

CONCLUSION, SUGGESTIONS AND LIMITATIONS

6.1 Conclusion: Micro-finance if used appropriately can be the fuel to drive the engine of women entrepreneurship in marginalised sections of the society which could lead to run the train of women empowerment and economic growth in India. Basic objective of this study has been to check the impact of Microfinance on women entrepreneurship of SHG and JLG members. The sub objectives have been to study the socio economic conditions of these women, functioning and sources of finance of SHG and JLG group members and impact of Microfinance on them.

The socio economic conditions of JLG members are better than SHG members, these women are on average younger, comparatively more educated, more from general and ST category, their average size and value of land is higher, more involved in business like activities rather than agriculture, decision of spending household income is taken with their husband jointly or by their own which is not in case SHG members.

Most of the times meetings are called by NGO (in case of SHG) and MFI (in case of JLG), the agenda of meeting of JLGs are always common but in case of SHG meetings sometimes the agendas are specific also. Most of the times NGO motivate women to join SHG but in case of JLG both the MFI and members are the motivators. NGO encourage the SHG members for saving while the MFI encourage the JLG members for investment. Subsidy and low interest loans are the main drives behind joining SHGs but establishment and running the enterprises are the main drives behind joining JLGs. Frequency and types trainings is higher in JLG groups and their members also find it more fruitful.

SHG inter-loaning and Banks are the major and favourite sources of loan for SHG members while Microfinance institutions and cooperative societies do the same work for JLG members. Close location (for SHG members), low interest rate, easy procedures and no formal requirement (for JLG members) are the factors behind these favourite sources of loaning. Financial decisions to take loan and utilization of loan, for majority of SHG women husband play key role, but for majority of JLG women they themselves are the main decision takers and users with or without help of their husbands.

In the last years there is a substantial increment in initial and present investment of SHG and JLG members i.e. on average approximately 5 & 10 times respectively in absolute money term (without normalization of inflation and time value of money impact), it shows a positive correlation between member's association with the groups and growth in business. In terms of source of present invest in business, in case of SHG member's ratio of surplus from agriculture and non-agriculture has increased while of JLG member's ratio of personal saving has increased, this again shows the association between joining the group and rise in their savings. Profits from the enterprise of JLG members are higher in comparison of SHG members. Lack of fund and guidance is still the problem of both the group members in order to do business, though more of SHG members.

Majority of JLG members feel improvement in their economic condition after joining the group but majority of SHG members does not feel so. The betterment in economic condition came mainly in the form of business expansion, increase in food consumption, improvement in house, purchase of productive asset (in case of JLG member) and better clothing (in case of SHG members). Improvement in economic condition of JLG member is more of enterprise expansion and capital & asset growth nature while of SHG members it is more in consumption and fulfilling the basic needs. Members do not feel much upliftment in their social status, and they find reason of this is their low education level and socio-economic condition.

6.2 Suggestions: The data collection was done through Interview schedule. During the field work observed many types of problems for SHG and JLG members and suggested the following suggestions, for the development of JLG and SHG members effectively in Dausa District of Rajasthan State of India. Followings are the brief suggestions based on the study:

1. Lack of funds is the most common problem faced by both types of group members in area of the study. So, more funds should be disbursed but it should not be done in isolation. It should be properly backed by training and guidance. If enough funding is backed by the proper training it will ensure the success of these micro and group lending objectives. Subsidy may be a big support for deprived and marginalised SHG members. But, a mechanism should be ensured to avoid its misuse and it should be given to the needy members rather than the greedy members.
2. On the basis of field observations, it is found that the loans should be given to JLG and SHG members as per their entrepreneurial requirements, but not as per targets of banks

and MFIs. A woman/person should not get membership of more than two such groups to avoid the vicious circle of debt trap.

3. Women should not be a member more than two groups for a loan and saving because it may be reason for vicious circle of debt trap.
4. Monitoring and training mechanisms must be strengthened. The training programs are the most important factor to the successful of microfinance so training should be compulsory for every SHG and JLG. Government officials, NGOs and micro-finance institutions should provide many types of training, related to their enterprise before they provide credit and they should also constitute a committee to watch these members if they face any problem or hurdle in their business. After that they should also provide supporting price and market for their outputs, by this they can minimize to their risks.
5. Since micro-finance programs are aimed at meeting the credit needs of low income groups for supporting micro-enterprise in the rural areas. Therefore, the emphasis must be on low income SHG group members than the higher income group members.
6. Some people of general categories who are in has poor economic conditions, they want to raise their income through micro-finance but NGOs and other micro-finance institutions do not pay proper attention on these people so they are deprived of micro-finance benefits. So here it is strongly recommend that they should be included in JLGs and SHGs.
7. The total microfinance outstanding per customer to be capped at Rs. 50,000 and limit the loan from not more than 2 MFI providers.
8. Interest rate of the MFI and other financial Institutions should be lower because, it is the responsible for lower performance of JLG and SHG members also and further the group members go into the secure debt trap.
9. Male and female members should not be put together in the same group because, in this situation the male members of the SHG and JLG play a dominant role in the group and women enter in to marginalized situation.
10. All the members of one SHG should be equal a social and economic background because of the functioning: therefore it will be easy for the group and conflict will not be occurred. All interests will be the same of the all members of groups.
11. It is most important that the participating banks in SHG activities should take up the task of nation building and give generously, their time, technical know-how and resources for

- low income group people. They cannot focus only on avoiding risks. For that the bank should not focus on earning more interest through the loans of low income group people.
12. Activities should be regulated by RBI guidelines for NBFC-MFIs and Fair Practice Code suggested by RBI. Further backed by Microfinance Industry Association (Microfinance Institutions Network –MFIN) and Sa-Dhan's Code of Conduct for MFIs in India
 13. There is an urgent need to further streamline the procedure for applying for, seeking and releasing of credit from the banks. The procedural difficulties are one of the major impediments. Therefore, the procedure for credit access by women should be made more easy and simple.
 14. Accountability should be further insured to the MFIs, NGOs and group members also and further should be time to time.
 15. There should be timely release of funds and its channelization to the concerned departments and agencies. The delay in allotment of funds and their release should be discouraged and taken it seriously by the high level authorities. There is also need for timely and quick approvals of activities are suggested.
 16. Government should promote micro-credit systems only when they are linked to social mobilization and women empowerment. The government agencies should not be involved in mobilizing communities themselves. This task should be left to the good NGOs and local facilitators. The government and financial institutions should concentrate on training and capacity building on financial matters of the groups.
 17. Social entrepreneurship should also be promoted by the government because it is very important for the poverty alleviation, Inclusive growth, sustainable development and equal distribution of income.
 18. The SHG members should be inculcated the feeling of collective development, social harmony and active role in development process and governance. The members should be mentally prepared for starting income generating activities and their sustainability.
 19. The guidelines must be made more transparent and government should remove the corruption if any at the time of allotment of funds (credit and subsidy).
 20. Subsidy may be a root for improvement of SHG and JLG members, but from time to time auditing is very important for them, because the most of members may misuse of subsidy and enter into the debt trap.
 21. Government should provide sufficient and timely loans to SHGs in the form of CCL, because, many SHGs are waiting for CCL from many back years as it has been seen that

only 13 percent SHGs have succeeded in getting CCL and no doubt it is very less according to their needs. These members also want more share of subsidy of on their credit.

22. There should be some written rules about how to manage and how to get SHGs function in a better way. Because, due to lack of rules many members become confused what they have to do actually and especially when any member is not timely depositing the saving on time and is defaulting.
23. Government officials, NGOs and micro-finance institutions should be organized; organized awareness programs about government schemes facilities and suggest plans for SHG and JLG members.
24. SHG members should be allowed to keep their surplus fund with the group in the form of voluntary savings.
25. Cash credit/overdraft system of lending for SHGs should be sanctioned to enable SHGs to be flexible in meetings their frequent needs and help them to reduce the cost of borrowing.
26. SHG members who are in a position to expand economic activities that require higher levels of loans may be allowed to borrow loans from JLGs within SHGs.
27. Risk-mitigation systems (such as self-rating tools and SHG-level audits) are to be introduced to strengthen the bankers' confidence in SHGs.
28. Well-functioning of SHGs and NGOs may be engaged by banks as BFs.
29. Loan size should be increase upto Rs 35,000 in 1st cycle; Rs 50,000 in subsequent cycles.
Tenure must not less than 24 months when loan amount is more than 15,000.
30. Repayment frequency should be weekly/ fortnightly/ monthly at the borrower's choice; moratorium must not be less than the frequency of repayment (or one installment).
31. Interest rates charged by an NBFC-MFI to its borrowers will be the lower of the cost of funds plus 10% for large MFIs (Portfolio > Rs 100 crores) and cost of funds plus 12% for the others (Portfolio < Rs 100 crores), or the average base rate (as advised by RBI) of the five largest commercial banks by assets multiplied by 2.75 (Currently around 27.5%). This ensures that since the interest rate is capped, the only way in which an MFI can make more profits to improve its own efficiency and lower its operating costs.

6.3 Limitation of the Study:This study covers the respondents only from SHGs and JLGs who are working in the district and one NGO (Saheli Samiti) and one MFI (Ujjivan Macro Finance). There are so many other NGOs and MFIs are working in Dausa district of Rajasthan.

During data collection, some of the members of SHGs and JLGs were not cooperated by providing me the information/data as per the requirements of the study. NGOs and MFIs advise their members not to share their information to the outsiders directly. But, with help of NGO and MFI members, the primary data was collected and updated successfully.

The area of the present study is Dausa district of Rajasthan. The study concentrates on one NGO that is Saheli Samiti and one MFI that is *Ujjivan Microfinance* which are spread and working in Dausa District. This study only focused on SHG and JLG women. The sample size is 100 from SHG and 100 from JLG. Furthermore, the banking system and system of local governance in Dausa district has many limitations, such as corruption and lack of transparency in power structure. The data have been treated with caution, taking into consideration the local context in which the respondents are involved. The researcher has used the most appropriate simple statistical tools like average, percentage, frequency, variation, figures etc. for the analysis of this study.
