators Perspective –
Data Analysis and Interpretation**

CHAPTER VII

PROBLEMS AND PROSPECTS OF SHG – BANK LINKAGE PROGRAMME AND MICROFINANCE TO RURAL WOMEN ENTERPRISES – FACILITATORS PERSPECTIVE – DATA ANALYSIS AND INTERPRETATION

Various problems faced by Microfinance Institutions, NGOs and Banks in financing the Self Help Groups

In the previous chapter the researcher has made an attempt to analyse the various problems faced by the rural women entrepreneurs of SHGs and has also put forth an effort to understand the empowerment level of the rural women entrepreneurs after Self Help Group Bank Linkage Programme and availing microfinance.

Although Microfinance Institutions, NGOs and Banks have reduced the incidence of poverty by increasing the income of the rural women entrepreneurial members of SHGs, enabling the poor to build assets, empowering women by enhancing their contribution to household income, increasing the value of their assets, reducing child mortality, improving maternal health and the ability of the poor to combat disease through better nutrition, housing and health and also by reducing the dependency on informal money lenders and other non-institutional sources, yet these microfinance institutions, NGOs and banks face a lot of problems while lending loans to the rural women entrepreneurial members of SHGs.

Hence, in this chapter an attempt has been made by the researcher to understand the various problems faced by the microfinance institution, non-governmental organizations and banks while lending loans to the rural women entrepreneurial members of SHGs

The facilitators were asked to rate on Likert's five point rating scale 1 to 5 showing level of problem least to high on the various problems faced by them in lending loans to rural women entrepreneurial members of SHGs

7.1 Problems faced by SKDRDP (MFI) in lending loans to rural women entrepreneurial members of SHGs

Study has been carried out to understand the problems faced by Microfinance Institution SKDRDP (MFI) in lending loans to rural women entrepreneurial members of SHGs and the relevant data is presented in table 7.1

Table 7.1 Problems faced by Microfinance Institution SKDRDP (MFI) in lending loans to rural women entrepreneurial members of SHGs

Problems faced by SKDRDP (MFI) in lending loans to rural women entrepreneurial members of SHGs	Total	Mean	S.D	Median
Lack of recognition of the SHG formation efforts made by the MFI in the regional linkage forums and meetings	38	3.00	1.31	3.00
Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by rural women entrepreneurial members of SHGs	38	3.89	96	4.00
Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of bank linked SHGs	38	3.50	1.07	4.00
Lack of adequate co-operation from banks	38	3.86	0.93	4.00
Interference of local politics and vested interests during the formation as well as operation of the SHGs	38	2.82	1.33	2.00
Inability of the SHGs to efficiently market their products and make profit	38	4.00	0.98	4.00
Unilateral transfer of accounts by the SHGs to another bank	38	2.71	1.21	2.50
Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit	38	3.57	1.10	4.00
Lack of dynamism and enthusiasm among the rural women entrepreneurial members of the	38	3.46	1.10	4.00

SHGs to run the enterprises				
Lack of interest and inability among the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs	38	2.68	1.22	2.00
Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of the SHGs	38	3.96	0.84	4.00
Lack of support and encouragement from the family	38	3.39	1.23	4.00
Overall Problems	38	3.40	1.11	4.00

Source: Survey Data

An analysis of the above table 7.1 reveals the various problems faced by the microfinance institution in lending loans to the rural women entrepreneurial members of SHGs. The various problems faced by the SKDRDP (MFI) in lending loans to the rural women entrepreneurial members of SHGs with their mean values are; (i) Lack of recognition of the SHG formation efforts made by the MFI in the regional linkage forums and meetings with a mean of 3.00, (ii) Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by the rural women entrepreneurial members of SHGs with a mean of 3.89, (iii) Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of bank linked SHGs with a mean of 3.50, (iv) Lack of adequate co-operation from banks with a mean of 3.86, (v) Interference of local politics and vested interests during the formation as well as operation of the SHGs with a mean of 2.82, (vi) Inability of the SHGs to efficiently market their products and make profit with a mean of 4.00, (vii) Unilateral transfer of accounts by the SHGs to another bank with a mean of 2.71, (viii) Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit with a mean of 3.57, (ix) Lack of dynamism and enthusiasm among the rural women entrepreneurial members of the SHGs to run the enterprises with a mean of 3.46, (x) Lack of interest and inability among the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs with a mean of 2.68, (xi) Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of the SHGs with a mean of 3.96, and (xii) Lack of support and encouragement from the family with a mean of 3.39

Hence, the mean of the overall problems faced by SKDRDP (MFI) in lending loans to rural women entrepreneurial members of SHGs is 3.40

In order to find out the most significant problem faced by SKDRDP (MFI) in lending loans to rural women entrepreneurial members of SHGs, Garretts ranking method was used and is presented in table 7.2

Table 7.2 Ranking of the problems faced by SKDRDP (MFI) in lending loans to the rural women entrepreneurial members of SHGs

Problems faced by SKDRDP (MFI) in lending loans to the rural women entrepreneurial members of SHGs	Mean	Rank
Lack of recognition of the SHG formation efforts made by the MFI in the regional linkage forums and meetings	3.00	IX
Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by rural women entrepreneurial members of SHGs	3.89	III
Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of bank linked SHGs	3.50	VI
Lack of adequate co-operation from banks	3.86	IV
Interference of local politics and vested interests during the formation as well as operation of the groups	2.82	X
Inability of the SHGs to efficiently market their products and make profit	4.00	I
Unilateral transfer of accounts by the SHGs to another bank	2.71	XI
Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit	3.57	V
Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs to run the enterprises	3.46	VII
Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs	2.68	XII
Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of the SHGs	3.96	II
Lack of support and encouragement from the family	3.39	VIII

Source: Survey Data

An analysis of the above table 7.2 shows the ranking of the various problems faced by the SKDRDP (MFI) in lending loans to the rural women entrepreneurial members of SHGs. For the purpose of analysis, Garretts ranking method is applied and rank is assigned to each of the factor based on Mean Score and the rankings of the various problems are:

Inability of the SHGs to efficiently market their products and make profit is given first rank by the field staff of the SKDRDP (MFI)

Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of the SHGs is given second rank by the field staff of the SKDRDP (MFI)

Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by rural women entrepreneurial members of SHGs is given third rank by the field staff of the SKDRDP (MFI)

Lack of adequate co-operation from banks is given fourth rank by the field staff of the SKDRDP (MFI)

Multiple memberships of rural women entrepreneurial members of SHGs in order to access more credit is given fifth rank by the field staff of the SKDRDP (MFI)

Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of bank linked SHGs is given sixth rank by the field staff of the SKDRDP (MFI)

Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs to run the enterprises is given seventh rank by the field staff of the SKDRDP (MFI)

Lack of support and encouragement from the family is given eighth rank by the field staff of the SKDRDP (MFI)

Lack of recognition of the SHG formation efforts made by the MFI in the regional linkage forums and meetings is given ninth rank by the field staff of the SKDRDP (MFI)

Interference of local politics and vested interests during the formation as well as operation of the SHGs is given tenth rank by the field staff of the SKDRDP (MFI)

Unilateral transfer of accounts by the SHGs to another bank is given eleventh rank by the field staff of the SKDRDP (MFI)

Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs is given twelfth rank by the field staff of the SKDRDP (MFI)

According to Garrets ranking method, it is clear that inability of the SHGs to efficiently market their products and make profit and lack of co-operation from the rural women entrepreneurial members in the operation of the SHGs are the major problems faced by SKDRDP (MFI) in lending loans to rural women entrepreneurial members of SHGs.

7.2 Problems faced by Non-Governmental Organisations - South Canara District Central Co-operative Bank Ltd (SCDCC) and Prajna Counselling Centre (PCC) in lending loans to rural women entrepreneurial members of SHGs

Study has been carried out to understand the problems faced by Non-Governmental Organisations - South Canara District Central Co-operative Bank Ltd (SCDCC) and Prajna Counselling Centre (PCC) in lending loans to rural women entrepreneurial members of SHGs and the relevant data is presented in table 7.3

Table 7.3 Problems faced by Non-Governmental Organisations - South Canara District Central Co-operative Bank Ltd (SCDCC) and Prajna Counselling Centre (PCC) in lending loans to rural women entrepreneurial members of SHGs

Problems faced by NGOs	NGOs	Total	Mean	Standard Deviation	Median	Mann whitney Test Z value	P value
Lack of recognition of the SHG formation efforts made by the NGOs in the regional linkage forums and meetings	SCDCC	36	3.56	1.13	4.00	0.80	0.423 NS
	PCC	32	3.31	1.23	4.00		
	Total	68	3.44	1.18	4.00		

Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by rural women entrepreneurial members of SHGs	SCDCC	36	4.03	91	4.00	1.29	0.196
	PCC	32	3.69	1.12	4.00		NS
	Total	68	3.87	1.02	4.00		
Unregulated proliferation of SHGs in the operational area	SCDCC	36	3.47	1.16	4.00	0.74	0.460
	PCC	32	3.69	1.06	4.00		NS
	Total	68	3.57	1.11	4.00		
Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of the bank linked SHGs	SCDCC	36	3.47	1.28	4.00	0.91	0.365
	PCC	32	3.19	1.31	4.00		NS
	Total	68	3.34	1.29	4.00		
Lack of adequate co-operation from banks	SCDCC	36	3.94	0.89	4.00	0.39	0.697
	PCC	32	3.84	0.99	4.00		NS
	Total	68	3.90	0.93	4.00		
Interference of local politics and vested interests during the formation as well as operation of the SHGs	SCDCC	36	2.78	1.24	2.00	0.53	0.598
	PCC	32	2.66	1.31	2.00		NS
	Total	68	2.72	1.27	2.00		
Inability of the SHGs to	SCDCC	36	3.94	0.86	4.00	0.82	0.410
	PCC	32	3.81	0.86	4.00		NS

efficiently market their products and make profit	Total	68	3.88	0.86	4.00		
Unilateral transfer of accounts by the SHGs to another bank	SCDCC	36	2.75	1.23	2.00	0.80	0.426
	PCC	32	2.53	1.24	2.00		NS
	Total	68	2.65	1.23	2.00		
Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit	SCDCC	36	3.58	1.16	4.00	0.82	0.410
	PCC	32	3.31	1.28	4.00		NS
	Total	68	3.46	1.21	4.00		
Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs to run the enterprises	SCDCC	36	3.50	1.21	4.00	0.24	0.812
	PCC	32	3.41	1.29	4.00		NS
	Total	68	3.46	1.24	4.00		
Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs	SCDCC	36	2.67	1.26	2.00	0.35	0.724
	PCC	32	2.56	1.22	2.00		NS
	Total	68	2.62	1.23	2.00		
Lack of co-operation from the rural women entrepreneurial members of the SHGs in the operation of SHGs	SCDCC	36	3.81	1.04	4.00	0.37	0.708
	PCC	32	3.75	1.02	4.00		NS
	Total	68	3.78	1.02	4.00		

Lack of support and encouragement from the family	SCDCC	36	3.53	1.16	4.00	0.64	0.523 NS
	PCC	32	3.69	1.12	4.00		
	Total	68	3.60	1.13	4.00		
Overall level of all problems	SCDCC	36	3.46	1.12	4.00	0.80	0.426 NS
	PCC	32	3.34	1.16	4.00		
	Total	68	3.41	1.13	4.00		

Source: Survey Data

An analysis of the above table 7.3 reveals the various problems faced by Non-Governmental Organisations - South Canara District Central Co-operative Bank Ltd (SCDCC) and Prajna Counselling Centre (PCC) in lending loans to rural women entrepreneurial members of SHGs. The various problems faced by NGOs in lending loans to rural women entrepreneurial members of SHGs are; (i) Lack of recognition of the SHG formation efforts made by the NGOs in the regional linkage forums and meetings with a mean of 3.44 (3.56 SCDCC and 3.31 PCC), (ii) Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by the rural women entrepreneurial members of SHGs with a mean of 3.87 (4.03 SCDCC and 3.69 PCC), (iii) Unregulated proliferation of SHGs in the operational area with a mean of 3.57 (3.47 SCDCC and 3.69 PCC), (iv) Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of the bank linked SHGs with a mean of 3.34 (3.47 SCDCC and 3.19 PCC), (v) Lack of adequate co-operation from banks with a mean of 3.90 (3.94 SCDCC and 3.84 PCC), (vi) Interference of local politics and vested interests during the formation as well as operation of the SHGs with a mean of 2.72 (2.78 SCDCC and 2.66 PCC), (vii) Inability of the SHGs to efficiently market their products and make profit with a mean of 3.88 (3.94 SCDCC and 3.81 PCC), (viii) Unilateral transfer of accounts by the SHGs to another bank with a mean of 2.65 (2.75 SCDCC and 2.53 PCC), (ix) Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit with a mean of 3.46 (3.58 SCDCC and 3.31 PCC), (x) Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs to run the enterprises with a mean of 3.46 (3.50 SCDCC and 3.41 PCC), (xi) Lack of interest and inability of the rural women

entrepreneurial members of SHGs to learn about the operation of the SHGs with a mean of 2.62 (2.67 SCDCC) and 2.56 PCC), (xii) Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of SHGs with a mean of 3.78 (3.81 SCDCC and 3.75 PCC), (xiii) Lack of support and encouragement from the family with a mean of 3.60 (3.53 SCDCC and 3.69 PCC).

Hence, the mean of overall level of all the various problems faced by NGOs in lending finance to the rural women entrepreneurial members of SHGs is 3.41 (3.46 SCDCC and 3.34 PCC)

There is no significant difference in the problems faced by the NGOs in lending loans to rural women entrepreneurial members of SHGs regarding the following variables:

- a.) Lack of recognition of the SHG formation efforts made by the NGOs in the regional linkage forums and meetings ($p=0.423>0.05$). SCDCC faced more problem of 'lack of recognition of the SHG formation efforts made by the NGOs in the regional linkage forums and meetings' compared to PCC
- b.) Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by the rural women entrepreneurial members of SHGs ($p=0.196>0.05$). SCDCC faced more problem of 'lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by the rural women entrepreneurial members of SHGs' compared to PCC
- c.) Unregulated proliferation of SHGs in the operational area ($p=0.460>0.05$). PCC faced more problem of 'unregulated proliferation of NGOs and SHGs in the operational area' compared to SCDCC
- d.) Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of the bank linked SHGs ($p=0.365>0.05$). SCDCC faced more problem of 'demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of the bank linked SHGs' compared to PCC
- e.) Lack of adequate co-operation from banks ($p=0.697>0.05$). SCDCC faced more problem of 'lack of adequate co-operation from banks' compared to PCC

- f.) Interference of local politics and vested interests during the formation as well as operation of the SHGs ($p=0.598>0.05$). SCDCC faced more problem of 'interference of local politics and vested interests during the formation as well as operation of the SHGs' compared to PCC
- g.) Inability of the SHGs to efficiently market their products and produce and make profit ($p=0.410>0.05$). SCDCC faced more problem of 'inability of the SHGs to efficiently market their products and produce and make profit' compared to PCC
- h.) Unilateral transfer of accounts by the SHGs to another bank ($p=0.426>0.05$). SCDCC faced more problem of 'unilateral transfer of accounts by the SHGs to another bank' compared to PCC
- i.) Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit ($p=0.410>0.05$). SCDCC faced more problem of 'multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit' compared to PCC
- j.) Lack of dynamism and enthusiasm among the rural women entrepreneurial members of the SHGs to run the enterprises ($p=0.812>0.05$). SCDCC faced more problem of 'lack of dynamism and enthusiasm among the rural women entrepreneurial members of the SHGs to run the enterprises' compared to PCC
- k.) Lack of interest and inability of the rural women entrepreneurial members of the SHGs to learn about the operation of the SHGs ($p=0.724>0.05$). SCDCC faced more problem of 'lack of interest and inability of the rural women entrepreneurial members of the SHGs to learn about the operation of the SHGs' compared to PCC
- l.) Lack of co-operation from the rural women entrepreneurial members of the SHGs in the operation of SHGs ($p=0.708>0.05$). SCDCC faced more problem of 'lack of co-operation from the rural women entrepreneurial members of the SHGs in the operation of SHGs' compared to PCC
- m.) Lack of support and encouragement from the family ($p=0.523>0.05$). PCC faced more problem of 'lack of support and encouragement from the family' compared to SCDCC

- n.) Overall level of all problems ($p=0.426>0.05$). SCDCC faced more of overall problems than PCC in lending loans to rural women entrepreneurial members of SHGs

In order to find out the most significant problem faced by SCDCC and PCC (NGOs) in lending loans to the rural women entrepreneurial members of the SHGs, Garretts ranking method was used and is presented in table 7.4

Table 7.4 Ranking of the various problems faced by SCDCC and PCC in lending loans to the rural women entrepreneurial members of the SHGs

Problems faced by the NGOs in lending loans to the rural women entrepreneurial members of the SHGs	Average Mean Score of SCDCC and PCC	Rank
Lack of recognition of the SHG formation efforts made by the NGOs in the regional linkage forums and meetings	3.44	IX
Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by the rural women entrepreneurial members of SHGs	3.87	III
Unregulated proliferation of SHGs in the operational area	3.57	VI
Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of the bank linked SHGs	3.34	X
Lack of adequate co-operation from banks	3.90	I
Interference of local politics and vested interests during the formation as well as operation of the SHGs	2.72	XI
Inability of the SHGs to efficiently market their products and produce and make profit	3.88	II
Unilateral transfer of accounts by the SHGs to another bank	2.65	XII
Multiple membership of the rural women	3.46	VII

entrepreneurial members of SHGs in order to access more credit		
Lack of dynamism and enthusiasm among the rural women entrepreneurial members of the SHGs to run the enterprises	3.46	VIII
Lack of interest and inability of the rural women entrepreneurial members of the SHGs to learn about the operation of the SHGs	2.62	XIII
Lack of co-operation from the rural women entrepreneurial members of the SHGs in the operation of SHGs	3.78	IV
Lack of support and encouragement from the family	3.60	V

Source: Survey Data

An analysis of the above table 7.4 shows the ranking of the various problems faced by SCDCC and PCC (NGOs) in lending loans to the rural women entrepreneurial members of SHGs. For the purpose of analysis, Garretts ranking method is applied and rank is assigned to each of the factor based on Mean Score and the rankings of the various problems are:

Lack of co-operation from banks is given the first rank by the sample NGOs (3.90)

Inability of the SHGs to efficiently market their products and produce and make profit is given the second rank by the sample NGOs (3.88)

Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by the rural women entrepreneurial members of SHGs is given the third rank by the sample NGOs (3.87)

Lack of co-operation from the rural women entrepreneurial members of the SHGs in the operation of SHGs is given the fourth rank by the sample NGOs (3.78)

Lack of support and encouragement from the family is given the fifth rank by the sample NGOs (3.60)

Unregulated proliferation of SHGs in the operational area is given the sixth rank by the sample NGOs (3.57)

Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit is given seventh rank by the sample NGOs (3.46)

Lack of dynamism and enthusiasm among the rural women entrepreneurial members of the SHGs to run the enterprises is given eighth rank by the sample NGOs (3.46)

Lack of recognition of the SHG formation efforts made by the NGOs in the regional linkage forums and meetings is given ninth rank by the sample NGOs (3.44)

Demand for initial funding, subsidies and loaning pattern on par with Stree Shakti groups by the rural women entrepreneurial members of the bank linked SHGs is given tenth rank by the sample NGOs (3.34)

Interference of local politics and vested interests during the formation as well as operation of the SHGs is given eleventh rank by the sample NGOs (2.72)

Unilateral transfer of accounts by the SHGs to another bank is given twelfth rank by the sample NGOs (2.65)

Lack of interest and inability of the rural women entrepreneurial members of the SHGs to learn about the operation of the SHGs is given thirteenth rank by the sample NGOs (2.62)

According to Garrets Mean Score ranking method, it is clear that lack of adequate co-operation from banks and inability of the SHGs to efficiently market their products and produce and make profit are the major problems faced by the SCDCC and PCC in lending loans to rural women entrepreneurial members of SHGs.

7.3 Problems faced by Banks – Syndicate Bank and Canara Bank in lending loans to rural women entrepreneurial members of SHGs

Study has been carried out to understand the problems faced by Banks – Syndicate Bank and Canara Bank in lending loans to rural women entrepreneurial members of SHGs and the relevant data is presented in table 7.5

Table 7.5 Problems faced by Banks – Syndicate Bank and Canara Bank in lending loans to rural women entrepreneurial members of SHGs

Problems faced by Banks	Banks	Total	Mean	Standard Deviation	Median	Mann whitney Test Z value	P value
Unregulated proliferation and operation of the SHGs in the operational area	Syndicate Bank	37	3.84	1.04	4.00	0.10	0.920 NS
	Canara Bank	30	3.87	0.94	4.00		
	Total	67	3.85	0.99	4.00		
Lack of adequate employment opportunities and income of the rural women entrepreneurial members of SHGs	Syndicate Bank	37	3.41	1.19	4.00	1.42	1.156 NS
	Canara Bank	30	3.80	0.96	4.00		
	Total	67	3.58	1.10	4.00		
Low level of member literacy hampering the account keeping of the SHGs	Syndicate Bank	37	3.86	1.00	4.00	0.08	0.938 NS
	Canara Bank	30	3.90	0.96	4.00		
	Total	67	3.88	0.98	4.00		
Sub-lending by some rural women entrepreneurial members of SHGs to money lenders at higher interest rates	Syndicate Bank	37	2.76	1.38	2.00	0.91	0.364 NS
	Canara Bank	30	3.07	1.46	3.50		
	Total	67	2.90	1.42	2.00		

Prevalence of inactive SHG bank accounts due to the defunct of SHGs	Syndicate Bank	37	2.95	1.41	3.00	0.53	0.599 NS
	Canara Bank	30	2.77	1.43	2.00		
	Total	67	2.87	1.41	3.00		
Membership of rural women entrepreneurial members of SHGs is not properly updated in case of members leaving the group	Syndicate Bank	37	3.35	1.36	4.00	0.01	0.989 NS
	Canara Bank	30	3.37	1.33	4.00		
	Total	67	3.36	1.33	4.00		
Unilateral transfer of accounts by some SHGs to another bank	Syndicate Bank	37	2.59	1.30	2.00	0.96	0.338 NS
	Canara Bank	30	2.90	1.37	2.00		
	Total	67	2.73	1.33	2.00		
Creation of multiple accounts by a single SHG in different banks	Syndicate Bank	37	2.62	1.28	2.00	0.83	0.409 NS
	Canara Bank	30	2.87	1.22	2.00		
	Total	67	2.73	1.25	2.00		
Banks hesitate to provide loans to rural women entrepreneurial members of SHGs	Syndicate Bank	37	3.57	1.28	4.00	0.18	0.859 NS
	Canara Bank	30	3.67	1.15	4.00		
	Total	67	3.61	1.22	4.00		

High transaction costs to the banks in financing a large number of small borrowers	Syndicate Bank	37	2.95	1.37	3.00	1.17	0.243 NS
	Canara Bank	30	3.33	1.30	4.00		
	Total	67	3.12	1.34	4.00		
Banks consider lending to rural women entrepreneurial members of SHGs risky because of their unconvincing entrepreneurial abilities	Syndicate Bank	37	3.38	1.23	4.00	1.10	0.271 NS
	Canara Bank	30	3.70	1.12	4.00		
	Total	67	3.52	1.19	4.00		
Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs	Syndicate Bank	37	3.35	1.32	4.00	0.41	0.682 NS
	Canara Bank	30	3.50	1.20	4.00		
	Total	67	3.42	1.26	4.00		
Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs	Syndicate Bank	37	2.46	1.39	2.00	1.43	0.153 NS
	Canara Bank	30	2.87	1.33	2.00		
	Total	67	2.64	1.37	2.00		
Lack of co-operation from	Syndicate Bank	37	3.22	1.29	4.00	0.23	0.817

the rural women entrepreneurial members of SHGs in the operation of SHGs	Canara Bank	30	3.30	1.26	4.00		NS
	Total	67	3.25	1.27	4.00		
Lack of support and encouragement from the family	Syndicate Bank	37	3.16	1.34	4.00	1.15	0.249 NS
	Canara Bank	30	3.53	1.25	4.00		
	Total	67	3.33	1.31	4.00		
Overall level of all problems	Syndicate Bank	37	3.17	1.28	4.00	0.46	0.708 NS
	Canara Bank	30	3.36	1.22	4.00		
	Total	67	3.25	1.25	4.00		

Source: Survey Data

An analysis of the above table 7.5 reveals the various problems faced by Banks – Syndicate Bank and Canara Bank in lending loans to rural women entrepreneurial members of SHGs. The various problems faced by banks in lending loans to rural women entrepreneurial members of SHGs are; (i) Unregulated proliferation and operation of the SHGs in the operational area with a mean of 3.85 (3.84 Syndicate bank and 3.87 Canara bank), (ii) Lack of adequate employment opportunities and income to the rural women entrepreneurial members of SHGs with a mean of 3.58 (3.41 Syndicate bank and 3.80 Canara bank), (iii) Low level of member literacy hampering the account keeping of the SHGs with a mean of 3.88 (3.86 Syndicate bank and 3.90 Canara bank), (iv) Sub-lending by some rural women entrepreneurial members of SHGs to money lenders at higher interest rates with a mean of 2.90 (2.76 Syndicate bank and 3.07 Canara bank), (v) Prevalence of inactive SHG bank accounts due to the defunct of SHGs with a mean of 2.87 (2.95 Syndicate bank and 2.77 Canara bank), (vi) Membership of rural women entrepreneurial members of SHGs is not properly updated in case of members leaving the group with a mean of 3.36 (3.35 Syndicate bank and 3.37 Canara bank), (vii) Unilateral transfer of accounts by some

SHGs to another bank with a mean of 2.73 (2.59 Syndicate bank and 2.90 Canara bank), (viii) Creation of multiple accounts by a single SHG in different banks with a mean of 2.73 (2.62 Syndicate bank and 2.87 Canara bank), (ix) Banks hesitate to provide loans to rural women entrepreneurial members of SHGs with a mean of 3.61 (3.57 Syndicate bank and 3.67 Canara bank), (x) High transaction costs to the banks in financing a large number of small borrowers with a mean of 3.12 (2.95 Syndicate bank and 3.33 Canara bank), (xi) Banks consider lending to rural women entrepreneurial members of SHGs risky because of their unconvincing entrepreneurial abilities with a mean of 3.52 (3.38 Syndicate bank and 3.70 Canara bank), (xii) Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs with a mean of 3.42 (3.35 Syndicate bank and 3.50 Canara bank), (xiii) Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs with a mean of 2.64 (2.46 Syndicate bank and 2.87 Canara bank), (xiv) Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of SHGs with a mean of 3.25 (3.22 Syndicate bank and 3.30 Canara bank), (xv) Lack of support and encouragement from the family with a mean of 3.33 (3.16 Syndicate bank and 3.53 Canara bank)

Hence, the mean of overall level of all the various problems faced by banks in lending loans to the rural women entrepreneurial members of SHGs is 3.25 (3.17 Syndicate bank and 3.36 Canara bank)

There is no significant difference in the problems faced by the banks in lending loans to rural women entrepreneurial members of SHGs regarding the following variables:

- a.) Unregulated proliferation and operation of the SHGs in the operational area ($p=0.920>0.05$). Canara bank faced more problem of 'Unregulated proliferation and operation of the SHGs in the operational area' than Syndicate bank
- b.) Lack of adequate employment opportunities and income to the rural women entrepreneurial members of SHGs ($p=0.156>0.05$). Canara bank faced more problem of 'Lack of adequate employment opportunities and income to the rural women entrepreneurial members of SHGs' than Syndicate bank

- c.) Low level of member literacy hampering the account keeping of the SHGs ($p=0.938>0.05$). Canara bank faced more problem of 'Low level of member literacy hampering the account keeping of the SHGs' than Syndicate bank
- d.) Sub-lending by some rural women entrepreneurial members of SHGs to money lenders at higher interest rates ($p=0.364>0.05$). Canara bank faced more problem of 'Sub-lending by some rural women entrepreneurial members of SHGs to money lenders at higher interest rates' than Syndicate bank
- e.) Prevalence of inactive SHG bank accounts due to the defunct of SHGs ($p=0.599>0.05$). Syndicate bank faced more problem of 'Prevalence of inactive SHG bank accounts due to the defunct of SHGs' than Canara bank
- f.) Membership of rural women entrepreneurial members of SHGs is not properly updated in case of members leaving the group ($p=0.989>0.05$). Canara bank faced more problem of 'Membership of rural women entrepreneurial members of SHGs is not properly updated in case of members leaving the group' than Syndicate bank
- g.) Unilateral transfer of accounts by some SHGs to another bank ($p=0.338>0.05$). Canara bank faced more problem of 'Unilateral transfer of accounts by some SHGs to another bank' than Syndicate bank
- h.) Creation of multiple accounts by a single SHG in different banks ($p=0.409>0.05$). Canara bank faced more problem of 'Creation of multiple accounts by a single SHG in different banks' than Syndicate bank
- i.) Banks hesitate to provide loans to rural women entrepreneurial members of SHGs ($p=0.859>0.05$). Canara bank faced more problem of 'Banks hesitate to provide loans to rural women entrepreneurial members of SHGs' than Syndicate bank
- j.) High transaction costs to the banks in financing a large number of small borrowers ($p=0.243>0.05$). Canara bank faced more problem of 'High transaction costs to the banks in financing a large number of small borrowers' than Syndicate bank

- k.) Banks consider lending to rural women entrepreneurial members of SHGs risky because of their unconvincing entrepreneurial abilities ($p=0.271>0.05$). Canara bank faced more problem of 'Banks consider lending to rural women entrepreneurial members of SHGs risky because of their unconvincing entrepreneurial abilities' than Syndicate bank
- l.) Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs ($p=0.682>0.05$). Canara bank faced more problem of 'Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs' than Syndicate bank
- m.) Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs ($p=0.153>0.05$). Canara bank faced more problem of 'Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs' than Syndicate bank
- n.) Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of SHGs ($p=0.817>0.05$). Canara bank faced more problem of 'Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of SHGs' than Syndicate bank
- o.) Lack of support and encouragement from the family ($p=0.249>0.05$). Canara bank faced more problem of 'Lack of support and encouragement from the family' than Syndicate bank
- p.) Overall level of all problems ($p=0.708>0.05$). Canara bank faced more of overall problems than Syndicate bank

In order to find out the most significant problem faced by Syndicate Bank and Canara Bank (Banks) in lending loans to the rural women entrepreneurial members of the SHGs, Garretts ranking method was used and is presented in table 7.6

Table 7.6 Ranking of the problems faced by Syndicate bank and Canara bank in lending loans to the rural women entrepreneurial members of the SHGs

Problems faced by the banks in lending loans to the rural women entrepreneurial members of SHGs	Average Mean Score of Syndicate bank and Canara bank	Rank
Unregulated proliferation and operation of the SHGs in the operational area	3.85	II
Lack of adequate employment opportunities and income to the rural women entrepreneurial members of SHGs	3.58	IV
Low level of member literacy hampering the account keeping of the SHGs	3.88	I
Sub-lending by some rural women entrepreneurial members of SHGs to money lenders at higher interest rates	2.90	XI
Prevalence of inactive SHG bank accounts due to the defunct of SHGs	2.87	XII
Membership of rural women entrepreneurial members of SHGs is not properly updated in case of members leaving the group	3.36	VII
Unilateral transfer of accounts by some SHGs to another bank	2.73	XIII
Creation of multiple accounts by a single SHG in different banks	2.73	XIV
Banks hesitate to provide loans to rural women entrepreneurial members of SHGs	3.61	III
High transaction costs to the banks in financing a large number of small borrowers	3.12	X
Banks consider lending to rural women entrepreneurial members of SHGs risky because of their unconvincing entrepreneurial abilities	3.52	V
Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs	3.42	VI
Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs	2.64	XV

Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of SHGs	3.25	IX
Lack of support and encouragement from the family	3.33	VIII

Source: Survey Data

An analysis of the above table 7.6 shows the ranking of the various problems faced by Syndicate bank and Canara bank (Banks) in lending loans to the rural women entrepreneurial members of SHGs. For the purpose of analysis, Garretts ranking method is applied and rank is assigned to each of the factor based on Mean Score and the rankings of the various problems are:

Low level of member literacy hampering the account keeping of the SHGs is given first by the loan lending officials of the sample banks

Unregulated proliferation and operation of the SHGs in the operational area is given second rank by the loan lending officials of the sample banks

Banks hesitate to provide loans to rural women entrepreneurial members of SHGs is given third rank by the loan lending officials of the sample banks

Lack of adequate employment opportunities and income to the rural women entrepreneurial members of SHGs is given the fourth rank by the loan lending officials of the sample banks

Banks consider lending to rural women entrepreneurial members of SHGs risky because of their unconvincing entrepreneurial abilities is given the fifth rank by the loan lending officials of the sample banks

Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs is given the sixth rank by the loan lending officials of the sample banks

Membership of rural women entrepreneurial members of SHGs is not properly updated in case of members leaving the group is given the seventh rank by the loan lending officials of the sample banks

Lack of support and encouragement from the family is given the eighth rank by the loan lending officials of the sample banks

Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of SHGs is given the ninth rank by the loan lending officials of the sample banks

High transaction costs to the banks in financing a large number of small borrowers is given the tenth rank by the loan lending officials of the sample banks

Sub-lending by some rural women entrepreneurial members of SHGs to money lenders at higher interest rates is given eleventh rank by the loan lending officials of the sample banks

Prevalence of inactive SHG bank accounts due to the defunct of SHGs is given twelfth rank by the loan lending officials of the sample banks

Unilateral transfer of accounts by some SHGs to another bank is given thirteenth rank by the loan lending officials of the sample banks

Creation of multiple accounts by a single SHG in different banks is given fourteenth rank by the loan lending officials of the sample banks

Lack of interest and inability of the rural women entrepreneurial members of SHGs to learn about the operation of the SHGs is given fifteenth rank by the loan lending officials of the sample banks

According to Garrets Mean Score ranking method, it is clear that low level of member literacy hampering the account keeping of the SHGs and unregulated proliferation and operation of the SHGs in the operational area are the major problems faced by Syndicate bank and Canara bank in lending loans to the rural women entrepreneurial members of SHGs.

7.4 Prospects of SBLP and microfinance – Facilitators’ perspective

Study has been carried out to understand the prospects of SBLP and microfinance from the facilitators’ perspective. The facilitators’ were asked to rate on Likert’s five point rating scale 1 to 5 showing level of prospects least to high on the various aspects of SBLP and microfinance and the relevant data is presented in table 7.

Table 7.7 Prospects of SBLP and microfinance in the various aspects of SBLP and microfinance – Facilitators’ perspective

Aspects of SBLP and microfinance	Category of Facilitators	N	Mean	Std. Deviation	Median	Mann Whitney test Z value	P value
Growth of SBLP and microfinance in terms of depth of the services provided	Microfinance Institution	38	3.86	0.93	4.00	1.29	0.196 NS
	NGOs	68	3.87	1.02	4.00		
	Banks	67	3.88	0.98	4.00		
	Total	173	3.87	0.98	4.00		
Reaching the unreached areas	Microfinance Institution	38	3.39	1.23	4.00	0.80	0.423 NS
	NGOs	68	3.44	1.18	4.00		
	Banks	67	3.52	1.19	4.00		
	Total	173	3.45	1.20	4.00		
More schemes and institutions to support SBLP and microfinance	Microfinance Institution	38	3.57	1.10	4.00	0.82	0.410 NS
	NGOs	68	3.46	1.21	4.00		
	Banks	67	3.88	0.98	4.00		
	Total	173	3.64	1.10	4.00		
Single regulatory authority for orderly growth of SBLP and microfinance	Microfinance Institution	38	3.39	1.23	4.00	0.80	0.423 NS
	NGOs	68	3.44	1.18	4.00		
	Banks	67	3.61	1.22	4.00		
	Total	173	3.48	1.21	4.00		
Penetration of insurance services among the rural women	Microfinance Institution	38	3.39	1.23	4.00	0.91	0.365 NS
	NGOs	68	3.34	1.29	4.00		
	Banks	67	3.36	1.33	4.00		

entrepreneurial members of SHGs	Total	173	3.36	1.28	4.00		
Flexible rules and regulations of the SBLP and microfinance	Microfinance Institution	38	2.68	1.22	2.00	0.80	0.426 NS
	NGOs	68	2.65	1.23	2.00		
	Banks	67	2.90	1.42	2.00		
	Total	173	2.74	1.29	2.00		
Technical innovations	Microfinance Institution	38	3.46	1.10	4.00	0.24	0.812 NS
	NGOs	68	3.46	1.24	4.00		
	Banks	67	3.58	1.10	4.00		
	Total	173	3.50	1.15	4.00		
Overall Prospects	Microfinance Institution	38	3.39	1.15	4.00	0.41	0.682 NS
	NGOs	68	3.38	1.19	4.00		
	Banks	67	3.53	1.17	4.00		
	Total	173	3.43	1.17	4.00		

Source: Survey Data

An analysis of the above table 7.7 reveals the prospects of the SBLP and microfinance based on the various aspects of SBLP and microfinance opined by the facilitators. The prospects of SBLP and microfinance on the following aspects with their mean values are: (i) Growth of SBLP and microfinance in terms of depth of the services provided with a mean of 3.87 (3.86 MFI, 3.87 NGOs and 3.88 Banks), (ii) Reaching the unreached areas with a mean of 3.45 (3.39 MFI, 3.44 NGOs and 3.52 Banks), (iii) More schemes and institutions to support SBLP and microfinance with a mean of 3.64 (3.57 MFI, 3.46 NGOs and 3.88 Banks), (iv) Single regulatory authority for orderly growth of SBLP and microfinance with a mean of 3.48 (3.39 MFI, 3.44 NGOs and 3.61 Banks), (v) Penetration of insurance services among the rural women entrepreneurial members of SHGs with a mean of 3.36 (3.39 MFI, 3.34 NGOs and

3.36 Banks), (vi) Flexible rules and regulations of the SBLP and microfinance with a mean of 2.74 (2.68 MFI, 2.65 NGOs and 2.90 Banks), (vii) Technical innovations with a mean of 3.50 (3.46 MFI, 3.46 NGOs and 3.58 Banks)

Hence, the mean of the overall prospects of SBLP and microfinance was 3.43 (3.39 MFI, 3.38 NGOs and 3.53 Banks)

There is no significant difference in the prospects of SBLP and microfinance opined by the facilitators in all the following aspects:

- a. Growth of SBLP and microfinance in terms of depth of the services provided ($p=0.196>0.05$). The opinion of the facilitators of banks regarding the prospects of SBLP and microfinance in terms of growth of SBLP and microfinance in terms of depth of the services provided is high compared to facilitators of NGOs next and facilitators of MFI last
- b. Reaching the unreached areas ($p=0.423>0.05$). The opinion of the facilitators of banks regarding the prospects of SBLP and microfinance in terms of reaching the unreached areas of banks is high compared to facilitators of NGOs next and facilitators of MFI last
- c. More schemes and institutions to support SBLP and microfinance ($p=0.410>0.05$). The opinion of the facilitators of banks regarding the prospects of SBLP and microfinance in terms of more schemes and institutions to support SBLP and microfinance is high compared to facilitators of MFI next and facilitators of NGOs last
- d. Single regulatory authority for orderly growth of SBLP and microfinance ($p=0.423>0.05$). The opinion of the facilitators of banks regarding the prospects of SBLP and microfinance in terms of single regulatory authority for orderly growth of SBLP and microfinance is high compared to facilitators of NGOs next and facilitators of MFI last
- e. Penetration of insurance services among the rural women entrepreneurial members of SHGs ($p=0.365>0.05$). The opinion of the facilitators of MFI regarding the prospects of SBLP and microfinance in terms penetration of insurance services among the rural women entrepreneurial members of SHGs is high compared to facilitators of banks next and facilitators of NGOs last
- f. Flexible rules and regulations of the SBLP and microfinance ($p=0.426>0.05$). The opinion of the facilitators of NGOs regarding the prospects of SBLP and

microfinance in terms of flexible rules and regulations of the SBLP and microfinance is low compared to facilitators of MFI next and facilitators of banks last

- g. Technical innovations ($p=0.812>0.05$). The opinion of the facilitators of banks regarding the prospects of SBLP and microfinance in terms of technical innovations is high compared to facilitators of MFI and NGOs next
- h. Overall prospects ($p=0.682>0.05$). The opinion of the facilitators of banks regarding the overall prospects of SBLP and microfinance is high compared to facilitators of MFI next and facilitators of NGOs last

7.5 Conclusion

In this chapter the researcher has analysed and interpreted the primary data collected by administering the structured questionnaire to the selected microfinance institution, NGOs and banks who have provided loans to the rural women entrepreneurial members of the SHGs.

The present chapter has analysed the various problems faced by the lending institutions – MFI, NGOs and banks in lending loans to the rural women entrepreneurial members of the SHGs. It is found that inability of the SHGs to efficiently market their products and make profit and lack of co-operation from the rural women entrepreneurial members in the operation of the SHGs are the major problems faced by SKDRDP, lack of adequate co-operation from banks and inability of the SHGs to efficiently market their products and produce and make profit are the major problems faced by the SCDCC and PCC and low level of member literacy hampering the account keeping of the SHGs and unregulated proliferation and operation of the SHGs in the operational area are the major problems faced by Syndicate bank and Canara bank in lending loans to the rural women entrepreneurial members of the SHGs.

The chapter has also covered the prospects of SBLP and microfinance from the facilitators perspective and it is found that the facilitators have opined that the prospects of SBLP and microfinance is high

Hence, in order to ensure smooth flow of funds by the lending institutions to the rural women entrepreneurial members of SHGs, there has to be a proper and adequate co-operation and co-ordination between the lending institutions and the SHGs. The

quality of the self help group and the performance of the rural women entrepreneurial members of the self help groups have to be improved and at the same time measures have to be taken to expand the provision of financial services by the lending institutions to the rural women entrepreneurial members of SHGs.

TESTING OF HYPOTHESES

An attempt has been made in this section to test the hypothesis based on the opinions of the sample rural women entrepreneurial members of SHGs and facilitators' of the study region

Hypothesis 1

ACCESS TO CREDIT AND ECONOMIC PROBLEMS ARE THE MAIN PROBLEMS FACED BY RURAL WOMEN ENTREPRENEURIAL MEMBERS OF SHGS AMONG ALL OTHER PROBLEMS

Problems in the self help group, problems with regard to access to loan, social problems, economic problems and psychological and personality development problems are five problems usually faced by the rural women entrepreneurial members of SHGs, which is taken for the study. The sample rural women entrepreneurial members of SHGs were asked to rate on Likert's five point rating scale 1 to 5 showing level of problem least to high. Analysis is given below in table 7.8 under which hypothesis 1 'Access to credit and economic problems are the main problems faced by the rural women entrepreneurial members of SHGs among all other problems' is tested.

Table 7.8 showing the various problems faced by all the sample rural women entrepreneurial members of SHGs in total

Various Problems	N	Mean	Std.Deviation	Median	Friedman test value	P value
1.Problems in the Self Help Group	762	2.79	0.47	2.80	285.099	0.000 HS
2.Problems with regard to access to loan	762	3.09	0.38	3.11		
3.Social Problems	762	2.87	0.56	2.89		
4.Economic Problems	762	3.13	0.54	3.13		
5.Psychological and Personality Development Problems	762	3.01	0.71	3.07		

t = 6.355, p=0.000, HS

Source: Survey Data

The above table 7.8 shows that the level of economic problems was highest among the five problems with mean and standard deviation 3.13 ± 0.54 followed by problems with regard to access to loan (3.09 ± 0.71), psychological and personality development problems (3.01 ± 0.71), social problems (2.87 ± 0.56) and problems in the self help group (2.79 ± 0.47).

Test shows that there is significant difference between the level of problems faced by the sample rural women entrepreneurial members of SHGs among the various problems as $p = 0.000 < 0.01$. Hence, economic problems and problem with regard to access to loan are the two major problems faced by the rural women entrepreneurial members of SHGs. So, the research hypothesis1 **‘Access to credit and economic problems are the main problems faced by rural women entrepreneurial members of SHGs among all other problems’** is accepted.

Hypothesis 2

RURAL WOMEN ENTREPRENEURIAL MEMBERS OF SHGS HAVE DIFFICULTY IN PROCURING LOANS FROM ORGANIZED FINANCIAL INSTITUTIONS BECAUSE OF CUMBERSOME AND LENGTHY PROCEDURAL FORMALITIES

The sample rural women entrepreneurial members of SHGs were asked to rate on Likert’s five point rating scale 1 to 5 showing level of problem least to high on the statement ‘loan sanctioning procedure is lengthy, cumbersome and not easy to understand’. Analysis is given below in table 7.9 under which the hypothesis 2 ‘Rural women entrepreneurial members of SHGs have difficulty in procuring loans from organized financial institutions because of cumbersome and lengthy procedural formalities’ is tested

Table 7.9 showing the opinion of the sample rural women entrepreneurial members of SHGs regarding ‘loan sanctioning procedure is lengthy, cumbersome and not easy to understand’

Category of respondent	N	Mean	Std. Deviation	Median	Kruskal Wallis Test value	d.f.	P value
Microfinance Institution	322	3.74	1.29	4.00	18.021	2	0.000 HS
NGOs	224	3.46	1.37	4.00			
Banks	216	3.25	1.40	4.00			
Total	762	3.52	1.36	4.00			

t = 10.485, p = 0.000, HS

Source: Survey Data

The above table 7.9 shows that the level of difficulty in procuring loans from organized financial institutions is significantly different across the sample rural women entrepreneurial members of the 3 facilitators (MFI, NGOs and Banks - Kruskal Wallis Test $p = 0.000 < 0.01$) i.e. sample rural women entrepreneurial members of MFI are facing more difficulty in procuring loans from organized financial institutions as the loan sanctioning procedure is lengthy, cumbersome and not easy to understand compared to sample rural women entrepreneurial members of NGOs followed by the sample rural women entrepreneurial members of banks.

Overall the sample rural women entrepreneurial members of SHGs have high level of difficulty in procuring loans from organized financial institutions as the loan sanctioning procedure is lengthy, cumbersome and not easy to understand with mean and standard deviation 3.52 ± 1.36 , which is significant on a five point rating scale with neutral value 3. (t test $p = 0.000 < 0.01$). Hence, the research hypothesis 2 **‘Rural women entrepreneurial members of SHGs have difficulty in procuring loans from organized financial institutions because of cumbersome and lengthy procedural formalities’** is accepted.

Hypothesis 3

BANKS ARE SKEPTICAL ABOUT THE LOAN REPAYMENT ABILITY OF WOMEN AND HENCE CONSIDER LENDING LOANS TO RURAL WOMEN IS VERY RISKY

The facilitators of banks were asked to rate on Likert's five point rating scale 1 to 5 strongly disagree to strongly agree showing less risk to high risk on the statement 'banks consider lending to rural women risky because of their unconvincing entrepreneurial abilities'. Analysis is given below in table 7.10 under which the hypothesis 3 'Banks are skeptical about the loan repayment ability of women and hence consider lending loans to rural women is very risky' is tested

Table 7.10 showing opinion of the facilitators of banks regarding 'Banks consider lending to rural women risky because of their unconvincing entrepreneurial abilities'

Rating scale	Frequency	Percent	Mean	Std. Deviation
Strongly Disagree	6	9	3.52	1.18
Disagree	9	13.4		
Neither agree nor disagree	7	10.4		
Agree	34	50.7		
Strongly Agree	11	16.4		
Total	67	100		

$t = 3.608, p = 0.001, HS$

Source: Survey Data

The above table 7.10 reveals that 16.4% and 50.7% of the sample officials of banks strongly agree and agree respectively that banks consider lending to rural women risky because of their unconvincing entrepreneurial abilities.

Overall, the mean score of the banks towards 'banks consider lending to rural women risky because of their unconvincing entrepreneurial abilities' is 3.52. It is observed that the banks agree that lending loans to rural women is risky because of their unconvincing entrepreneurial abilities as the mean score and standard deviation is

3.52 \pm 1.18, which is greater than 3 on a 5 point rating scale and statistically highly significant as t test shows $p = 0.001 < 0.01$.

Hence, the research hypothesis 3 ‘Banks are skeptical about the loan repayment ability of women and hence consider lending loans to rural women very risky’ is accepted.

Hypothesis 4

AVAILABILITY OF TIMELY LOAN IS ANOTHER MAIN PROBLEM FACED BY THE RURAL WOMEN ENTREPRENEURIAL MEMBERS OF SHGs

The sample rural women entrepreneurial members of SHGs were asked to rate on Likert’s five point rating scale 1 to 5 showing level of problem least to high on the statement ‘Delay in routine sanctioning of loans and loan amount not available on time’. Analysis is given below in table 7.11 under which the hypothesis 4 ‘Availability of timely loan is another main problem faced by the rural women entrepreneurial members of SHGs’ is tested

Table 7.11 showing the opinion of the rural women entrepreneurial members of SHGs regarding the ‘Delay in routine sanctioning of loans and loan amount not available on time’

Category of respondents	N	Mean	Std. Deviation	Median	Kruskal Wallis Test Value	d.f.	P value
Microfinance Institution	322	3.03	1.27	4.00	1.826	2	0.401 NS
NGOs	224	3.14	1.26	4.00			
Banks	216	3.15	1.39	4.00			
Total	762	3.10	1.30	4.00			

t = 2.111, p = 0.035, SIG

Source: Survey Data

The above table 7.11 shows that the problem of delay in routine sanctioning of loans and loan amount not available on time is not significantly different across the sample rural women entrepreneurial members of the 3 facilitators (MFI, NGOs and Banks - Kruskal Wallis Test $p = 0.401 > 0.05$) i.e. sample rural women entrepreneurial

members of banks are facing more problem of delay in routine sanctioning of loans and loan amount not available on time compared to sample rural women entrepreneurial members of NGOs followed by the sample rural women entrepreneurial members of MFI.

Overall the sample rural women entrepreneurial members of SHGs are facing more problem of delay in routine sanctioning of loans and loan amount not available on time with mean and standard deviation 3.10 ± 1.30 , which is significant on a five point rating scale with neutral value 3. (t test $p = 0.035 < 0.05$). Hence, the research hypothesis 4 ‘Availability of timely loan is another main problem faced by the rural women entrepreneurial members of SHGs’ is accepted.

Hypothesis 5

PEER PRESSURE AND GROUP SAVINGS ARE COLLATERAL IN THE CASE OF LOANS PROVIDED BY SHGs AND THEREFORE RECOVERY OF LOAN IS NOT A PROBLEM

The sample rural women entrepreneurial members of SHGs were asked to rate on Likert’s five point rating scale 1 to 5 showing level of problem least to high on the statement ‘unable to provide the collateral security demanded by banks’. Analysis is given below in table 7.12 under which the hypothesis 5 ‘Peer pressure and group savings are collateral in the case of loans provided by SHGs and therefore recovery of loan is not a problem’ is tested

Table 7.12 showing the opinion of the sample rural women entrepreneurial members of SHGs regarding ‘unable to provide the collateral security demanded by banks’

Category of respondents	N	Mean	Std. Deviation	Median	Kruskal Wallis Test Value	d.f.	P value
Microfinance Institution	322	3.70	1.16	4.00	38.117	2	0.000 HS
NGOs	224	3.26	1.37	4.00			
Banks	216	3.12	1.40	2.00			
Total	762	3.36	1.33	4.00			

t = 7.459, p = 0.000, HS

Source: Survey Data

The above table 7.12 shows that the sample rural women entrepreneurial members of SHGs problem of their inability to provide the collateral security demanded by banks is highly significantly different across the sample rural women entrepreneurial members of the 3 facilitators (MFI, NGOs and Banks - Kruskal Wallis Test $p = 0.000 < 0.01$) i.e. sample rural women entrepreneurial members of MFI are facing more problem of their inability to provide the collateral security demanded by banks compared to sample rural women entrepreneurial members of NGOs followed by the sample rural women entrepreneurial members of banks.

Overall the sample rural women entrepreneurial members of SHGs are facing more problem of their inability to provide the collateral security demanded by banks with mean and standard deviation 3.36 ± 1.33 , which is highly significant on a five point rating scale with neutral value 3. (t test $p = 0.000 < 0.01$). Hence, the research hypothesis 5 '**Peer pressure and group savings are collateral in the case of loans provided by SHGs and therefore recovery of loan is not a problem**' is accepted.

Hypothesis 6

THE OVERALL EMPOWERMENT OF THE RURAL WOMEN ENTREPRENEURIAL MEMBERS OF SHGs HAS IMPROVED AFTER SBLP AND AVAILING MICROFINANCE

The sample rural women entrepreneurial members of SHGs were asked to rate on Likert's five point rating scale 1 to 5 showing level of empowerment least to high on three major factors of empowerment i.e. social empowerment, economic empowerment and psychological and personality development empowerment before and after SBLP and availing microfinance. Analysis is given below in table 7.13 under which hypothesis 6 'The overall empowerment of the rural women entrepreneurial members of SHGs has improved after SBLP and availing microfinance' is tested

Table 7.13 Wilcoxon signed test relating to overall empowerment of sample rural women entrepreneurial members of SHGs before and after Self Help Group - Bank Linkage Programme and availing microfinance

	Category of respondents of SHGs	Period	N	Mean	Std. Deviation	Median	Change (%)	Wilcoxon – Z value	P value
Overall Empowerment	Micro Finance Institution	Before availing credit	322	2.84	1.33	2.76	8.63	2.47	.014
		After availing credit	322	3.08	0.61	3.02			
	NGOs	Before availing credit	224	2.83	1.25	2.58	5.74	3.19	.001
		After availing credit	224	3.02	0.26	3.02			
	Banks	Before availing credit	216	2.57	1.20	2.32	18.87	5.70	.000
		After availing credit	216	3.06	0.23	3.05			
	Total	Before availing credit	762	2.76	1.28	2.48	10.46	6.15	.000
		After availing credit	762	3.05	0.44	3.03			

Source: Survey Data

The above table 7.13 shows that the level of empowerment of the sample rural women entrepreneurial members of SHGs has improved after SBLP and availing microfinance i.e. sample rural women entrepreneurial members of MFI are more empowered compared to sample rural women entrepreneurial members of banks next followed by sample rural women entrepreneurial members of NGOs. The level of empowerment of MFI, NGOs and banks before SBLP and availing microfinance was 2.84 ± 1.33 , 2.83 ± 1.25 and 2.57 ± 1.20 respectively whereas after SBLP and availing microfinance was 3.08 ± 0.61 , 3.02 ± 0.26 and 3.06 ± 0.23 respectively on a five point rating scale.

The overall level of empowerment of the sample rural women entrepreneurial members of SHGs before availing SBLP and availing microfinance was 2.76 ± 1.28 , whereas after availing SBLP and availing microfinance was 3.05 ± 0.44 . Wilcoxon test shows that the change is highly significant with $p = 0.000 < 0.01$. So, the research hypothesis 6 **‘The overall empowerment of the rural women entrepreneurial members of SHGs has improved after SBLP and availing microfinance’** is accepted.

CHAPTER VIII

**SUMMARY OF THE FINDINGS,
SUGGESTIONS, PROSPECTS AND
CONCLUSION**

CHAPTER VIII

SUMMARY OF THE FINDINGS, SUGGESTIONS AND CONCLUSION

The present study was undertaken to study the problems and prospects of Self Help Group Bank – Linkage Programme and Microfinance to Rural Women Enterprises – A study in Dakshina Kannada and Udupi districts. In this chapter an attempt has been made to summarise the major findings of the study, recommend a few suggestions on the basis of findings of the study and also to give directions for future research. The specific objectives addressed are:

- a. To study and examine the nature and extent of Self Help Group - Bank Linkage Programme, Microfinance and Non-Governmental Organisations lending to rural women enterprises
- b. To assess the eligibility of sample SHGs to avail loans from banks using the parameters suggested by NABARD
- c. To study the various problems faced by the rural women entrepreneurial members of SHGs in general and the problems faced by rural women entrepreneurial members of SHGs in accessing credit in particular and the empowerment level is also analysed
- d. To study the problems faced by banks , microfinance institutions and Non-Governmental Organisations (NGOs) in financing rural women entrepreneurial members of SHGs
- e. To forecast the prospects of SHG – Bank Linkage Programme and microfinance to rural women entrepreneurial members of SHGs
- f. To suggest measures to enhance the efficiency and quality of SHG – Bank Linkage Programme and microfinance to rural women entrepreneurial members of SHGs

For the purpose of this study, rural women entrepreneurial members of SHGs who have availed microfinance from SHG – Bank Linkage Programme are selected in Dakshina Kannada and Udupi districts. Dakshina Kannada and Udupi districts are subdivided into

five and three taluks respectively. All the five taluks of Dakshina Kannada and all the three taluks of Udupi districts are selected for the purpose of the study.

From each taluk 4 Self Help Groups managed by MFI – SKDRDP, 2 Self Help Groups each managed by NGO – Prajna Counselling Centre and Navodaya of SCDCC bank, 2 Self Help Groups each managed by Syndicate bank and Canara bank were selected as sample based on random sampling technique. A typical Self Help Group has 15- 20 members. The researcher has targeted 10 members as sample from each Self Help Group. However, information could not be collected from all the sample size as some of the questions were not answered. Therefore, the investigation covered a sample of 762 rural women entrepreneurial members of SHGs. A structured questionnaire was designed for the purpose of interview of the sample rural women entrepreneurial members of SHGs. To test the validity of the questionnaire, pilot study among 150 sample respondents in the study areas was undertaken. After the pilot study necessary modifications were made in the questionnaire. The primary information was collected by visiting the places of sample rural women entrepreneurial members of SHGs in the study areas with the help of predesigned structured questionnaire.

The research provides a conceptual framework of the various concepts related to microfinance, Self Help Groups, SHG-Bank Linkage Programme and rural women entrepreneurship. It analyzes the eligibility of the sample Self Help Groups to avail loans based on the basic parameters suggested by NABARD. The study covers and analyzes the various problems faced by the rural women entrepreneurs and the problems faced by the MFI, NGOs and Banks in financing the rural women entrepreneurs. The study analyzes the social, economic and psychological and personality development empowerment level of the rural women entrepreneurs before and after availing loans from the Self Help Groups through Self Help Group – Bank Linkage Programme and microfinance. The study also covers the prospects of SBLP and microfinance from the point of view of rural women entrepreneurial members of SHGs and facilitators

The study is unique in the sense that, it considers the twin objective of analyzing both the problems of the rural women entrepreneurial members of SHGs, who are the

beneficiaries in availing loans through Self Help Group – Bank Linkage Programme and also the problems of the facilitators in providing loans to the rural women entrepreneurs. It also analyzes the empowerment level of the rural women entrepreneurial members of SHGs after availing finance through Self Help Group – Bank Linkage Programme. The study contributes to the field of knowledge by providing the primary data on the problems of rural women entrepreneurs particularly the problems relating to availing loans as well as the factors which requires empowerment in the rural women entrepreneurs in the districts of Dakshina Kannada and Udupi.

8.1 Findings of the study

The following observations and findings have been drawn from the study:

8.1.1 General observations

- Majority of the respondents who are the rural women entrepreneurial members of SHGs were from Microfinance Institution – SKDRDP
- Large number of respondents (14.2%) who are rural women entrepreneurial members of SHGs were from Belthangady taluk
- Large number of respondents (40.7%) who are rural women entrepreneurial members of SHGs were from the age group ranging between 36 and 45, who usually have more family responsibilities
- Large number of respondents (47.5%) who are rural women entrepreneurial members of SHGs have only primary school education
- Majority (79.3%) of the respondents who are rural women entrepreneurial members of SHGs were married
- Observations on Family status of the rural women entrepreneurial members of SHGs
 - Majority (68.1%) of the respondents who are rural women entrepreneurial members of SHGs have nuclear family
 - Husband is the head of the family in majority (73.2%) of the families of the self help groups
 - Majority (40.0%) of the respondents who are rural women entrepreneurial members of SHGs have school going children

- Majority (69.6%) of the respondents who are rural women entrepreneurial members of SHGs have literate male adults in the family
- Majority (60.5%) of the respondents who are rural women entrepreneurial members of SHGs have literate female adults in the family
- Majority (82.7%) of the respondents who are rural women entrepreneurial members of SHGs have literate male children in the family
- Majority (78.2%) of the respondents who are rural women entrepreneurial members of SHGs have literate female children in the family
- Majority (60.6%) of the respondents who are rural women entrepreneurial members of SHGs are not prone to chronic diseases
- Majority (64.6%) of the respondents who are rural women entrepreneurial members of SHGs are not alcoholic
- Majority (58.5%) of the respondents who are rural women entrepreneurial members of SHGs do not have family members consuming tobacco
- Majority (70.3%) of the respondents who are rural women entrepreneurial members of SHGs do not have previous experience of being a member of self help group
- Majority (50.7%) of the respondents who are rural women entrepreneurial members of SHGs have joined the self help group on their own interest
- Majority (86.7%) of the respondents who are rural women entrepreneurial members of SHGs have taken permission from family members before joining the self help group
- Majority (80.7%) of the respondents who are rural women entrepreneurial members of SHGs have joined the self help group to avail loan facility
- Main occupation of the majority (54.1%) of the respondents who are rural women entrepreneurial members of SHGs is agriculture

8.1.2 Findings of the assessment of the SHGs to avail loans

In case of assessment of the Self Help Groups to avail loans, it is found that the sample SHGs score is 78.23%, which is just close to the minimum requirement of 80%. Hence, it is found that the sample SHGs should be further developed for the smooth flow of microfinance from SHG – Bank Linkage Programme.

8.1.3 Rural Women Entrepreneurial Members of SHGs Perspective

1. There is no significant difference in the satisfaction level of the sample rural women entrepreneurial members of SHGs regarding the infrastructure facility for creation of employment opportunities, integrated approach in forming the self help group, grants from government and facilities provided by the MFI, NGO and Banks
2. There is significant difference in the satisfaction level of the sample rural women entrepreneurial members of SHGs regarding the grants from external agencies facility provided by the MFI, NGO and Banks
3. There is highly significant difference in the satisfaction level of loan and savings facilities, suggestions and guidance of income opportunities for members, generation of adequate income for SHG enterprises, marketing facilities for SHG products, job-oriented training facility to rural women entrepreneurial members of SHGs, adequate training facility to sample rural women entrepreneurial members of SHGs in day-to-day operations and the overall level of satisfaction
4. Sample rural women entrepreneurial members of MFIs were more satisfied with facilities provided by the facilitators compared to NGOs next and Banks last
5. The sample rural women entrepreneurial members of SHGs were more satisfied with loan and savings facilities provided by the facilitators compared to all other facilities
6. There is a significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the awareness of the rules and regulations of the self help group and the amount of personal savings and loans with the self help group

7. There is a significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the awareness of the objectives of the self help group
8. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the awareness of the amount of total savings and loans of the entire self help group and the financial position of the self help group and also the overall level of awareness
9. Sample rural women entrepreneurial members of SHGs of banks were more aware of the overall objectives, rules, regulations and functions of the self help group compared to NGOs next and MFI last
10. Sample rural women entrepreneurial members of SHGs were more aware of the amount of personal savings and loans from the SHGs compared to other objectives, rules and regulations and functions of the group
11. There is no significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the participation of the sample respondents in the following activities of the self help group : Ability to write the accounts and maintain other records and documents of the SHG, confidence in conducting SHG meetings, habit of regular savings and method of depositing savings
12. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the awareness of the participation of the sample respondents in the following activities of the self help group: Able to transact SHG activities with the facilitators of SHGs (MFI/NGOs/Banks), confident of being the leader of SHG, active and can speak in the meetings of SHGs and able to give problem solving inputs in the meetings of the SHG
13. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs in the overall level of participation of the sample respondents in the activities of the self help groups
14. Sample rural women entrepreneurial members of SHGs of MFI were more active in the participation of the activities of the self help group compared to NGOs next and banks last

15. Sample rural women entrepreneurial members of SHGs had participated more in the savings activity of the self help group compared to all other activities in the self help group
16. There is no significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following problems faced by them in the self help group: Income has not increased to the expected level in spite of SHG assistance, conflict among SHG members and accounts and records of SHGs are not maintained properly
17. There is a significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following problems faced by them in the self help groups: Leaders are not functioning properly and more dynamic leadership is required and post of leadership is not rotated among SHG members uniformly
18. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following problems faced by them in the self help group: Insufficient opportunities for generating income, entrepreneurial training provided by the SHGs is not useful, non-cooperation from family members for attending SHG activities, non-availability of child care facilities when attending SHG financed venture and political interference in the self help groups
19. Sample rural women entrepreneurial members of SHGs of banks faced more of overall problems in the Self Help Group compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
20. Non availability of child care facilities when attending SHG financed venture, income not being increased to the expected level in spite of SHG assistance, inadequate opportunities for generating income and entrepreneurial training provided by SHG is not being useful are the major problems faced by the sample rural women entrepreneurial members of SHGs of MFI, NGOs and banks in the self help group

21. There is no significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following problems faced by them in accessing loan from MFI/NGOs/Banks: Delay in routine sanctioning of loans and loan amount is not available on time, number of loans available from SHGs is not sufficient, partiality in advancing loans, distance between the bank and the rural women entrepreneurial members of SHGs is far and less concern shown by MFI, NGOs and banks in lending loans to rural women entrepreneurial members of SHGs
22. There is a significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following problems faced by them in accessing loan from MFI/NGOs/Banks: Higher service charges and short repayment period
23. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following problems faced by them in accessing loan from MFI/NGOs/Banks: SHG loan amount is not adequate, high interest rate on loans, repeat loans from SHGs are not available on time, repayment period is not sufficient, non-repayment and late repayment of loans and savings by some members, unable to generate enough revenue and profit from SHG production loans, delay in linking the groups to banks for credit after they have operated for 4-6 months, refusal of permission by banks to withdraw the self help group savings by the members, not aware of the formalities and procedures to avail loans from banks, conditions imposed by banks discourage the members to go to bank for loan, loan sanctioning procedure is lengthy, cumbersome and not easy to understand, unable to provide collateral security demanded by banks, amount of loan provided by banks is very small, feeling that availing bank loan is very risky and no subsidized loan is given to rural women entrepreneurial members of SHGs.
24. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the overall problems faced by them in accessing loan from MFI/NGOs/Banks

25. Sample rural women entrepreneurial members of SHGs of MFI faced more of all the problems with regard to access to loan compared to NGOs sample rural women entrepreneurial members of SHGs next and banks sample rural women entrepreneurial members of SHGs last.
26. 'No subsidized loans are given to the members, loan sanctioning procedure is lengthy, cumbersome and not easy to understand, feeling that availing bank loan is very risky, the distance between the bank and the members house is far, refusal of permission by banks to withdraw the Self Help Group savings by the rural women entrepreneurial members of SHGs, unable to provide the collateral security demanded by banks, number of loans available from SHG is not sufficient, conditions imposed by banks discourage the rural women entrepreneurial members of SHGs to go to the bank for loan, amount of loan provided by banks is very small, high interest rate on loans, repayment period is not sufficient, less concern shown by the MFI, NGOs and banks in lending loans to rural women entrepreneurial members of SHGs, SHG loan amount is not adequate, delay in routine sanctioning of loans and loan amount is not available on time, higher service charges and short repayment period' are the major problems faced by the sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks in the order of their ranking with regard to access to loan
27. There is no significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following social problems faced by them: Lack of moral support from family, lack of education and access to information, lack of recognition in the society, affected by gender inequalities and harassment in operating business
28. There is a significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following social problems faced by them: Lack of motivation from family to carry on business
29. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following social problems faced by them: Society does not take the rural women entrepreneurial members of

SHGs work in good spirit, lack of adequate responsibility for women in business and lack of time due to family responsibility

30. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the overall social problems faced by them
31. Sample rural women entrepreneurial members of SHGs of MFI faced more of overall social problems compared to NGOs sample rural women entrepreneurial members of SHGs next and Banks sample rural women entrepreneurial members of SHGs last
32. Lack of education and lack of access to information and lack of time due to family responsibility are the major social problems faced by the sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks in the order of their ranking
33. There is no significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following economic problems faced by them: Household economic problem of improper savings for purchase of food, entrepreneurial economic problem of insufficient profit margin, lack of availability of raw materials, lack of demand for the product and low price for the produce, lack of infrastructure, lack of warehousing facilities, lack of power supply, lack of skilled workforce and technology, lack of transportation for marketing of products and high production and marketing cost.
34. There is no significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the overall household economic problems, overall entrepreneurial economic problems and overall economic problems faced by them
35. There is a significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following household economic problem faced by them: Household economic problem of improper income and savings for repayment of loan
36. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following economic problems

faced by them: Household economic problem of improper savings for purchase of household assets, improper savings for health improvement, improper savings for education and entrepreneurial economic problem of lack of training related to entrepreneurship

37. Sample rural women entrepreneurial members of SHGs of NGOs faced more of 'overall household economic problems' compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
38. Sample rural women entrepreneurial members of SHGs of Banks faced more entrepreneurial economic problems compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
39. Sample rural women entrepreneurial members of SHGs of Banks faced more of overall economic problems compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
40. Lack of adequate income and savings for repayment of loan and inadequate savings to purchase food are the major household economic problems faced by the sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks in the order of their ranking
41. Lack of transportation for marketing of the products, inadequate power supply, lack of demand and low price for the products, lack of training to entrepreneurs, margin of profit is not sufficient, inadequate warehousing facilities, high production and marketing cost and lack of infrastructure are the major entrepreneurial problems faced by the sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks in the order of their ranking
42. There is no significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following psychological and personality development problem faced by them: Lack of confidence to deal with business situations

43. There is a significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following psychological and personality development problem faced by the self help group members: Lack of urge for learning new information about entrepreneurship
44. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the following psychological and personality development problems faced by them: Afraid of failures and business risk, gets discouraged easily, low self-esteem, lack of confidence to go to bank for loan and money transactions
45. There is a highly significant difference in the opinions of the sample rural women entrepreneurial members of SHGs regarding the overall psychological and personality development problems faced by them
46. There is no significant difference in the overall level of all the problems (self help group, problems with regard to access to loan, social problems, economic problems and psychological an personality development problems) faced by the sample rural women entrepreneurial members of SHGs
47. Sample rural women entrepreneurial members of SHGs of Banks faced more of psychological and personality development problems compared to NGOs sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
48. Lack of confidence to deal with business situations, lack of confidence to go alone to the bank for money transactions, low self- esteem, afraid of business risk and business failures are the major psychological and personality development problems faced by the sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks in the order of their ranking
49. Sample rural women entrepreneurial members of SHGs of NGOs faced more of all the problems compared to Banks sample rural women entrepreneurial members of SHGs next and MFI sample rural women entrepreneurial members of SHGs last
50. Economic problems, problems with regard to access to loan and psychological and personality development problems are the major problems faced by the

sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks in the order of their ranking

51. The sample rural women entrepreneurial members of SHGs were more socially empowered in terms of 'No cultural influences' compared to all other aspects of social empowerment after availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme
52. The overall social empowerment of the sample rural women entrepreneurial members of SHGs of Banks was high compared to MFIs next and NGOs last after availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme
53. There was more household economic empowerment in terms of 'Improvement in Food and Nutrition' compared to all other aspects of household economic empowerment after availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme by the sample rural women entrepreneurial members of SHGs
54. The overall household economic empowerment of the sample rural women entrepreneurial members of SHGs of Banks was high compared to MFIs next and NGOs last after availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme
55. There was more entrepreneurial economic empowerment in terms of 'Access to necessary inputs and raw materials' compared to all other aspects of entrepreneurial economic empowerment after availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme by the sample rural women entrepreneurial members of SHGs
56. The overall entrepreneurial economic empowerment of the sample rural women entrepreneurial members of SHGs of Banks was high compared to MFIs next and NGOs last after availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme
57. The overall economic empowerment of the sample rural women entrepreneurial members of SHGs of Banks was high compared to MFIs next and NGOs last after

availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme

58. There was more psychological and personality empowerment in terms of 'gaining confidence to go out alone to settle matters at home, business and society' compared to all other aspects of psychological and personality empowerment after availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme by the sample rural women entrepreneurial members of SHGs
59. The overall psychological and personality empowerment of the sample rural women entrepreneurial members of SHGs of MFIs was high compared to Banks next and NGOs last after availing microfinance from Self Help Groups through Self Help Group-Bank Linkage Programme
60. The overall empowerment of the sample rural women entrepreneurial members of SHGs of MFIs was more compared to Banks next and NGOs last after availing microfinance from Self Help Groups through Self Help Group- Bank Linkage Programme
61. The overall social empowerment level, household economic empowerment level, entrepreneurial economic empowerment level and psychological and personality empowerment level of the sample rural women entrepreneurial members of SHGs of MFI, NGOs and Banks had improved after availing microfinance from Self Help Groups through Self Help Group- Bank Linkage Programme
62. The sample rural women entrepreneurial members of SHGs opined that the prospects of 'better accessibility' was high compared to other aspects of Self Help Group- Bank Linkage Programme and microfinance
63. The sample rural women entrepreneurial members are of the opinion that the overall prospects of SBLP and microfinance is high

8.1.4 MFI, NGOs and Banks views

1. Inability of the SHGs to efficiently market their products and produce and make profit and lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of the SHGs are the major problems faced by the

microfinance institution in lending loans to rural women entrepreneurial members of SHGs

2. Lack of adequate co-operation from banks and inability of the SHGs to efficiently market their products and produce and make profit are the major problems faced by the sample NGOs in lending loans to rural women entrepreneurial members of SHGs
3. The officials of SCDCC faced more overall problems compared to PCC in lending loans to rural women entrepreneurial members of SHGs
4. Low level of member literacy hampering the account keeping of the SHGs and unregulated proliferation and operation of the SHGs are the major problems faced by the sample banks in lending loans to rural women entrepreneurial members of SHGs
5. The officials of Canara bank faced more overall problems compared to Syndicate bank in lending loans to rural women entrepreneurial members of SHGs
6. The facilitators of SHGs opined that the prospects of 'growth of SBLP and microfinance in terms of depth of the service provided' was high compared to other aspects of Self Help Group- Bank Linkage Programme and microfinance
7. The facilitators are of the opinion that the overall prospects of SBLP and microfinance is high

8.2 Suggestions

The Self Help Group Bank Linkage Programme and microfinance has indeed positively contributed towards the progress of rural women entrepreneurs. On the basis of the findings of the study, the following suggestions have been made in order to make the flow of microfinance from Self Help Group Bank Linkage Programme more efficient and effective, so that this would help to improve the functioning of the Self Help Groups and lead to better empowerment of the rural women entrepreneurs. The suggestions are

structured into three parts: (i) Suggestions to the Government, (ii) Suggestions to the banks, NGOs and MFI, (iii) Suggestions to the members of the Self Help Groups

(i) Suggestions to the Government

Commitment of the Government can improve rural entrepreneurship, but such commitment would require establishing some rural entrepreneurship development policies and programmes

- The needs and problems of the rural entrepreneurs in each district have to be focused by the Directorate of Women's Affairs and the Directorate of Social Welfare. They must make a complete list of all rural women enterprises operating with the help of commercial bank loans within the district and complement their activities with basic information, training and education. They should carefully monitor their business operations
- Special attention should be given to promote income-generating programs in rural areas. Programs to train and literate the rural entrepreneurs and make them socially aware should be undertaken. Both electronic and print media can be used to create social awareness among rural population
- The Government needs to be more proactive in monitoring the credit operations of the various NGOs and MFIs through proper audit and control. Cheap credit should be ensured to promote rural women entrepreneurship
- Government should take necessary initiative to improve the infrastructure facilities such as communication, electricity and utility services in the rural areas. This will certainly help to improve the socio economic conditions of the rural women entrepreneurs
- Government need to be aware of the market stability. Government agencies and the bank authority can help to extend the marketability of the goods produced by the rural women entrepreneurs

(ii) Suggestions to the banks, NGOs and MFIs

The banks, NGOs and MFI should follow integrated and specific procedures for identification of potential rural entrepreneurs. After the identification, the support and

sustenance services must be extended to the rural women entrepreneurs for the desired growth of the rural women enterprises

- The procedures of sanctioning loan should be simplified and loan application must be processed as early as possible. The delay in processing loan application needs to be reduced and specific time limit may be fixed
- The rate of interest for loans should be reduced and loans should be sanctioned at concessional rates and rebate should be allowed to encourage timely repayment of loan
- No collateral security should be insisted by banks for loans to rural women entrepreneurs. The margin of security should also be liberalised.
- The bank authorities can help the rural women entrepreneurs by supplying quality raw materials at the due time and to store raw materials for the future courses of action
- Banks should maintain facilities for easy access of banking facilities for the rural women within the bank premises. The volume of work in each bank branch has been gradually increasing. In such situations, the number of bank officials should be increased to cope with the increasing volume of work. This will help them to render effective services for entrepreneurship development in rural areas.
- The sensitization and awareness of the bankers, especially the new bankers need to be strengthened. The exposure trips to successful Self Help Groups need to be organised for the bank managers. The bank managers sometimes even refuse to open an account for the new Self Help Groups as they do not have a positive attitude.
- Banking should become a market situation in which a Self Help Group should be able to choose its bank based on the efficiency and effectiveness of bank branch in providing the service. The rural bank branches should be put in a competitive mode in which the market situation should decide to whom the self help groups will go for service including taking a loan

- Interest subvention should be applied in order to encourage prompt repayment of loans
- The rural women entrepreneurs of self help groups often complain that they are active initially but due to delay in obtaining credit they become lazy. Additional and alternative ways of enhancing the lending channels need to be explored
- A rapport-building programme may be offered in which the bank functionaries, NGO functionaries, MFI functionaries, Self Help Group office bearers and other grass root level stakeholders should participate for the smooth functioning of the microfinance
- The NGOs and MFI should be imparted skills in organizing motivational camps and training programmes so that they may motivate the rural women entrepreneurs and create faith in them
- NGOs and MFI should not only be deployed only for the formation of the Self Help Groups, they must stay and work with the Self Help Groups till they mature
- The officials of NGOs and MFI promoting the Self Help groups should also be exposed to Self Help Groups sensitisation programme so that they do not hold skeptic views towards Self Help Groups and must have faith in the Self Help Groups ability to alleviate rural poverty
- The NGOs and MFI should actively help the Self Help Groups with both backward and forward linkage and provide them market support in particular
- The depletion of the group strength due to migration of women members after their marriage should be observed and the new entrants in the villages who evince interest in becoming members of the SHGs should be contacted. There is a need for continuously re-organising these SHGs, as otherwise these groups would tend to become dormant

(iii) Suggestions to the rural women entrepreneurs of the Self Help Groups

The members of the Self Help Groups should understand the fact that self help groups are not only means of taking easy loan or credit, but also they provide an opportunity to improve their socio-economic conditions

- The rural women entrepreneurial members of the Self Help Groups should be aware of all the government schemes and should make use of them for their development
- The rural women entrepreneurial members of the Self Help Groups are advised to utilise the loan amount only for carrying out the assigned task
- The rural women entrepreneurial members of the Self Help Groups should undergo training to educate themselves about the utilisation of loan amount effectively
- The rural women entrepreneurial members of the Self Help Groups should be trained to rotate the money for the benefit of meeting emergencies of the needy rather than sharing equally among themselves
- Cooperation among rural women entrepreneurs and proper repayment of loan is the only way to achieve success
- The rural women entrepreneurs have to select their activities keeping in mind the availability of raw materials, sufficient financial assistance, marketing facilities and also the demand for their products
- Good packing and branding of products should be introduced to capture the new market area and to increase the volume of sales
- The number of successful rural entrepreneurs is less not because they do not work, but because they work on low productivity activities. So to reduce poverty, rural women entrepreneurs have to be given a.) a thorough analysis of market opportunities to find out what kind of production is to be encouraged in each area, b.) the skills required for activities to generate those products, these are to be modern and professionally updated skills, c.) technical expertise to acquire the required tools
- The activities engaged by the rural women entrepreneurs should be sufficiently productive for them to earn better income with less physical

labour so that they can give up their earlier tasks to reduce their enormous workload

8.3 Directions for Future Research

The study reveals the various problems faced by the rural women entrepreneurs and suggests the following areas for future research

- A study on developing an efficient model for a better and easy flow of funds to the rural women entrepreneurs of self help groups
- A study on the effectiveness of the steps taken to overcome the problems faced by the rural women entrepreneurs
- A study on the effectiveness of the training and education programmes for the development of rural women entrepreneurs of self help groups

8.4 Conclusion

In most of the developing countries today, more and more emphasis is laid on the need for women's active participation in the main stream of development process. It is also widely recognised that apart from managing household, bearing children, rural women bring income with productive activities ranging from traditional work in the factories or running small and petty business. They have also proven that they can be better entrepreneurs and development managers in any kind of human development activities. Economic progress in any country, whether developed or under developed could be achieved through social development. The social development on the other hand, is based upon the active participation of women in developmental process. Women's empowerment cannot be ignored while devising various policies for rural and socio-economic development. Providing micro-credit to rural women through an organized manner will make them enterprising women.

In this regard the Self Help Groups with the help of Self Help Group - Bank Linkage Programme and microfinance, have played a vital role in the socio-economic upliftment of women. They enhance the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The emergence of microfinance brings into sharper focus the need to provide appropriate

delivery mechanisms for financial services and the poor are willing to pay for door delivery of reliable financial services. Although the Self Help Group Bank Linkage Programme and microfinance has grown to be the dominant model of microfinance delivery, the rural women entrepreneurs face a number of problems in accessing microfinance through the Self Help Group - Bank Linkage Programme.

This research is an attempt to study the problems faced by the rural women entrepreneurs in accessing credit and also in the self help groups, problems faced by the banks, NGOs and Microfinance Institutions in providing credit to the rural women entrepreneurial members of SHGs and to study the empowerment of the rural women entrepreneurial members of SHGs before and after availing microfinance from Self Help Group - Bank Linkage Programme. From the study, it is found that economic problems, problems with regard to access to loan and psychological and personality development problems are the major problems faced by the rural women entrepreneurial members of SHGs. Inability of the rural women entrepreneurial members of SHGs to efficiently market their products and produce and make profit, lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of the SHGs and lack of adequate co-operation from the banks in lending loans are the major problems faced by the microfinance institution and NGOs in lending loans to rural women entrepreneurial members of SHGs. Low level of member literacy hampering the account keeping of the Self Help Groups and unregulated proliferation and operation of the Self Help Groups are the major problems faced by the sample banks in lending loans to rural women entrepreneurial members of SHGs. The study also finds that the social, economic, psychological and personality development empowerment of the rural women entrepreneurial members of SHGs have been improved after availing credit from self help group - bank linkage programme.

The prospects of SBLP and microfinance is high both in the opinion of rural women entrepreneurial members of SHGs and facilitators. Hence, the mechanism of credit coupled with the mobilisation and organisation of women on the basis of strengthening and collective action empowers rural women.

Mainstreaming an empowerment approach in Self Help Group Bank Linkage Programme and microfinance will inevitably involve a significant change in attitude, change in work

practices and challenging vested interests. To make the Self Help Group Bank Linkage Programme and microfinance really meaningful and successful, the government, banks, NGOs and microfinance institutions at different levels have to intervene in a large scale not as providers of finance or providers of other inputs, but as facilitators and promoters. It is also important to view Self Help Group - Bank Linkage Programme and microfinance as a complement rather than a substitute for effective policies to be able to transform development of rural women entrepreneurial members of SHGs.

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APPENDICES

ANNEXURE – I

Questionnaire to be filled by the leaders of the Self Help Group

Tick whichever is applicable

1	Composition of the group	Membership is homogenous	
		No homogeneity in membership	
2	Age of the Group	One year and above	
		Six months and above but less than a year	
3	Group Meetings	One meeting each in a week	
		One meeting in a fortnight	
		1 meeting per month	
4	Attendance of members in meetings	More than 90% of members are present	
		Between 70% and 90% of members are present	
		Less than 70% of members are present	
5	Minutes book of the meeting	Written in detail	
		Maintained, but not in detail	
6	Participation in group discussion	Participation by only a few members	
		Participation by majority of the members	
7	Frequency of Savings	4 times a month by majority of the members	
		4 times a month but not by majority of the members	
		2-3 times a month by majority of the members	
		2-3 times a month but not by majority of the members	
		1 time a month by majority of the members	
		1 time a month but not by majority of the members	
		Daily by the members	
8	Savings and Loan Recovery (Mode of Collection)	Savings Collected in group meetings	
		Loan recovered in group meetings	
		House to house collection of savings	
		House to house recovery of loans	
9	Style of functioning and group decisions	On Consensus Basis	
		Decisions are made by a few members/group leaders	
		Decisions are made by majority	
10	Sanction and Disbursement of Loans	Selection of borrowers in group meetings	
		Sanction and disbursement of loans in group meetings	
		Loan terms and conditions are discussed in group meetings and recorded in minutes	
		Utilization of loans reviewed regularly in group meetings	

		Recovery of loans is reviewed regularly in group meetings	
11	Interest on Self Help Group Loans	Uniform rate irrespective of source of funds	
		Different rates depending on source of funds	
		Interest rates vary according to the purpose of loan	
		Uniform interest rate for all purpose	
12	Utilization of saving for loaning	Above 80%	
		Above 50% and up to 80%	
13	Recovery of Loans	Dues are not recovered in respect of 10% or less of total number of loan accounts	
		Dues are not recovered between 10% and 30% of total number of loan accounts	
14	Books of Accounts	Attendance cum minutes book	
		Savings Register	
		Loan Ledger	
		Bank Passbook	
15	Bylaws / Group Rules	Known to all members	
		Known to most of the members	
		Not known to many members	

ANNEXURE – II

Questionnaire for sample beneficiaries of Self Help Group Bank Linkage Programme and Microfinance (Rural Women Entrepreneurial Members of Self Help Groups)

Q_1 Category of the respondents of SHGs

1	Microfinance Institution	
2	NGO 1	
3	NGO 2	
4	Bank 1	
5	Bank 2	

Q_1A Taluk of the Respondent

1	Belthangady	
2	Puttur	
3	Sullia	
4	Bantwal	
5	Mangalore	
6	Udupi	
7	Kundapur	
8	Karkala	

Q_2 Age of the Respondent

1	Less than 25	
2	26-35	
3	36-45	
4	46 & above	

Q_3 Educational Qualification

1	Illiterate	
2	Primary School	
3	High School	
4	PUC	
5	Graduation	
6	Post graduation	
7	Any other	

Q_4 Marital Status

1	Married	
2	Unmarried	
3	Widow	
4	Divorcee	

Q_5a Type of family

1	Nuclear
2	Joint

Q_5b Head of the family

1	Husband	
2	Self	
3	Father	
4	Mother	
5	In-laws	

Q_5c Activities of the children

1	Small Children	
2	School going	
3	Working Children	
4	Not Applicable	

Q_5d Literacy level – Male Adults

1	Majority Literates	
2	Majority Illiterates	
3	Not Applicable	

Q_5e Literacy level – Female Adults

1	Majority Literates	
2	Majority Illiterates	
3	Not Applicable	

Q_5f Literacy level – Male children

1	Majority Literates	
2	Majority Illiterates	
3	Not Applicable	

Q_5g Literacy level – Female children

1	Majority Literates	
2	Majority Illiterates	
3	Not Applicable	

Q_6 Is anyone in your family prone to chronic diseases and medical treatment?

1	Yes	
2	No	

Q_7 Is anyone in your family alcoholic?

1	Yes	
2	No	

Q_8 Does anyone in your family consume tobacco?

1	Yes	
2	No	

Q_9 Do you have any previous experience being member of any other Self Help Group or similar organizations?

1	Yes	
2	No	

Q_10 Which of the following source has motivated you to join the Self Help Group?

Q_10a	NGOs	Yes		No	
Q_10b	Other Self Help Group members'	Yes		No	
Q_10c	Banks	Yes		No	
Q_10d	MFI	Yes		No	
Q_10e	Own interest	Yes		No	
Q_10f	Family members'	Yes		No	
Q_10g	Neighbours	Yes		No	

Q_11 Did you take permission from your family members before joining Self Help Group?

1	Yes	
2	No	

Q_12 Which of the following reasons has compelled you to join Self Help Group?

Q_12a	To avail loan facility	Yes		No	
Q_12b	To find out new employment and income opportunities for the family	Yes		No	
Q_12 c	To overcome exploitation from money lenders	Yes		No	
Q_12 d	To develop the habit of saving	Yes		No	
Q_12 e	To benefit from the cooperation of the people who are members of the Self Help Group	Yes		No	
Q_12 f	To improve the standard of living	Yes		No	
Q_12 g	To gainfully employ spare time	Yes		No	
Q_12 h	To benefit from the training and similar facilities provided from the Self Help Group	Yes		No	
Q_12 i	To develop social ties and gain social recognition	Yes		No	
Q_12 j	To develop leadership qualities	Yes		No	
Q_12 k	Poor economic conditions of the family	Yes		No	
Q_12 l	To gain economic and social empowerment	Yes		No	
Q_12m	Lack of importance for women in the family	Yes		no	

Q_13 What is the main occupation you are engaged in?

Q_13a	Agriculture	Yes		No	
Q_13b	Tenant farmer	Yes		No	
Q_13c	Dairying	Yes		No	
Q_13d	Petty shop	Yes		No	
Q_13e	Household worker	Yes		No	
Q_13f	Beedi rolling	Yes		No	
Q_13g	Cobbler	Yes		No	
Q_13h	Vegetable vendor	Yes		No	
Q_13i	Tailoring	Yes		No	
Q_13j	Laundry	Yes		No	
Q_13k	Shop assistant	Yes		No	
Q_13l	Poultry farming	Yes		No	
Q_13m	Piggery	Yes		No	
Q_13n	Bee keeping	Yes		No	
Q_13o	Bakery	Yes		No	

Q_14 How do you rate the following facilities provided by the Banks, NGOs and Microfinance Institutions (MFIs)?

Tick whichever is applicable

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

	Facilities	5	4	3	2	1
Q_14a	1.Loan and savings facilities					
Q_14b	2. Identification/Suggestions/Guidance of income opportunities for members					
Q_14c	3.Generation of adequate income for Self Help Group enterprises					
Q_14d	4.Infrastructure for creation of employment opportunities					
Q_14e	5.Marketing facilities for Self Help Group products					
Q_14f	6.Job oriented training to Self Help Group members					
Q_14g	7.Grants from external agencies					
Q_14h	8.Integrated approach in forming Self Help Groups					
Q_14i	9. Adequate training to members in day-to-day operations of the Self Help Group					
Q_14j	10.Grants from Government					

Q_15 How do you agree with the following statements with regard to your activities in the Self Help Group?

Tick whichever is applicable

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

		5	4	3	2	1
Q_15a	1.Aware of the objectives of the Self Help Group					
Q_15b	2.Aware of the rules and regulations of The Self Help Group					
Q_15c	3.Aware of the amount of my personal savings, loans with the Self Help Group					
Q_15d	4.Aware of the amount of total savings and loans of the Self Help Group					
Q_15e	5.Aware of the financial position of the Self Help Group					

Q_16 How do you agree with the following statements with regard to participation in the activities of the Self Help Group?

Tick whichever is applicable

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

		5	4	3	2	1
Q_16a	1.Able to write the accounts and maintain other records and documents of the Self Help Group					
Q_16b	2.Able to transact Self Help Group activities with the facilitators (MFI, NGOs and Banks)					
Q_16c	3.Confident of conducting Self Help Group meetings					
Q_16d	4.Confident of being the leader of the Self Help Group					
Q_16e	5.Active and can speak in the meetings of the Self Help Group					
Q_16f	6. Able to give problem-solving input in the meetings of the Self Help Group					
Q_16g	7. Developed the habit of saving regularly					
Q_16h	8.Found a safe place and method for depositing savings					

Q_17 How do you rate the following problems faced by you?

Tick whichever is applicable

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

	I Problems in the Self Help Group	5	4	3	2	1
Q_17_1a	1.Income has not increased to the expected level in spite of Self Help Group assistance					
Q_17_1b	2.Lack of adequate opportunities for generating income in spite of Self Help Group association					
Q_17_1 c	3.Entrepreneurial training provided by the Self Help Group is not useful					
Q_17_1d	4. Non-cooperation from family members for attending Self Help Group activities.					
Q_17_1e	5.Conflict among Self Help Group members					
Q_17_1f	6.Accounts and other records of the Self Help Group are not maintained properly					

Q_17_1 g	7.Non-availability of child care facilities when attending to Self Help Group financed venture					
Q_17_1h	8.Leaders are not functioning properly and more dynamic leadership is required for the group					
Q_17_1i	9. Post of leadership is not rotated among members uniformly					
Q_17_1j	10. Political interference in the Self Help Group					
	II Problems with regard to access to Loan	5	4	3	2	1
Q_17_2a	1. Self Help Group loan amount is not adequate					
Q_17_2b	2.High interest rate on loans					
Q_17_2c	3. Repeat loans from Self Help Groups are not available in time					
Q_17_2d	4. Loan repayment period is not sufficient					
Q_17_2e	5. Delay in routine sanctioning of loans and loan amount is not available on time					
Q_17_2f	6.Number of loans available from the Self Help Group is not sufficient					
Q_17_2g	7.Non-repayment and late repayment of loans and savings by some rural women entrepreneurial members of SHGs					
Q_17_2h	8.Unable to generate enough revenue and profits from Self Help Group production loans					
Q_17_2i	9.Partiality in advancing loans					
Q_17_2j	10. Delay in linking the self help groups to banks for credit after they have operated with their own funds for 4-6 months					
Q_17_2k	11. Refusal of permission by banks to withdraw the Self Help Group savings by the rural women entrepreneurial members of SHGs					
Q_17_2l	12.Not aware of the formalities and procedures to avail loans from banks					
Q_17_2m	13.The conditions imposed by banks discourage the rural women entrepreneurial members of SHGs to go to the bank for loan					
Q_17_2n	14.Loan sanctioning procedure is lengthy, cumbersome and not easy to understand					
Q_17_2o	15.Unable to provide the collateral security					

	demanded by banks					
Q_17_2p	16.Amount of loan provided by banks is very small					
Q_17_2q	17.Higher service charges and short repayment period					
Q_17_2r	18.Feeing that availing bank loan is very risky					
Q_17_2s	19.The distance between the bank and the rural women entrepreneurial members of SHGs house is far					
Q_17_2t	20. Less concern shown by the NGOs, MFIs and banks in lending loans to rural women entrepreneurial members of SHGs					
Q_17_2u	21.No subsidized loans given to the rural women entrepreneurial members of SHGs					
	III SOCIAL PROBLEMS	5	4	3	2	1
Q_17_3a	1.Lack of Family motivation to carry on business					
Q_17_3b	2.Lack of moral support from family					
Q_17_3c	3.Society does not take rural women entrepreneurial members of SHGs work in good spirit					
Q_17_3d	4.Lack of education and access to information					
Q_17_3e	5.Lack of responsibility for rural women entrepreneurial members of SHGs in business					
Q_17_3f	6.Lack of time due to family responsibility					
Q_17_3g	7.Lack of respect and recognition in the society					
Q_17_3h	8.Affected by gender inequalities					
Q_17_3i	9.Harassment in operating business					
	IV ECONOMIC PROBLEMS A.Household economic problems					
		5	4	3	2	1
Q_17_4Aa	1.Lack of adequate savings for purchase of household assets					
Q_17_4Ab	2.Lack of adequate savings for purchase of food					
Q_17_4Ac	3.Lack of adequate savings for health and maintenance					
Q_17_4Ad	4.Inadequate savings for education					
Q_17_4Ae	5.Lack of adequate income and savings for repayment of loan					

	B.Entrepreneurial economic problems					
		5	4	3	2	1
Q_17_4Ba	1. Margin of profit is not adequate					
Q_17_4Bb	2.Non-availability of raw material					
Q_17_4Bc	3.Lack of demand and low price for the products					
Q_17_4Bd	4.Lack of infrastructure					
Q_17_4Be	5.Inadequate warehousing facilities					
Q_17_4Bf	6.Inadequate power supply					
Q_17_4Bg	7.Lack of skilled workforce and technology					
Q_17_4Bh	8.Lack of training to rural women entrepreneurial members of SHGs					
Q_17_4Bi	9.Lack of transportation for marketing the products					
Q_17_4Bj	10.High production and marketing cost					
	V PSYCHOLOGICAL AND PERSONALITY DEVELOPMENT PROBLEMS	5	4	3	2	1
Q_17_5a	1.Lack of urge for learning new information about entrepreneurship					
Q_17_5b	2.Afraid of failures and business risk					
Q_17_5c	3.Gets discouraged easily					
Q_17_5d	4.Low self-esteem					
Q_17_5e	5.Lack of confidence to deal with business situations					
Q_17_5f	6.Lack of confidence to go alone to the bank for loan and money transactions					

Q_18 How do you rate the following empowerment after the use of credit from Banks, NGOs and MFIs?

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

A. Social Empowerment

	Social Empowerment	5	4	3	2	1
Q_18_1a	1. I have a better social acceptability					
Q_18_1b	2.I have better contacts with outsiders (Bankers, Government officers, NGOs)					
Q_18_1c	3.I have no prejudice or class bias					
Q_18_1d	4.The society's attitude towards my products and services is positive					
Q_18_1e	5.I have a positive relationship with the workforce					
Q_18_1f	6.I have no conflicting gender roles					

Q_18_1g	7.I am not affected by gender inequalities					
Q_18_1h	8.I have better communication ability					
Q_18_1i	9. I have no cultural influences					
Q_18_1j	10.I have never encountered harassments in registering and operating my business					

B. Economic Empowerment

1. Household Economic Empowerment

i.)Acquired the following assets after the use of credit from banks and microfinance

	ASSETS	5	4	3	2	1
Q_18_2B1a	1. Land					
Q_18_2B1b	2. House					
Q_18_2B1c	3. Car/Jeep/Tractor					
Q_18_2B1d	4. Cycle					
Q_18_2B1e	5. Household Utensils & Equipments					
Q_18_2B1f	6. Jewellery					

ii.)Improvement in the Housing facilities in the house

		5	4	3	2	1
Q_18_2B2	Housing facilities					

iii.)Improvement in Food and Nutrition

		5	4	3	2	1
Q_18_2B3	Food and Nutrition					

iv.)Health Empowerment

		5	4	3	2	1
Q_18_2B4	Access and Use of Medical Facility					

v.)Education Empowerment

		5	4	3	2	1
Q_18_2B5	Improvement in Education of Children					

2. Entrepreneurial Economic Empowerment

	Economic Empowerment	5	4	3	2	1
Q_18_2Aa	1.I am satisfied with the financial access given by banks, NGO's and MFI's					

Q_18_2Ab	2.I have my own premises to run my business					
Q_18_2Ac	3.I have access to information to exploit business opportunities					
Q_18_2Ad	4.I have access to necessary technologies					
Q_18_2Ae	5.Adequate infrastructure is available to run the business					
Q_18_2Af	6.I have access to necessary inputs and raw materials					

C. Psychological and Personality Empowerment

	Gained Confidence	5	4	3	2	1
Q_18_3a	1. To talk to customers					
Q_18_3b	2. To buy raw materials					
Q_18_3c	3. To find new markets					
Q_18_3d	4. To increase the scale of business					
Q_18_3e	5. To solve problems					
Q_18_3f	6. To deal with regulatory bodies					
Q_18_3g	7. To go out alone to banks for loan and money transactions					
Q_18_3h	8. To go out alone to express views in public					
Q_18_3i	9. To go out alone to solve matters at home, business and society					

Q_19 How do you rate the prospects of SBLP and microfinance based on the following aspects of SBLP and microfinance?

5 = Very high, 4 = High, 3 = Neither high nor low, 2 = Low, 1 = Very low

		5	4	3	2	1
Q_19_1	1. Income generating activities					
Q_19_2	2. Skill development					
Q_19_3	3. Low rate of interest					
Q_19_4	4. Training and development					
Q_19_5	5. Quantum of loan amount					
Q_19_6	6. Better Accessibility					

Q_20 Any other problems or suggestions?

ANNEXURE III

Questionnaire for facilitators of Self Help Group Bank Linkage Programme and Microfinance (Rural Women Entrepreneurial Members of Self Help Groups)

Questionnaire for the officials of sample NGOs

1. How do you agree with the following problems faced by the NGOs in their linkage programme with the Self Help Groups?

Tick whichever is applicable

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

	5	4	3	2	1
1.Lack of adequate recognition of the Self Help Group formation efforts made by the NGOs in the regional linkage forums and meetings					
2.Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by rural women entrepreneurial members of SHGs					
3.Unregulated proliferation of self help groups in the operational area					
4.Demand for initial funding, subsidies and loaning pattern on par with Stree Shakthi groups by the rural women entrepreneurial members of SHGs of bank linked groups					
5.Lack of adequate co-operation from banks					
6.Interference of local politics and vested interests during the formation as well as operation of the groups					
7.Inability of the Self Help Groups to efficiently market their products and make profit					
8.Unilateral transfer of accounts					

by the Self Help Groups to another bank					
9. Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit					
10. Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs to run the enterprises					
11. Lack of interest and inability to learn about the operation of the Self Help Groups					
12. Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of Self Help Groups					
13. Lack of support and encouragement from the family					

2. Other Problems and Suggestions, if any (Please mention)

3. How do you rate the prospects of SBLP and microfinance based on the following aspects of SBLP and microfinance?

5 = Very high, 4 = High, 3 = Neither high nor low, 2 = Low, 1 = Very low

	5	4	3	2	1
1. Growth of SBLP and microfinance in terms of depth of the services provided					
2. Reaching the unreached areas					
3. More schemes and institutions to support SBLP and microfinance					
4. Single regulatory authority for orderly growth of SBLP and microfinance					
5. Penetration of insurance services among the rural women entrepreneurial members of SHGs					
6. Flexible rules and regulations of the SBLP and microfinance					
7. Technical Innovations					

Questionnaire for the officials of sample MFI

1. How do you agree with the following problems faced by the MFIs in their linkage programme with the Self Help Groups?

Tick whichever is applicable

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

	5	4	3	2	1
1.Lack of adequate recognition of the Self Help Group formation efforts made by the NGOs in the regional linkage forums and meetings					
2.Lack of adequate local infrastructure to initiate and sustain new enterprises undertaken by rural women entrepreneurial members of SHGs					
3.Demand for initial funding, subsidies and loaning pattern on par with Stree Shakthi groups by the rural women entrepreneurial members of SHGs of bank linked groups					
4.Lack of adequate co-operation from banks					
5.Interference of local politics and vested interests during the formation as well as operation of the groups					
6.Inability of the Self Help Groups to efficiently market their products and make profit					
7.Unilateral transfer of accounts by the Self Help Groups to another bank					
8.Multiple membership of the rural women entrepreneurial members of SHGs in order to access more credit					

9. Lack of dynamism and enthusiasm among the rural women entrepreneurial members of SHGs to run the enterprises					
10. Lack of interest and inability to learn about the operation of the Self Help Groups					
11. Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of Self Help Groups					
12. Lack of support and encouragement from the family					

2. Other Problems and Suggestions, if any (Please mention)

3. How do you rate the prospects of SBLP and microfinance based on the following aspects of SBLP and microfinance?

5 = Very high, 4 = High, 3 = Neither high nor low, 2 = Low, 1 = Very low

	5	4	3	2	1
1. Growth of SBLP and microfinance in terms of depth of the services provided					
2. Reaching the unreached areas					
3. More schemes and institutions to support SBLP and microfinance					
4. Single regulatory authority for orderly growth of SBLP and microfinance					
5. Penetration of insurance services among the rural women entrepreneurial members of SHGs					
6. Flexible rules and regulations of the SBLP and microfinance					
7. Technical Innovations					

Questionnaire for the officials of sample banks

Name of the Bank and branch

.....

1. How do you agree with the following problems faced by the Banks in their linkage programme with the Self Help Groups?

Tick whichever is applicable

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

	5	4	3	2	1
1.Unregulated proliferation and operation of the Self Help Groups in the operational area diluting the credit-worthiness of Self Help Groups and members					
2.Lack of adequate employment opportunities and income of the rural women entrepreneurial members of SHGs					
3.Low level of member literacy hampering the account keeping and thereby credit operations of the Self Help Group as well as the bank					
4.Sub-lending by some rural women entrepreneurial members of SHGs to money lenders at higher interest rates					
5.Prevalence of inactive Self Help Groups bank accounts due to the defunct groups					
6.Membership of the rural women entrepreneurial members of SHGs is not properly updated in the case of members leaving the group					
7.Unilateral transfer of accounts by some Self Help Groups to another bank					

8. Creation of multiple accounts by a single Self Help Group in different banks					
9. Banks hesitate to provide loans to rural women entrepreneurial members of SHGs due to non-maintenance of necessary accounts and records by them					
10. High transaction costs to the banks in financing a large number of small borrowers who require credit facilities in small amounts					
11. Banks consider lending to rural women risky because of their unconvincing entrepreneurial abilities					
12. Lack of dynamism and enthusiasm among the members of Self Help Groups to run the enterprises					
13. Lack of interest and inability to learn about the operation of the Self Help Groups					
14. Lack of co-operation from the rural women entrepreneurial members of SHGs in the operation of Self Help Groups					
15. Lack of support and encouragement from the family					

2. Other Problems and Suggestions, if any (Please mention)

3. How do you rate the prospects of SBLP and microfinance based on the following aspects of SBLP and microfinance?

5 = Very high, 4 = High, 3 = Neither high nor low, 2 = Low, 1 = Very low

	5	4	3	2	1
1. Growth of SBLP and microfinance in terms of depth of the services provided					
2. Reaching the unreached areas					
3. More schemes and institutions to support					

SBLP and microfinance					
4. Single regulatory authority for orderly growth of SBLP and microfinance					
5. Penetration of insurance services among the rural women entrepreneurial members of SHGs					
6. Flexible rules and regulations of the SBLP and microfinance					
7. Technical Innovations					

