

Hand in Hand India

Chennai



Final Report

Impact Evaluation of “WOMEN EMPOWERMENT PROGRAM”

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Executive Summary

Hand in Hand India has been extensively focusing on creation of sustainable livelihood activities by empowering women through a host of initiatives ranging from providing skill training to creating market access and aiding the members in financial literacy. Over the last few years Hand in Hand India with the support of Forum Seed Trust (FS7) and other funding agencies have emphasised on creation of women led sustainable micro enterprises by training them on the operations of business in addition to skill training in the districts of Kancheepuram, Ramanathapuram, Chengalpetu in Tamil Nadu, Jodhpur and Pali in Rajasthan and Indore, Dhar, and Dewas in Madhya Pradesh. This study has attempted to examine the performance of selected SHGs and to assess its impact, especially the impact of the micro credit programme on empowering women. Given the heterogeneous nature of the regions considered a comparison of the performance across the three regions has not been attempted as they were focusing on different activities for enhancing livelihood options and some being organised at different periods of time. However, the creation of women led sustainable micro enterprises by training them on the operations of business in addition to skill training has been the major goal of the SHGs.

We employed a sample survey following a cross sectional design in the quantitative phase. The basic unit of our analysis is the SHG member individual. Our data collection and analysis was carried out in two different levels: (i) individual level in-terms of awareness and (ii) individual level use for socio-economic benefits. Further we conducted focus group discussions (FGDs) after the initial analysis of the data collected through questionnaires at all the locations.

We find that the target age group is widely heterogeneous across the regions. SHGs have been extremely effective in creating the habit of savings among the rural poor and mobilising it for common good. The respondents who completed primary school education were high in the overall sample, while the respondents who completed higher secondary school education were high only in Madhya Pradesh. The evidence from the field reveals that the respondents who had agriculture as their main occupation was high

overall, while, tailoring was high in Rajasthan and Madhya Pradesh. Most of the SHG members prefer the source of loan through SHG rather than an external source (external source includes loan from Hand in Hand or Belstar).

About 88% of the SHG members surveyed have witnessed an increase in income in the last three years which also includes income generated through savings in interest payments on loans taken from informal money lenders. In addition it is observed that livestock and tiny enterprises were the main contributors. Majority of the respondents have undergone skill training, with about 85% of the respondents having undergone at least one skill training.

Though skill training has been high, only 13% of the members in the entire sample have created enterprises. This seems to be low given the high levels of loan advancements and awareness programs conducted for the SHG members. Majority of respondents who linked their business with enterprise hubs were in Rajasthan and Madhya Pradesh. Our field visits indicated that Tamil Nadu has the lowest (%) hub linkages. On the whole we find that the linking of businesses with either hubs or other businesses is low, which limits the market for the entrepreneurs. Discussions revealed that the training was limited in terms of the number of days and on the variety of skills. This hampered employment and diversification especially for the younger age groups with limited educational qualifications. We also found that the overall household consumption expenditure was low (%) and just above the poverty line in many cases. This meant that the main purpose of internal loans is consumption smoothing. In spite of this, we found that the use of loans for income generating enterprise creation was very less (%). Overall asset creation was less, however, there exists regional variation. One of the reasons for low asset creation is low savings as respondent's had a monthly savings around Rs. 100-200.

All the respondents have undergone training on health and sanitation rights were, followed by Environmental rights and Women's Rights. Respondents were able to take actions when they undergo harassment in any form from the knowledge of rights. We

also observed that respondents from Rajasthan and Madhya Pradesh were relatively self-empowered better compared to Tamil Nadu requiring higher attention.

Acknowledgements

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Abbreviations

HiH	Hand in Hand
SHG	Self-help Group
FGD	Focus Group Discussions
CLN	Cluster level network
BLN	Block level network
IC & SR	Industrial Consulting and Scientific Research
NGO	non-government organization
PMGSY	Pradhan Mantri Gram Sadak Yojana
FS7	Forum Seed Trust
LM	Läkarmissionen
ToC	Theory of Change
ToR	Terms of Reference
PG, UG, IT	Post-graduate; Under-graduate, Industrial Training
MF	Microfinance
FAO	Food and Agriculture Organization
NABARD	National Bank for Agriculture and Rural Development

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Chapter – 1 Introduction

Enabling a sustainable livelihood with possible regular cash flow is considered a key parameter for moving the vulnerable population out of poverty and for assessing societal development. One of the method to ensure sustainable livelihood is empowering women and to promote creation of a women led micro enterprise to suffice the regular cash flow requirement. Though NGO backed microfinance institutions started with the initial emphasis of providing credit, it has moved a couple of notches upwards from providing just credit. The subsequent stage of 'credit plus' focused on equipping the women beneficiaries with various forms of training including skill and business in addition to providing credit. Further research has documented that a mere provision of skill training does not ensure cash flows to the household as their opportunities to utilise the skill gets limited given the household constraints within which the women operate. While there has been some benefit for rural households due to 'credit plus', the benefits are still less than the desired level of outcomes in most of the clusters. The villages adjoining highway or for villages which are within accessible limits to a nearby town the benefits derived from the 'credit plus' programs are high, whereas for the villages which have restricted access both in terms of infrastructure and also proximity to market, the benefit derived from such skill training is farfetched. Given a high degree of correlation between the economic progress of a country and regular cash flow to a household, there are regions which have over-performed relative to their peers in providing sustainable livelihood. Though the effort is India through various schemes such as "PMGSY" has been to connect every village with an aim to provide easy access, the relatively lower public infrastructure in terms of transportation poses a serious challenge for benefiting from the skills provided. It has also been documented that the gap in accessibility arises out of the differences in factors such as income, location, gender and age. Further, it may also be noted that women are less inclined towards utilising skill sets that requires them to travel out of their household or village.

It is imperative that enhanced social progress across the world will be driven by increased access to sustainable livelihood options. A higher overall social progress could be achieved by overcoming the regional differences regardless of the social status by increasing the awareness and creation of sustainable livelihood opportunities. While bridging the existing gap is by creating livelihood options for women leading to greater social progress, it is essential to build the corresponding human capital for its optimal use. Sustainable livelihood options can be created if people have options for regular cash flow which is enabled through creation of women led microenterprises.

Given this background the third version or the current emphasis of microfinance is not just 'credit plus' but to ensure creation of microenterprise or a hub where the skills can be utilised. Empowering women and creation of microenterprise involves creating market access both for the inputs as well as the output in addition to aiding them in financing such enterprise. Though there has been an emphasis on promotion of women led microenterprise to aid development across various dimensions of society spreading across businesses, there exists a divide in terms of cost, quality and market access.

The Project

Hand in Hand India has been extensively focusing on creation of sustainable livelihood activities by empowering women through a host of initiatives ranging from providing skill training to creating market access and aiding the members in financial literacy. Over the last few years Hand in Hand India with the support of Forum Seed Trust (FS7) and other funding agencies like Läkarmissonen (LM), have emphasised on creation of women led sustainable micro enterprises by training them on the operations of business in addition to skill training in the districts of Kancheepuram, Ramanathapuram, Chengalpetu in Tamil Nadu, Jodhpur and Pali in Rajasthan and Indore, Dhar, and Dewas in Madhya Pradesh. The primary objective of the initiative is to create a women led social or micro enterprise or creation of a micro hub in addition to providing market access. The intervention is also expected to enable them to use locally available skill sets to carry out their business/enterprises. Further, the project is also expected to aid the women in

accessing information on the key social and economic welfare schemes of the Government specific to women and youth, for which promoting awareness would be extremely beneficial. In this evaluation the overall long term benefits derived to the targeted women beneficiaries and their immediate families are captured both with the use of qualitative and quantitative data. The study critically evaluates the primary components of the SHG program and aids in identifying gaps between the expected outcomes and actual outcomes achieved both in terms of empowering women and also in creation of a sustainable livelihood option. Based on the field observations and data certain key recommendations have also been provided which could be region specific in order to better enhance the benefits that can be derived from such programs. The study documents the key aspects that has led to both positive and negative changes in the life of the women beneficiary and their respective families.

The Context

An important question that emerges in the context of these interventions is that: How can one make the claim that this intervention or programme actually leads to lasting changes? This can be explored through the Theory of Change (ToC). As the name suggests, a ToC is the thinking behind how a particular intervention will bring about results. The process for developing a ToC usually starts with asking the question 'What is the long term goal or outcome?' Once this goal has been identified, the next consideration is: 'What conditions must be in place to reach the goal?' These necessary conditions would then be shown as outcomes on the Theory of Change pathway, underneath the long-term outcome.

In a ToC the preconditions (otherwise known as 'outcomes') leads to the achievement of the long-term outcome. Early outcomes must be in place for intermediate outcomes to be achieved; intermediate outcomes must be in place for the next set of outcomes to be achieved; and so on. Not only does the ToC show the outcomes/preconditions, it also outlines the causal linkages in an intervention between the shorter-term, intermediate, and longer-term outcomes.

We observe that the final or long term goal of forming SHGs and training the SHG women is to alleviate them out of vulnerability and empowerment. We observe that formation of SHGs groups leads to two immediate benefits one in the form of building social capital for the women and her family and secondly in the form creating an opportunity to save. This is the starting point of the causal linkage chain. The subsequent outcome, is the enhanced self-confidence and awareness that has resulted from training as well as interactions among members and Hand in Hand staff. Further we observe that it has resulted in benefits such as: (a) better educational opportunities for the family, (b) easier access to finance (c) better healthcare opportunities due to enhanced awareness (d) skill development and (e) opportunities to engage in income generating activities, (f) reduced vulnerability and (g) welfare of the community and surroundings. Further we also observed that forming groups and encouraging them has also led to better use of public goods. This in our view that led to increased empowerment, especially of women.

Empowering women can result in increased household welfare and more vibrant local economies. This is further strengthened if the empowerment aids in creating sustainable positive cash flows to the family supported by the women. Empowering women through skill and creation of opportunities to utilize such skill for a livelihood activity is key for engaging with their local communities. This empowerment is essential for investment in appropriate and transformative local infrastructure which could accelerate progress for gender equality and women's economic empowerment. Training women, providing them market access and initial finances not only increases growth, but also helps in gaining decision making power in the family reducing the income gaps between men and women.

HiH focuses on a gender-sensitive intervention that has the potential to be significant driver of women's economic empowerment. The programme uses a variety of interventions in the form of training women engaged in micro, small and tiny enterprises creating market access, providing them initial finances, etc. Access to market and creation of prudent women led microenterprises are expected to increase incomes of low-income population and help them move out of poverty.

Rationale for end of the Project Evaluation

Although internally there has been continued monitoring as well as base line survey coupled with midline project survey, it is felt that in order to have an unbiased assessment of the benefits achieved given the scale and coverage an independent assessment would be appropriate. The evaluation is expected to assess the performance of the project with specific reference relevance and design, efficiency, effectiveness, sustainability, potential for impact and scalability. The assessment is expected to present the best practices for possibly enhancing the scheme or for implementing in other districts / stages. The findings of the evaluation will also help in assessing the macro level gains in terms of benefits at the personal, social and economic levels. The specific objectives of the evaluation can be listed as follows:

- To evaluate whether the training modules, materials aid in capacity building to the SHG members;
- To measure whether the business development, financial and digital literacy training developed the women entrepreneurs' capacity and business acumen;
- To assess whether the women's ability to access credit support and market linkages have developed, and also to know whether these women have fully utilized the loan for creating/strengthening the enterprises;
- To assess the impact and overall development in the livelihood (increase in the incremental income and asset creation) of the SHG members;
- To study the change in communities' capacity to organise themselves around community development and claim basic rights.

Project Scope

The assessment involved a mixed method approach in addition to control group comparison. The assessment was carried out at five levels. As a primary step an exploratory field visit was conducted at one the study locations to have an unstructured discussion with both the women beneficiaries as well as with the field staff of Hand in Hand India who interact with the women on a regular basis. The second step involved

assessing the details of various training administered, by identifying the input provided and expected output for each of the modules. At the third level a primary survey was conducted involving collection of both qualitative and quantitative data from a sample of women who are members of SHG formed by Hand in Hand India and have been the recipient of such benefits from Hand in Hand India. The scope involved administering the questionnaire to a pre decided sample of beneficiaries who have been part of the intervention within the last four years and have been part of the SHG formed under the aegis of FS7 and the projects implemented in Madhya Pradesh. The sample was based on location and the number of SHGs and women covered as indicated in the terms of reference. The sample covered all the project districts and across identified demographics where intervention was carried out. The fourth stage was based on the analysis of the responses to the questionnaire. At this stage the investigators conducted range to focused group discussions (FGD) to validate the findings and also document key qualitative issues accruing to the beneficiaries. The findings of the focused group discussions and the survey responses form the basis for this report. The fifth stage involved obtaining the data from the sample of the control group where in members who were not part of the initiatives covered in the study and for whom similar initiatives for creation of women led micro enterprises were initiated. These groups were older groups and have been part of a SHG for many years and have also undergone training and initiation of creating a hub or a micro enterprise. A sample was chosen from this group and the same questionnaire was administered to a sample of respondents. Further based on the data, FGDs were conducted for these groups also. This enabled a holistic comparison of the benefits, the way forward and the growth path of interventions in the years to come.

Organisation of the report

Chapter 2 provides the sampling methods and methodology adopted to collect and analyze the data both for the study group as well as the comparison group and the causal links. Chapter 3 provides the socioeconomic profile of the participants in terms of their age, occupation, family income, expenditure, etc. The impact on the beneficiaries in terms

of increase or decrease in income, assets and consumption expenditure are discussed in chapter 4. This chapter further throws light on how each of these training aids in empowering women and creating a sustainable livelihood. Chapter 5 focuses on empowerment and autonomy and the social benefits derived through such empowerment of women are discussed. The findings of chapter 4 to 5 are also corroborated with the help of qualitative factors documented during the FGDs. Further the chapters also describe the findings both for the study group as well as for the comparison group. Chapter 6 documents the summary and describes the key findings and suggests recommendations for a way forward.

Chapter – 2 Sampling and Methodology

Design of our Approach

The design for evaluation of this study is based on a combination of body of knowledge related to studies on impact assessment and evaluation of development interventions. Further, specific steps have been evolved in the context of the intervention of promoting micro entrepreneurial activity through SHGs, a dip stick pre-evaluation field study and practical considerations based on discussions with field personnel of Hand in Hand in Hand India.

Identifying the key aspects of intervention and the Anticipated Benefits

Given the scope of a component in the on-going intervention of forming SHGs and promoting entrepreneurial activity which has covered 12,143 SHGs and 152,111 women beneficiaries across three states viz. Tamil Nadu, Madhya Pradesh and Rajasthan, the possible benefits could be both tangible and intangible. Secondly these benefits could be short term or initially slow to accrue but with a potential for sustained benefits which could be long term. Keeping these parameters we arrived at the following three broad aspects to study the possible impacts on:

- Income, consumption and assets
 - Enhanced, sustained and regular income possibly through an enterprise creation
 - Change in consumption pattern especially enhanced spend on education
 - Creation of new assets linked to enhanced income
 - Enhanced savings linked to enhanced income
 - Benefits derived from training on financial decision making and financial literacy
- Enterprise formation and livelihood creation
 - Creation of micro-enterprise and livelihood activities including dairy and animal husbandry

- Skill and business training aiding in creation of micro-enterprise
- Capital mobilisation for the micro-enterprise
- Business linkages created for the entrepreneurial activity
- Creation of a sustainable value chain
- Reduction in alternate source of loan
- Empowerment and social impacts
 - Benefits derived due to knowledge and training on women's rights and other rights
 - Benefits of participating in community activities and gramasabha meetings
 - Self-empowerment & enhanced dignity within the household
 - Access to government schemes
 - Benefits derived by being part of a CLN and/or BLN

Methodological Framework

Based on two rounds of preliminary discussions with Hand in Hand (both top management and the field level personnel) which was followed by an exploratory field visit and meeting the beneficiaries in one of the study location (R S Mangalam in Ramanathapuram district) we developed our understanding about the nature of intervention. We adopted a multi-level mixed methods approach as the most appropriate methodology for this study by combining relevant qualitative and quantitative approaches in social science research (Creswell, 2003) and further corroborating it with the data collected from the comparison group.

Regarding quantitative approach our focus was on collecting numerical data from a sample which could be used to draw some generalized inferences across sections of the population. This approach was adopted both for the study group in multiple location as well as for the comparison group. However, such generalizations could bear the risk of over simplification, which is hedged with the use of qualitative data focusing on collecting information from the experiences/opinions of the participants. Mixed methods combine the elements of quantitative and qualitative research approaches in order to understand

the entire phenomenon. Both open ended and closed ended data were collected and analyzed. Mixed method gives an opportunity to study the socio economic issue from the view of participants/community. Following a sequential procedure beginning with quantitative method we supplement the analysis with qualitative data which helps in achieving generalization of the obtained results. The qualitative method aids in validating the quantitative output by way of identification of actual impacts. Quantitative study was further followed by case studies for validation. The overall summarised findings of both qualitative and quantitative approach was then compared with the data collected from the comparison group which was also followed a similar approach of both qualitative and quantitative data.

The sample for our empirical analysis was selected from all the districts where intervention was provided across three states and six districts viz. Tamil Nadu (Kancheepuram, & Ramanthapuram), Rajashtan (Jodhpur & Pali) and Madhya Pradesh (Dhar, Dewas & Indore). Further for the comparison group data, data was obtained from Tamil Nadu across three districts and seven blocks viz. Kancheepuram (Kancheepuram and Uthiramerur), Chengalpattu (Chitamur, Madhuranthangam, Thirukazhukundran, & Acharapakkam), Ramanathapuram (R S Mangalam) This enabled us to collect data following the replication logic, both literal and theoretical (Yin, 2013). In order to ensure literal replication, we chose the samples that are similar with respect to demographics and background. We anticipated different results from the dissimilar samples with respect to location, age and possibly educational background.

Causal Links

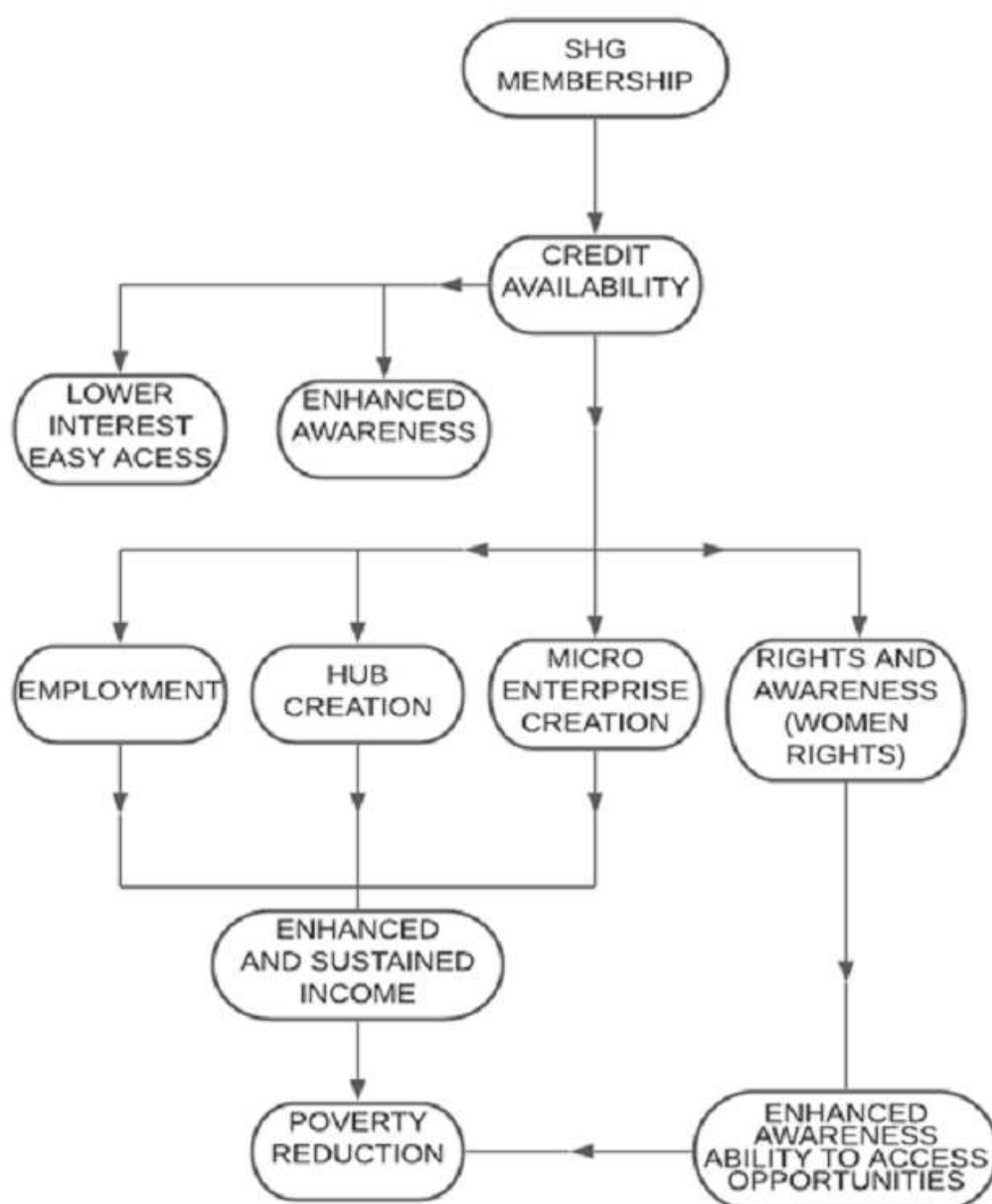
The causal links between being a member of a SHG and harvesting the benefits based on outcomes can be elucidated to indicate that being a member of SHG can lead to better livelihoods, and will enable the women to gain access to resources. However, given the significant variations in the functioning of SHGs, the training they have received and also the variation in the demographics of the participants, we will consider the important impacts both in terms of benefits that can be derived from being a member of a SHG and

starting an enterprise. Consequently, the conceptual framework is built on the premise of enrolling leading to benefits. In figure 2.1 below, the entire process, mapping the benefits based on being a member of a SHG is presented.

The benefits of just being a passive member of a SHG will be restricted to availing credit and enhanced awareness on women's rights or other issues which depend on the nature of the training. Whereas the benefits that accrue to a SHG member who has obtained skill training can be classified into two parts where in the first is just to utilise the skill such as tailoring or beautician for self as well as based on referrals on a low key without being very active. The second category of benefits accrue to those who have become members of a SHG, acquired a skill and have started a micro-enterprise based on the acquired skill. This is the group which stands to substantially benefit from such intervention. This group uses the available credit facility to the fullest for garnering capital for their enterprise, uses the skill to the advantage for creating a business opportunity from the acquired skill so as to ensure sustained cash flows. Further at times they also become a potential hub in connecting with the buyer or market and the other SHG women who have the skill set. They also indulge in further training other women in perfecting the skill before being inducted into the hub.

An individual can become a member of SHG, just contribute to her monthly savings and avail loan whenever she is eligible to avail for either supporting her family income or for consumption. Such members have two clear benefits, firstly it is the benefit of availing lower interest rates compared to grey market loan coupled with easy access to finance. The other possible benefit is due to the basic training the member receives on becoming a member followed by spill over effect from other active members. This is predominantly in terms of enhanced awareness of available government schemes or even the general awareness. Such women always has a "Go To" person for advice and guidance in the group in case of any issue or difficulty.

Figure 2.1: Causal Link



There are another set of members who have slightly higher aspiration as compared to members who have enrolled only for credit or consumption smoothening. These members actively seek for opportunities, training of both skill and business knowledge etc. Among the women who have obtained one of the forms of training there are again two types one who seek opportunities to earn utilising the skill and the other who avail opportunities which come their way. The second form are mostly driven by family

constraints. The women who intend to make use of their skill to ensure that there is an enhanced income and seek opportunities, create a hub wherein they are able to connect with the vendor for job order (example of shirt stitching in Madhya Pradesh) and in turn distribute the work to other members. Further some of them also use this opportunity to train other women in the skill, in short they employ the other members who have similar skill. In cases where creation of such hub is difficult they use the credit facility and with support from other members, or staff of Hand in Hand start a micro-enterprise which provides them an opportunity to use the skill they learnt for a sustained income. Either of these two activities lead to sustained income generation or cash flow and alleviation out of poverty. This group is further more participative in the larger community activities for betterment of the village or the region as a whole.

The findings and conclusions regarding the benefits of being members of SHG are based on the analysis of the responses to the questionnaires and the FGDs discussed in the subsequent sections of the report. Based on the figure 2.1, we attempt to explain the possible causal chain analysis. The discerned pathway helps to understand the benefits that a member can avail on becoming a member of a SHG.

Data collection procedure

For the impact assessment our data source was multi fold. At the first stage we used structured questionnaires to collect both quantitative as well as qualitative data from a sample of the population who were covered by the FS7 and identified program to form SHGs in the last four years. The survey data was validated by selecting another sample set from the same population which was not part of the survey for an unstructured interview followed by Focus Group Discussions (FGD) to supplement and validate the data obtained from the field survey. For obtaining data from the comparison group a similar approach was adopted to collect both data using a structured questionnaire from a sample of population who were not covered by these projects and were part of SHGs for over 5 years and have undergone interventions for creating micro-enterprises. Similarly FGDs were also conducted for this group to validate the data.

Sample survey

We employed a sample survey following a cross sectional design in the quantitative phase. Our survey instrument was developed with the help of literature, exploratory field visits and inputs received during discussions with the personnel who have been at the design and implementation of the initiative with Hand in Hand (HiH). Based on discussions with the project implementing team it was understood that the SHGs indicated in the ToR for impact study were formed in the last four years. Further it was also indicated that in the last four years the emphasis under both these projects implemented in Madhya Pradesh, Rajasthan and Tamil Nadu have been create micro entrepreneurs or hubs for entrepreneurial activity. Therefore it was decided to focus on participants who were formed into SHGs and have received the required intervention for possibly creating a micro enterprise in the last four years. Further there has also been an emphasis on these groups for wider benefits in terms of women empowerment as well as being part of Cluster level network (CLN) or Block level network (BLN). Another possible reason for eliminating the participants who were already part of SHGs beyond the last four years and not covered by these projects is possibly the relatively narrower focus for the beneficiaries covered under SHG earlier. Further for the comparison group the emphasis was strictly on groups which were older and were not covered by these projects.

The basic unit of our analysis is the SHG member individual. Our data collection and analysis was carried out in two different levels: (i) member level for assessing the awareness of the programs and benefits derived and (ii) SHG level to assess the socio-economic benefits.

Survey instrument

Questionnaire provides a way of gathering structured data from respondents in a standardized method. The data collected are generally numerical (a measurement) or can be represented numerically and can thus be analysed. It is often useful to include demographic data (those used to describe the population and its subgroups) such as age and occupation. Question types include: dichotomous questions (yes/no), multiple choice

(for example indicating what are the different assets they have acquired ranging from one to many). We followed the above principles in the design of our questionnaire. Further, attention was given to the wording of the questions themselves in order to maximize reliability. The questionnaire were administered in the regional vernacular language viz. Tamil and Hindi.

Focus groups

Focus group discussions (FGD) have attained unprecedented popularity with researchers. Their increasing use by researchers is due to the ability to access group norms and provide insights into the formation of views which cannot be so readily achieved via individual interviews. Additionally they often give facilitators the chance to observe how individuals within groups react to the views of others and seek to defend their own views (Somekh and Lewin, 2005).

Focus group studies generally employ either convenience or purposive sampling, neither of which produces a representative sample. Treating focus group data as if they can simply be aggregated and ‘multiplied up’ is to overlook the importance of group dynamics. Focus groups are not an effective way of measuring attitudes or, even, of eliciting people’s ‘real views’. This is because they are, fundamentally, a social process through which participants co-produce an account of themselves and their ideas which is specific to that time and place. This is why focus groups tend to veer towards consensus.

We conducted FGDs after the initial analysis of the data collected through questionnaires at all the locations. During the pre-study phase we conducted two FGDs in R S Mangalam followed by 16 FGDs for the study group at eight locations covering all the three states and seven regions viz. viz. Tamil Nadu (Kancheepuram, & Ramanthapuram), Rajashtan (Jodhpur & Pali) and Madhya Pradesh (Dhar, Dewas & Indore). Target audience for the FGDs consisted of women who were part of the SHG which were formed in the last four years which were part of the project under study. Each focus group had a strength of about 10-16. We audio recorded each FGD and took extensive notes. Further a similar

exercise was conducted for comparison group at all the three locations in Tamil Nadu viz. Kancheepuram, Chengalpattu and Ramanathapuram. For the comparison group a total of 5 FGDs were conducted.

Data sources and sampling

Our data sources for the quantitative study consisted of the entire population who were formed into SHGs in the last four years and covered by the FS7 and the project implemented in Madhya Pradesh. When time, costs and accessibility prohibit the collection of data from every member or about every item it is necessary to select a *representative sample* of the population, which is representative of the characteristics or attributes of the population. So judgements have to be made to ensure that the sample is as representative as possible by adopting a robust *sampling strategy*. It is usually possible to generalize findings from analysis of data collected from such a sample to the population overall.

As indicated earlier, the study was conducted in the districts of Kancheepuram, Ramanathapuram, Indore, Dewas, Dhar, Jodhpur and Pali where the SHG groups were formed in the last four years and all the necessary training and interventions for starting a micro-enterprise were provided. The specific villages that were covered for administering the questionnaire are provided in table 2.1.

A similar approach was adopted for collecting data from the comparison group. Questionnaire was administered to SHG members in five villages namely Eayanar Velur and Kalakattur, Visoor, Thandarai and Vyalakkavoor in Kancheepuram district followed by 12 villages in Chengalpattu district viz. Esoor Thonnadu, Poraiyur, Mazhuvankaranai, Chinnavenmani, Netrampakkam, Kattudevathur, Onampakkam, Thathalur, Annur, Karasangal and Veliyampakkam. Further FDGs were conducted in seven locations for the comparison group.

Table 2.1: Villages questionnaire was administered

Tamil Nadu		
Chinna Kancheepuram	Venkatapuram	Eganaampettai
Anna Kudiyruppu	Koyambakkam	Yerivaai
Ayanpettai	Karukkupettai	Vittavidadhai
Edayarpakkam (Mettu Colony)	Edayarpakkam	Gunagarapakkam
Selvizhimangalam	Kumarapakkam	Vanishwaran
Sadavinayagapuram	Ottavadai Street	Irular Colony
Thottam	Baal Chetti Chatram	AR Mangalam
Kooram Colony	Pillayar Palayam	Pulla Madai Road
Keezhaakottai	Jenveli	Indira Gandhi Street
Keezhaakottai	Vaaniyakkodi	Kattukudi
Kizharumbur	Suchchani	Sengaathidi
Azhumbur	Karungavayal	
Madhya Pradesh		
Magaspura	Nagda	Sonkatch
Rajasthan		
Shikarpura	Pabupura	Jariyasani
Roopavas	Kankani	Luni
Bittu		

In this context we chose *staged cluster sampling* as the most appropriate method for our data collection. According to the guidelines in literature when the population is large and widely dispersed it may be more appropriate to initially select subgroups such as geographical areas rather than randomly selecting from the whole population. This approach is known as *cluster sampling*. An extension of cluster sampling is *stage sampling* in which more than one level of grouping is used to generate the sample such as selecting a region, then a district, then starting year, etc.

Sampling strategy

Sample selection was based on a pre-determined set of process. For the study group based on the pre-decided reference period the sample was chosen from the SHGs who were formed into SHG group after 2016. The complete dataset consisted of 12,143 SHGs covering 1,52,111 participants were chosen for the impact evaluation. For the comparison group the dataset was large and wider covering 331 SHGs.

We have followed a *staged cluster* sample selection method to identify the sample for administering the questionnaire. The variables on which the cluster was formed were based on region, district, qualification age, type of enterprise, age of the enterprise, time of formation of SHG, and marital status (though many of it were not significant). A first cut analysis of these variables did not yield any conclusive pattern hence they were not considered. The first trial of cluster was with year of formation of SHG as a variable, and it was observed that there was no systematic pattern in the data related to year of formation of SHG, hence stratification based on year of formation of SHG was omitted. Similarly quantum of monthly savings, average age of member, type of enterprise also did not yield any clear pattern, there seemed to be huge variation in the types of enterprise or even entrepreneurial activity as well as awareness in terms of rights and benefits derived from all forms of training including skill training, for example in one of the villages in Tirupputkuzhi which was situated in the colony none had started any enterprise and further none had received any training or have any inclination for an entrepreneurial activity. Part of the reason for this could be lack of initiative or interest on the part of the members. If sample was chosen based on the type or enterprise or even formation on an enterprise or a hub it would be skewed towards specific region or specific groups where the interest of the members as well as market linkages were better resulting in biased results as the responses to the questionnaire would be based on partly memory recall. Hence this was also not considered for sampling.

The primary consideration for cluster formation was based on region of study irrespective of the kind of group or the number of years of group formation. Further data was also based on educational qualification. The sample data had qualifications classified as Professional, PG, UG, IT/Diploma, High School, High Secondary, Middle School, Primary School. Primary was considered as a single cluster as they were considered as participants with minimum education. Further High School and High Secondary were combined as the second cluster. Middle school was retained as an independent cluster, IT/Diploma and Professional were combined as another cluster as both are treated as skill based, UG and

PG were retained as independent clusters, but clustering based on education did not yield significant results. Therefore clusters were only based on regions. At this stage an attempt was made to further split the data based on occupation but this was dropped as there were some aberrations in the data set related to occupation. Therefore, clustering was based only on region.

Based on these clusters we adopted random sampling so as to arrive at a sample representing each of the cluster described. We restricted to choosing about 10 per cent of the sample from each group and this was cross verified using statistical methods for sampling. The number which we had decided was consistent under both the methods. Hence we finally arrived at administering questionnaire to about 400 respondents of which 300 from Tamil Nadu comprising of 200 from Kancheepuram district and 100 from Ramanathapuram district. This was followed by administering questionnaire to 50 respondents each from Madhya Pradesh and Rajasthan covering all the districts in these two states. To obtain a valid response of 400 the field staff administered questionnaire to around 450 respondents. Further for the comparison group the target was to obtain 300 responses from Tamil Nadu so as to ensure that the data size is comparable. Given the constraints expressed by HiH staff in accessing a few villages 266 valid responses were collected. Hand in Hand field staff coordinated in organising the respondents for the data collection process which was carried out by our staff. The data from the questionnaires were entered by our trained staff on spread sheets for analysing. Based on the pointers arrived at by analysing the responses, we conducted FGDs and in-depth interviews across districts/regions which formed the final stage. This is intended for confirming the empirical trends that emerge from the survey responses. The participant's responses and economic profile are discussed in the subsequent sections.

Chapter – 3 Profile of the Respondents

We provide a profile of the respondents, who participated in the FS7 project in Tamil Nadu and Rajasthan and the project under study at Madhya Pradesh along with a set of control group, that is, who are members of SHGs in regions other than the target area of these two projects. ‘Profile’ here refers to a certain section of people based on their characteristics. This is done by a set of ‘Demographic Questions’ which help to collect data from SHG members that can be used to differentiate and segment groups. These questions were intended to find out characteristics like, age, gender, location, occupation, educational background, profession, marital status, annual income, etc. All this data can be used to segment SHG members and obtain a better understanding of targeted section. Moreover, it also gives an insight into some hidden trends. Our intent is to provide detailed insights of the target population and their living conditions. As outlined in figure 3.1 this information is important in assessing the intended outcomes as programs are tailor made to suit the requirements of the target population. Based on this, some important decisions regarding the component and nature of future programs could be devised. For example, the nature and number of training to be provided in a village can be deducted based on the age and income profile of the existing SHG members. Similarly, many more insights can be obtained through these demographic questions.

Figure 3.1: Role of demographics

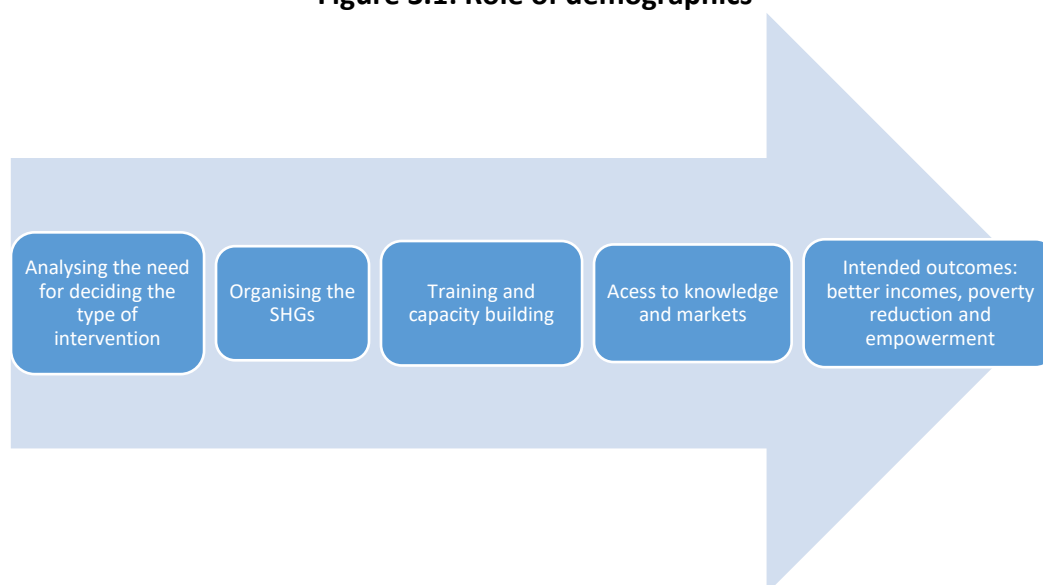
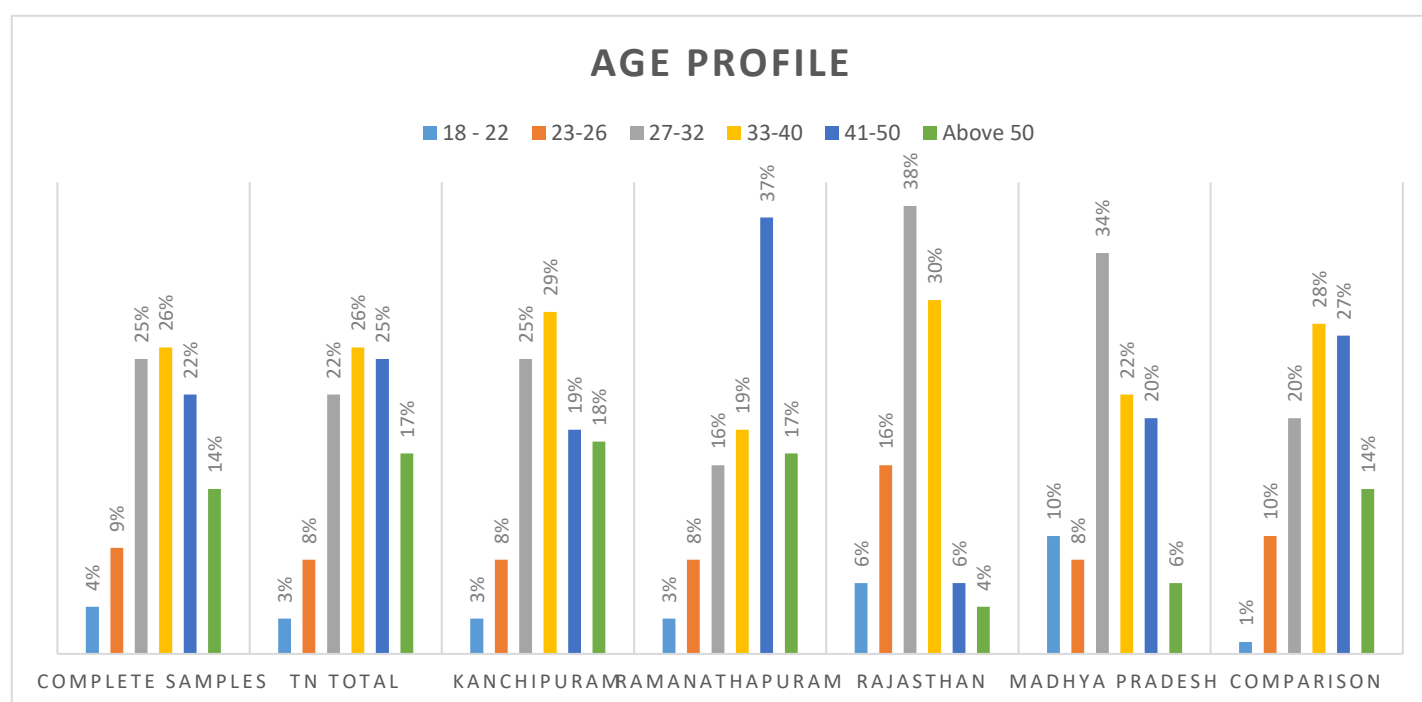


Figure 3.2: Age profile



We first present evidence on the age profile of the survey respondents to examine the targeting of the program. We find that the target age group is widely heterogeneous across the regions. Figure 3.2 reveals that the respondents in the age group 33-40 were high (26%) in the overall sample, while the age group 27-32 were high (38%) in Rajasthan and Madhya Pradesh (34%), the age group 33-40 were high (29%) in Kanchipuram, and the age group 41-50 were high (37%) in Ramanathapuram. The age group 18-22 is the lowest (3%) in Tamil Nadu as well as in (4%) Rajasthan and (6%) Madhya Pradesh. The comparison group was high (28%) in the age group 33-40, while the lowest (1%) age group was 18-22. Therefore, it can be concluded that the age group 27-32, 33-40 were more likely to be get involved in SHG activities, and the age group 18-22 were less involved.

Table 3.1 indicates that the respondents who completed primary school education were high (39%) in the overall sample, while the respondents who completed higher secondary school education were high (42%) only in Madhya Pradesh. The respondents who completed post-graduation were the lowest in Tamil Nadu while the respondents who completed UG/ Diploma were the lowest in (6%) Rajasthan and (12%) Madhya Pradesh.

The comparison group was high (46%) in completing primary school education while graduates were the lowest. The participation of women seems to be less among graduates while the women with primary and high school education were getting more involved in SHG's activities. As different age groups with different educational attainments require different training programs the above discussed age and education distribution could be considered for future programs, which could be tailor made for specific categories.

Table 3.1: Educational qualification of the respondents

Education	School						Total
	Illiterate	Primary	High	High sec.	UG/ Diploma	PG	
Complete Samples	47	155	109	61	13	15	400
	12%	39%	27%	15%	3%	4%	100%
TN Total	37	128	99	32	4	0	300
	12%	43%	33%	11%	1%	0%	100%
Kanchipuram	25	88	63	22	2	0	200
	13%	44%	32%	11%	1%	0%	100%
Ramanathapuram	12	40	36	10	2	0	100
	12%	40%	36%	10%	2%	0%	100%
Rajasthan	8	15	4	8	3	12	50
	16%	30%	8%	16%	6%	24%	100%
Madhya Pradesh	2	14	6	21	6	1	50
	4%	28%	12%	42%	12%	2%	100%
Comparison	29	122	82	31	2	0	266
	11%	46%	31%	12%	1%	0%	100%

In terms of income (figure 3.3), the respondents who earn in the range of Rs. 3000-5000 were high (37%) in the overall sample, while the respondents earning in the range of Rs.15000-20000 were high (28%) only in Rajasthan. Respondents who earn above Rs.20000 were the lowest (1%) overall. The comparison group was high (41%) in earning around Rs 3000- Rs.5000 while the respondents who earn above 20000 were the lowest (0%). This shows that most of the respondents were earning around only 3000-5000 and the role of SHG's are crucial in increasing their income.

Figure 3.3: Income profile

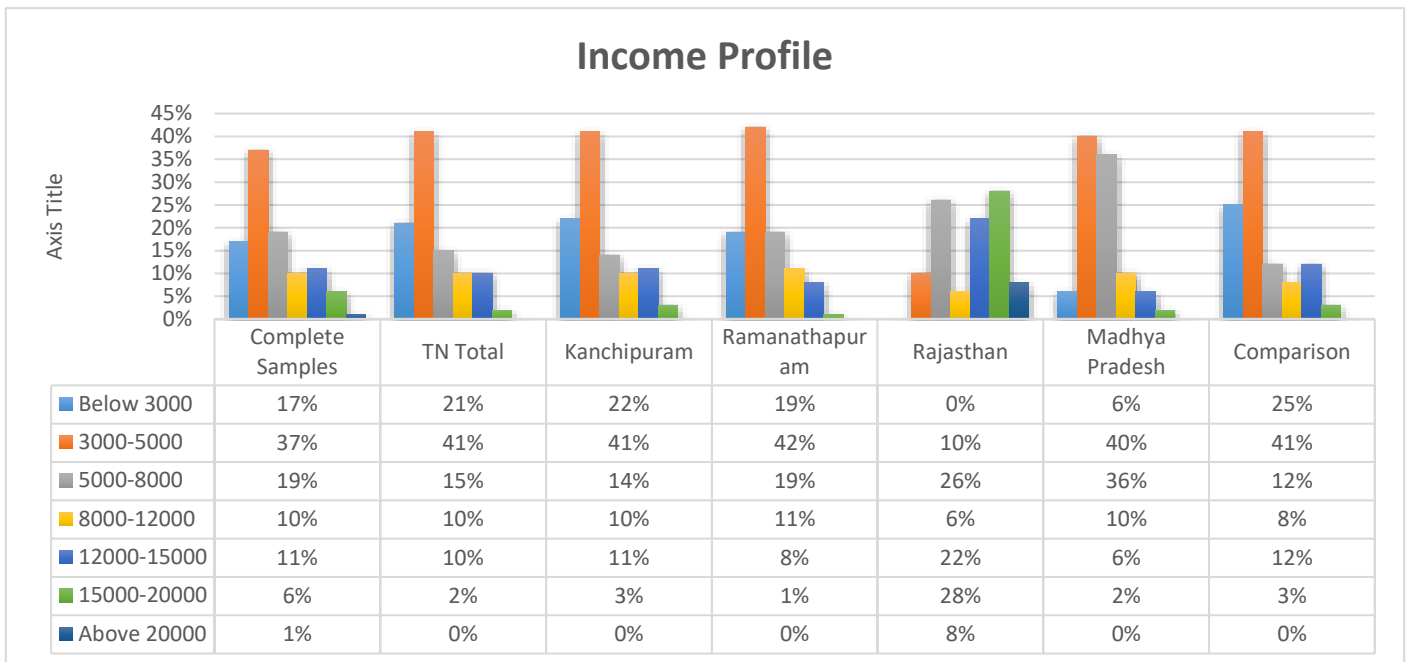
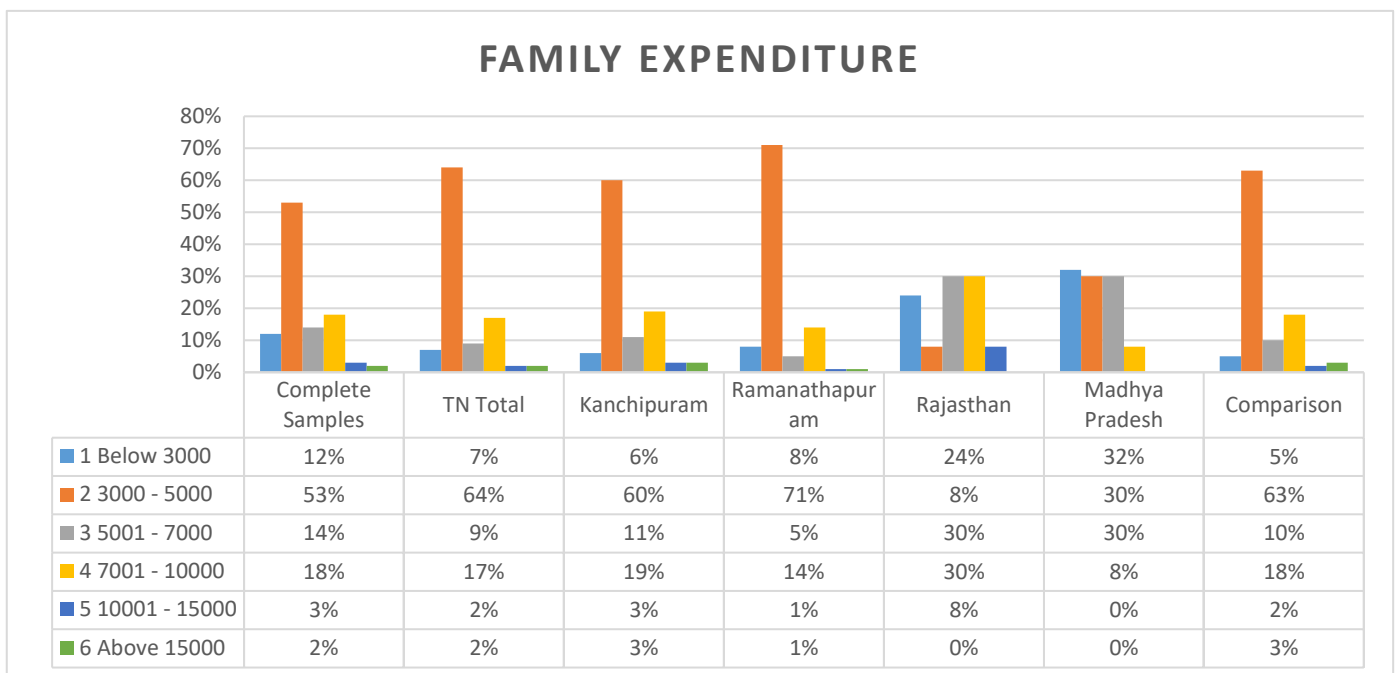


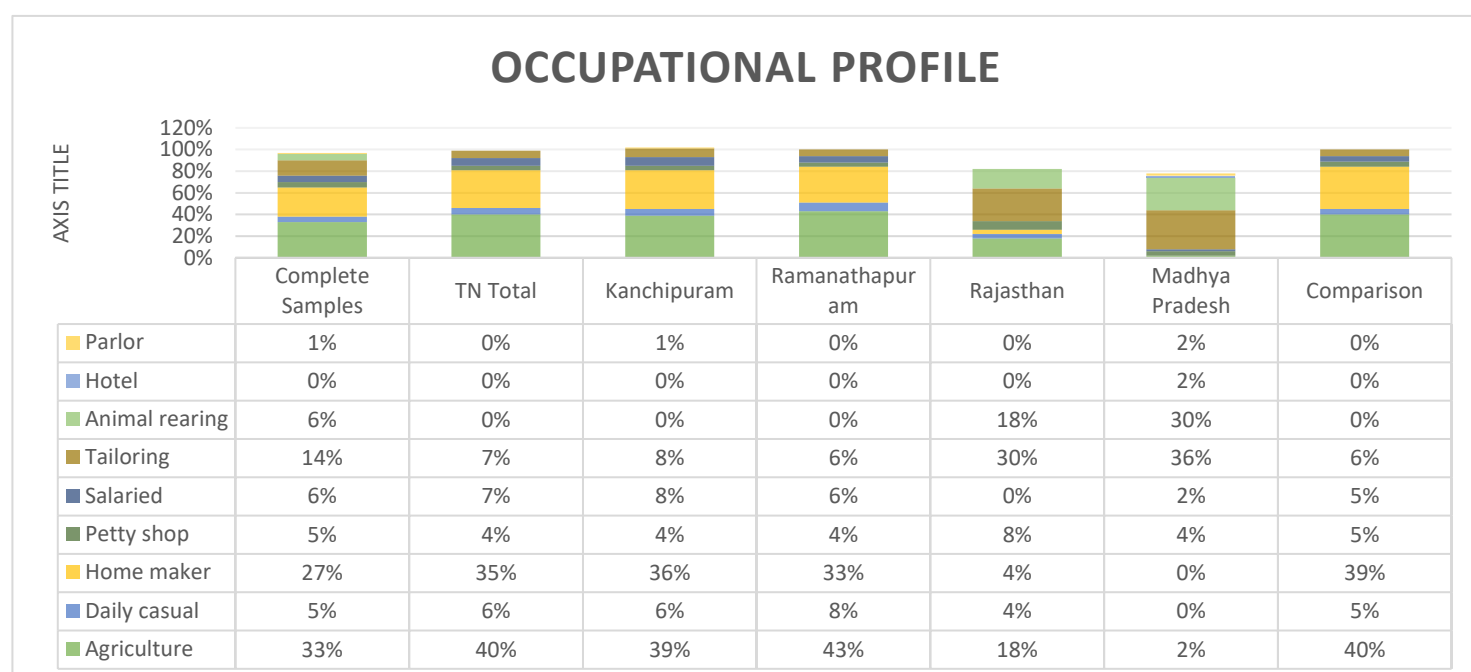
Figure 3.4: Family expenditure (monthly)



In line with the income profile, we find that the respondents whose family total expenditure (figure 3.4) in the range of Rs.3000- Rs.5000 were high (53%) in the overall sample, while Rajasthan was high (30%) in the range Rs.5000-Rs.10000 and in Madhya

Pradesh family total expenditure was below 3000 for a large section (32%). Respondent's having family total expenditure above Rs 15000 were the lowest (2%). The comparison group had the respondents high (63%) between 3000-5000 while the respondents who spend between Rs.10000 – 15000 were less (2%). It can thus be noticed that family total expenditure has drastic changes, Rajasthan and Madhya Pradesh are different from Tamil Nadu. Expenditure from Rs.3000-5000 is found to be common in Tamil Nadu. There exists possibilities for interventions to raise the expenditure of households by additional income generation.

Figure 3.5: Occupation of the respondents



The evidence from the field (figure 3.5) reveals that the respondents who had agriculture as their main occupation was high (33%) overall, while, tailoring was high in Rajasthan (30%) and Madhya Pradesh (36%). The respondents whose occupation was operating eateries and other parlours were less overall. The comparison group had the maximum respondents whose occupation was agriculture (40%), while the occupation of operating eateries was less. It can be concluded that the occupation were different in each region. Agriculture seemed to be more in Tamil Nadu but in North India, tailoring was the most common occupation. The narrow occupational base in the regions considered suggests

that there exists possibilities for diversification of occupation, especially in rural non-farm employment.

It can be inferred from table 3.2 that the respondents who have their own house were high (88%) in the overall sample while the respondents who resided in rented house were less (12%). The comparison group was high (84%) in respondents having their own house. These figures clearly state that most of the SHG members were living in their own house and from the few who resides in rented house were also building their own houses through SHG loans.

Table 3.2: Type of house

House	Own House	Rented	Total
Complete Samples	351	49	400
	88%	12%	100%
TN Total	254	46	300
	85%	15%	100%
Kanchipuram	173	27	200
	87%	13%	100%
Ramanathapuram	81	19	100
	81%	19%	100%
Rajasthan	49	1	50
	98%	2%	100%
Madhya Pradesh	48	2	50
	96%	4%	100%
Comparison	223	43	266
	84%	16%	100%

In terms of household appliances (figure 3.6), we find that the respondents who have television were high (99%) while music system and washing machine were the lowest (1%) overall. This also shows that Rajasthan (12%) and Madhya Pradesh (22%) were low in usage of cooking gas connection while Tamil Nadu is high (100%). In addition to that, usage of Refrigerator is high in Rajasthan and Madhya Pradesh while Tamil Nadu is less. The comparison group was high (100%) in respondents having a cooking gas connection while respondents were less in having a music system and washing machine. Therefore, we can

conclude that the usage of household appliances changes from north India to Tamil Nadu and the most common household appliance used was television.

Figure 3.6: Type of appliances

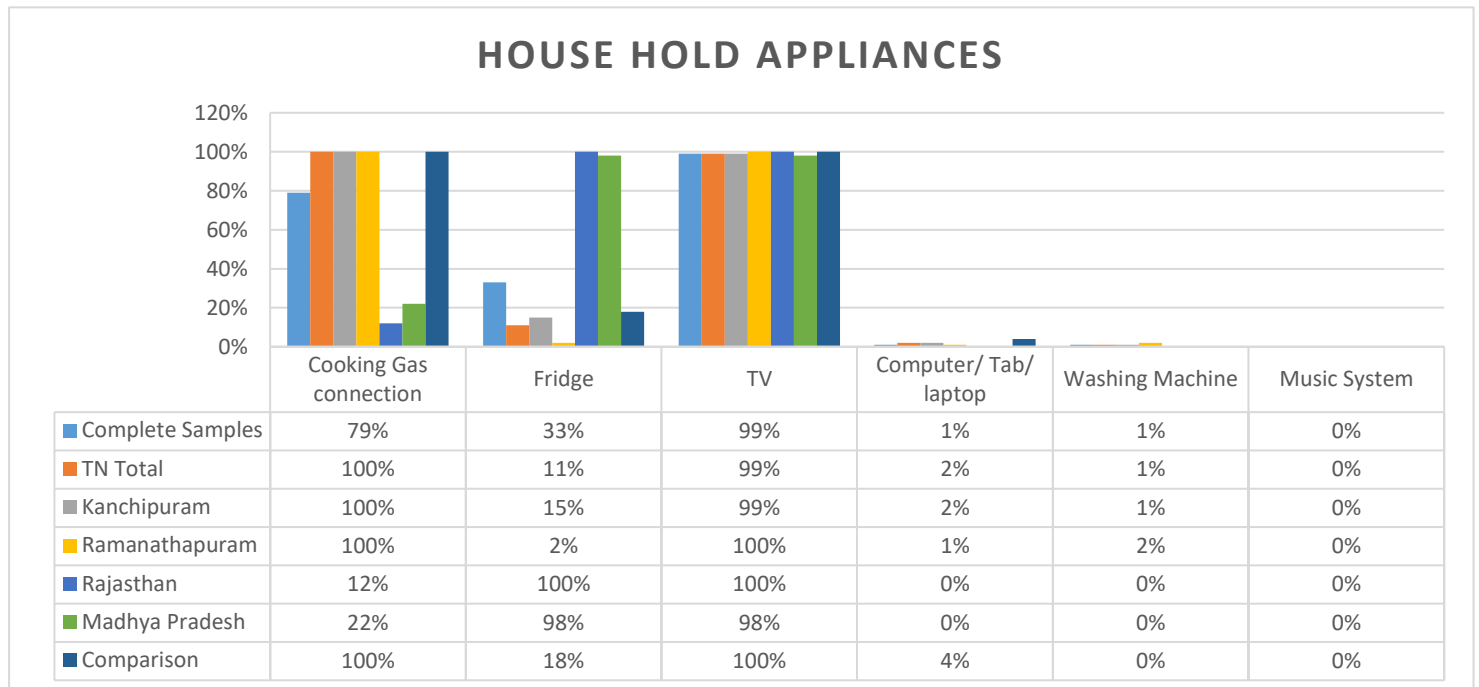


Figure 3.7: Phone usage of the respondents

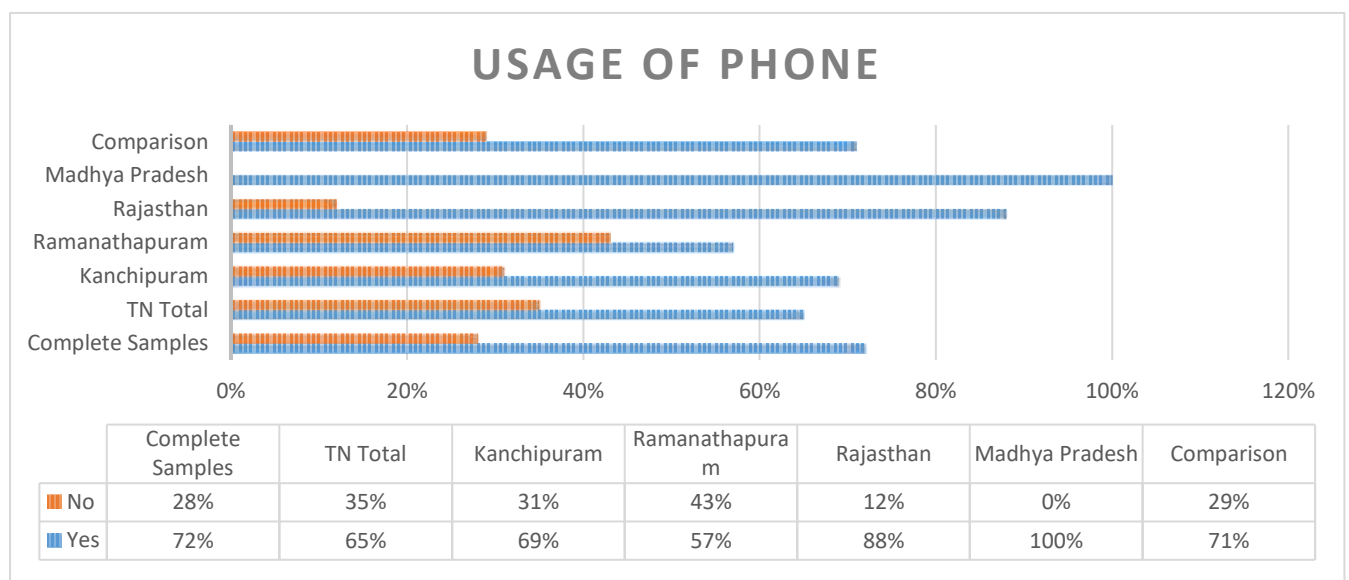
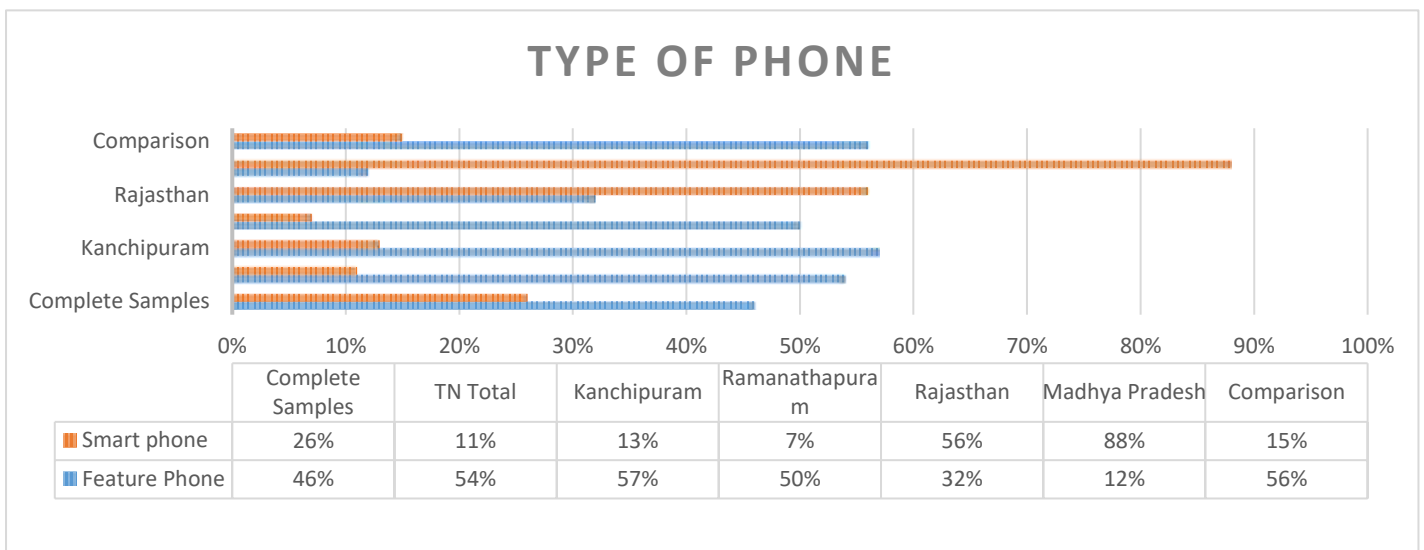


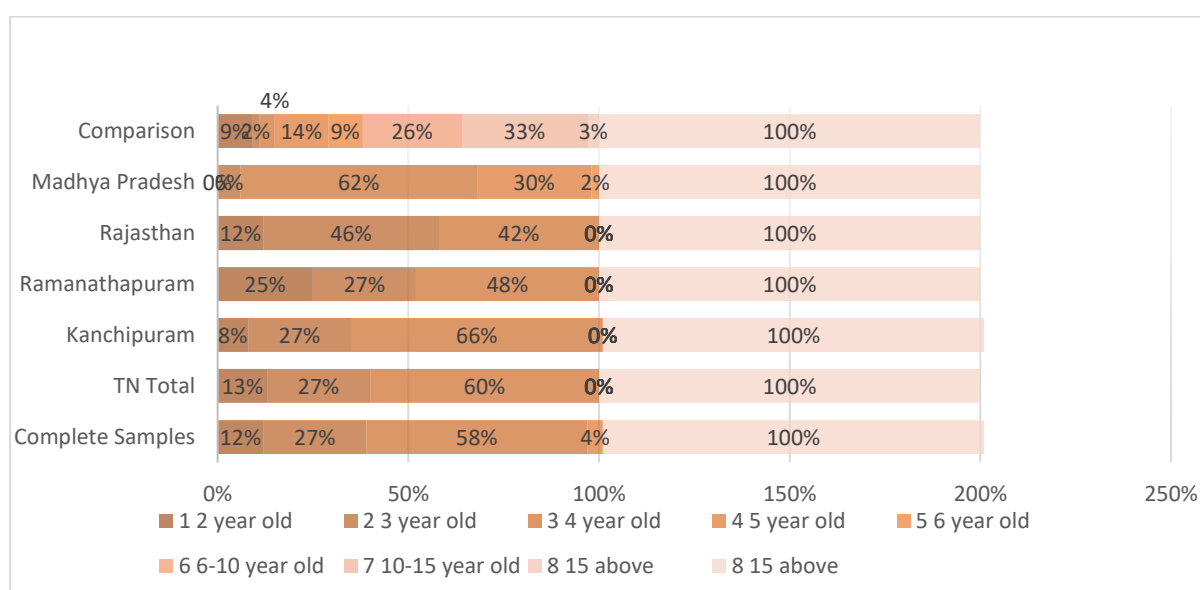
Figure 3.8: Phone type of the respondents



Majority (72%) of the respondents use mobile phones in the overall sample, while the comparison group also has the majority (71%) of the respondents using mobile phones and also reveals that the respondents who had feature phones were high (54%) in Tamil Nadu while the respondents who had smartphones were high in Rajasthan (56%) and Madhya Pradesh (88%). The comparison group had the respondents who use feature phones were high (56%) while the usage of smartphones was less. This concludes that the majority of the SHG member use a feature phone in Tamil Nadu and the majority of smartphones in Rajasthan and Madhya Pradesh.

Figure 3.9 reveals that the respondents who were in 4-year-old SHG were high (58%) overall, while the SHG which is 6-year-old and above were less. The comparison group had the respondents high (33%) in the SHG, which is 10-15 years old while the respondents in 3-year-old, were less (2%). It is concluded that majority of the SHGs surveyed are not more than five years old while the comparison group had much older SHG's. This limits the comparisons of the some of the outcomes and benefits, as members of older SHGs would have accrued more benefits over time.

Figure 3.9: Years of membership in SHGs



We also find that the majority of the 1st, 2nd and 3rd loan source were SHG, while respondents in Rajasthan has opted Bank also as a source (36%). Most of the SHG members prefer the source of loan through SHG rather than from other source and only few have taken a third loan. The purpose of loan vary from regions and most of the member use their loan for business and functions. Majority of the respondents reported that the purpose for their loan was to use it for the existing business (1st loan-50%), (2nd-24%) and (3rd-3%). However, loans were also used for ‘consumption smoothening’ especially at the time of family functions as is evident from Rajasthan (1st-40%), (2-32%) and Madhya Pradesh (1st-52%), (2-48%), as the respondents used their loan for financing family functions. The data also reveals that the amount of the first loan was high (62%) and was around Rs. 10000-15000 in the overall sample and SHG members in Rajasthan were taking loan above 15000 (50%). The amount of second loan was high (23%) around Rs.10000-15000 overall and SHG members in Rajasthan were taking loan above 15000 (43%) and the amount of third loan was taken at minimal range and minimal amount overall. This is the same for the comparison group as well and this leads to the conclusion that most of the SGH members availed loan of Rs.10000-15000 range and very few above Rs.15000.

Table 3.3: Sources and utilization of loans

Source				Purpose					
First Loan	SHG	Bank	Society/ Chit	Business	Children Education	House repair	Function	Medical	Purchase of assets
Complete Sample	83%	9%	8%	50%	13%	11%	17%	8%	2%
TN Total	89%	5%	5%	54%	16%	12%	7%	8%	3%
Kanchipuram	86%	6%	8%	56%	16%	13%	9%	4%	3%
Ramanathapuram	96%	4%	0%	51%	17%	10%	3%	16%	3%
Rajasthan	62%	36%	2%	46%	4%	0%	40%	10%	0%
Madhya Pradesh	62%	6%	32%	24%	4%	14%	52%	6%	0%
Comparison	100%	0%	0%	66%	15%	4%	2%	11%	2%
Second Loan	SHG	Bank	Society/ Chit	Business	Children Education	House repair	Function	Medical	Purchase of Assets
Complete Sample	57%	11%	7%	24%	13%	9%	13%	8%	2%
TN Total	56%	7%	4%	23%	13%	9%	4%	7%	2%
Kanchipuram	56%	7%	6%	24%	11%	13%	5%	1%	3%
Ramanathapuram	56%	8%	1%	21%	19%	2%	3%	18%	2%
Rajasthan	56%	36%	2%	24%	10%	4%	32%	20%	4%
Madhya Pradesh	62%	8%	28%	28%	14%	4%	48%	4%	0%
Comparison	96%	2%	2%	55%	20%	8%	2%	14%	0%
Third Loan	SHG	Bank	Society/ Chit	Business	Children Education	House repair	Function	Medical	Purchase of assets
Complete Sample	12%	1%	0%	3%	5%	2%	3%	0%	0%
TN Total	15%	1%	0%	3%	6%	2%	4%	0%	0%
Kanchipuram	18%	1%	0%	4%	8%	2%	6%	0%	0%
Ramanathapuram	9%	1%	0%	2%	3%	4%	1%	0%	0%
Rajasthan	4%	2%	0%	6%	0%	0%	0%	0%	0%
Madhya Pradesh	0%	2%	0%	0%	0%	2%	0%	0%	0%
Comparison	25%	4%	1%	17%	8%	3%	2%	1%	0%

Observations from the survey and field visits

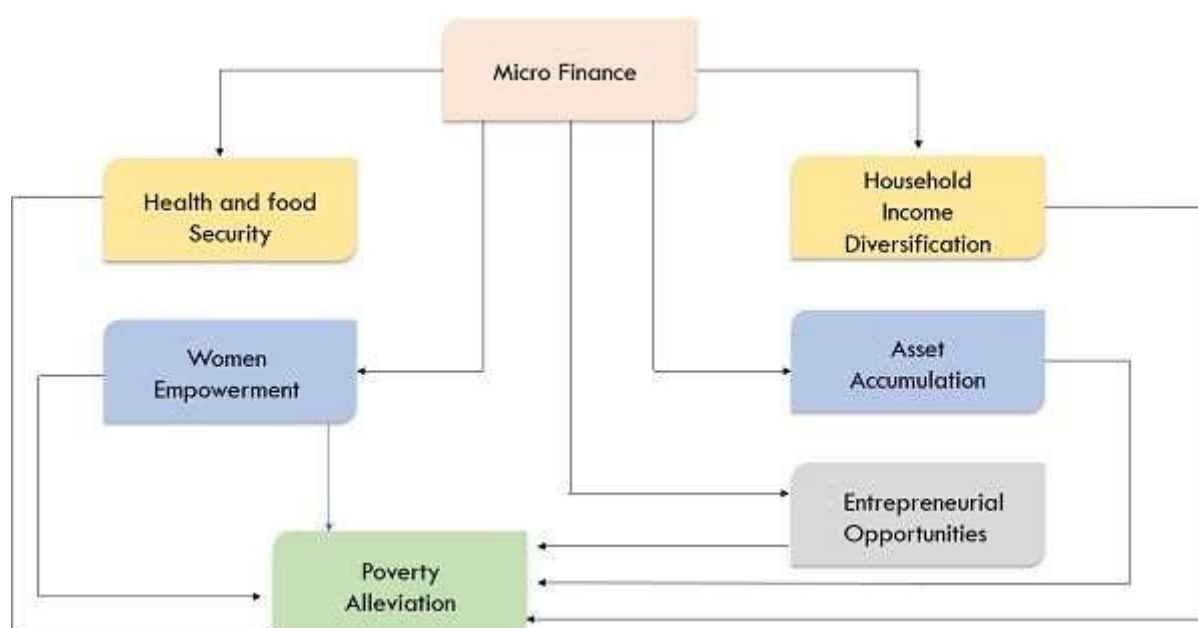
- The targeted beneficiaries of the program are well within the productive age group. However, there exists possibilities for targeting younger age group women.
- As most of the women members had relatively less skill and education, they are dependent on agriculture as the main source of livelihood. This presents opportunities for exploring more non-farm employment.

- At present the opportunities for rural non-farm employment are less in the areas surveyed. This can be diversified by introducing more skill training programs.
- Household consumption expenditure was found to be low overall. The main purpose of internal loans is consumption smoothing.
- The low levels of consumption expenditure underscores the need for sustained income generation for these households.
- Bulk of respondent availed loans for expanding/sustaining existing businesses, not for starting new ventures. The loans were mainly for working capital requirements.
- Market uncertainties was a major constraint for the existing entrepreneurs. This necessitates cluster level aggregation of activities to ensure market linkages. Which was working well in certain regions and sectors
- Availing third internal loan from the SHG is less, which highlights the fact that bank linkage program is working for older SHGs.

Chapter- 4 Income Generation and Livelihood creation

One of the objectives of SHGs is to build the self-help capabilities of the rural poor. Income generating activities are promoted either as a group or as individuals by providing microcredit and giving technical guidance, so that poor families are brought above the poverty line. This objective is achieved when the functioning of the groups (SHGs) become effective and sustainable through the micro finance initiatives as outlined in figures 4.1.

Figure 4.1: SHG, MF and Outcomes



Collection of thrift is a major activity of the SHGs, carried out successfully since their inception. The poor who need money for purchase of various consumption goods quite often meet their contingencies by borrowing from professional money-lenders and others at high rates of interest. SHGs surveyed by us have been extremely effective in creating the habit of savings among the rural poor and mobilising it for common good. A fixed amount as decided by the members is collected as thrift during the group meeting. The members' savings are entered in their passbooks as well as in the savings account maintained in the group. The amount of monthly savings varied with the socio-economic status of members. Earlier several members who were not having any income of their own had depended on their husbands for remitting the thrift amount. A few of them had even

discontinued their membership in course of time when their husbands failed to give them money for remittance in the thrift account. We observe, from the survey and focus group discussions, that thrift is a very important indicator of a group's success because consistent growth in thrift is a clear indication of the growing confidence of the members in the group.

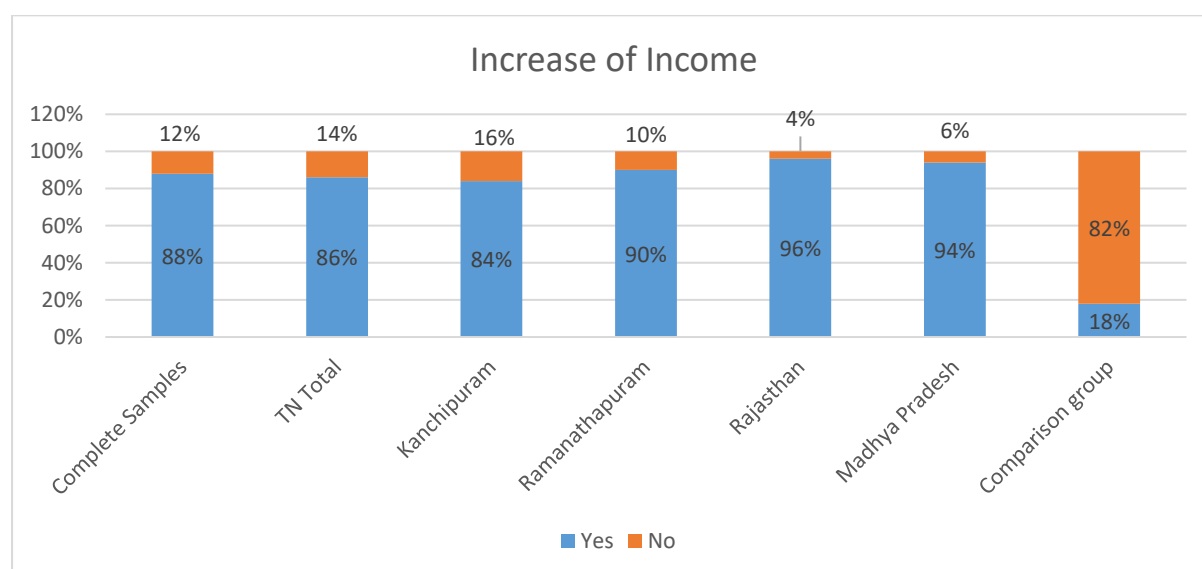
The success and effectiveness of SHGs were determined largely by the extent to which they have been able to create for their members a reliable and easy source of borrowing for households and productive purposes. The SHG strategy has helped these members who are from the economically and socially weaker sections to gain easy access to institutional credit. For the formal credit agency, lending with minimal transaction cost and reaching a large number of poor with assured repayment was a big advantage. Our survey reveals that besides the monetary element, the lending operations enabled the groups to learn the way of prioritising and identifying their felt needs, enforcing credit terms and conditions, and monitoring loan utilisation and repayment.

It emerged from our discussions that it is generally conceived that thrift amount can be used for 'consumption soothing' – meeting consumption requirements, such as expenses towards marriage, funeral, medical treatment, and repayment of debt, whereas loans taken from external agencies are meant mainly for pursuing income-generating activities. However, this norm is not strictly followed, as in some successful groups the members were found using the thrift amount only for economic activities and doing without external borrowings. The groups felt that the money they raised should not be lost in the form of interest payment on external borrowings.

It is evident from figure 4.2 that an overwhelming majority (88%) of the SHG member have witnessed an increase in income in the last three years for overall sample. We would like to highlight this as the most important outcome of the intervention. Viewed from this perspective, the SHGs have achieved the stated objective of improving incomes of the members. Considering the fact that the income profile of the members, as discussed in

the earlier chapter, shows that a vast majority of SHG members belonged to the lower income strata, an incremental increase in income is of utmost value for the members. However, it should also be noted that in most cases increases in income have come from the savings in interest payments on loans taken from informal money lenders. It is also interesting to note that for the comparison group, majority of the SHG members (82%) did not have any increase in income in the last three years. Our explanation for this is the fact that most of the benefits are derived in the first three years of membership in SHGs and the comparison group had SHGs which were much older. Thus we conclude that the SHGs are very effective in income enhancing and have made changes in the incomes of the members.

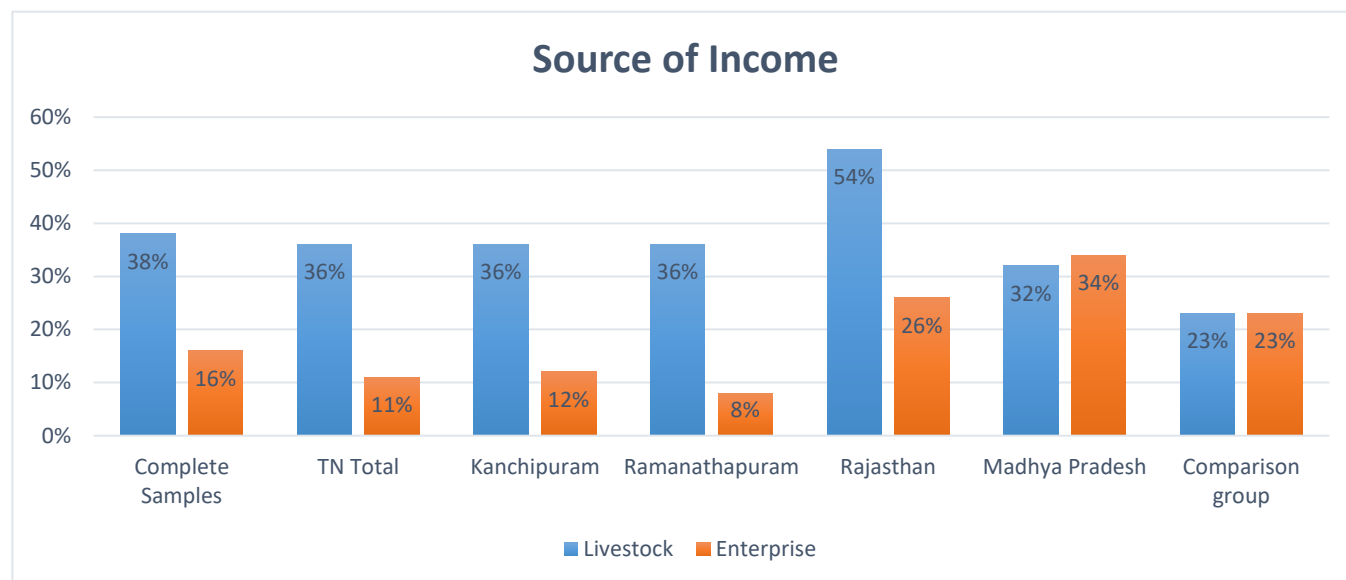
Figure 4.2: Effect of SHG in increase of income



Other than increased income from savings on interest payments, we observed that livestock and tiny enterprises were the main contributors. Given the context in which the SHGs are operating, that is mainly rural areas, we need to adopt a broad definition of enterprise. Such a broader definition falls within the purview of rural self-employment. According to United Nations, Food and Agricultural Organization (FAO) "Rural self-employment enterprises refer to activities undertaken by mobilizing labor plus other household capital assets (savings, land, etc.). Rural agricultural enterprises are often

based on innovative on-farm agricultural activities (in the form of independent commercial production or contract farming).

Figure 4.3: Income source of the respondents



On the other hand, rural non-agricultural enterprises focus on activities such as processing of agricultural or forestry commodities, petty-trading, handicraft, home-based piecework manufacturing, or delivery of particular services to the community or to outsiders. Such rural enterprises can develop within a single household or involve a wider social network, based on traditional or innovative forms of inter-household cooperation. The latter arrangement is particularly important to make enterprise development viable for household and individuals lacking the capital assets needed to start a self-employment activity on their own.” Both livestock and small and petty enterprises fall under the umbrella of rural enterprises following the FAO’s definition. However to decipher the extent to agriculture and non-agriculture enterprises, we classify into livestock and other enterprises.

Figure 4.3 reveals that the majority of the respondents have their source of increased income from (38%) livestock for the total sample surveyed. In Madhya Pradesh we observed that the increased income (other than from savings on interest payment) came

from livestock (32%) and tiny enterprises (34%). In both Tamil Nadu and Rajasthan majority of members had income increases from livestock and only a small percent had income increases from tiny enterprises. It can be inferred that there exists possibilities for income increases from tiny enterprises in all the three regions surveyed, which needs focused attention in future.

In order to analyse the effect of the intervention across groups, we examined the income increases across age and education. In terms of income increases across age group. It can be observed from the total sample presented in table 4.1 that SHG members in the age group of 27 to 32 and 33 to 40 were the largest beneficiaries. This pattern holds good across the regions. Interesting in the case of Ramanathapuram district we find that members in the age groups of 41-50 had income increases than other age groups. Younger members, that is the age group below 26 years accounted for a small fraction of the total members who had increases in their income.

Table 4.1: Increase in income (Age and Education wise)

Increase in the income (Age wise)	18-22	22-26	27-32	33-40	41-50	Above 50
Complete Sample	6%	11%	34%	26%	14%	9%
TN Total	0%	7%	27%	33%	20%	13%
Kanchipuram	5%	5%	26%	37%	11%	16%
Ramanathapuram	0%	10%	20%	10%	50%	10%
Rajasthan	6%	17%	40%	27%	6%	4%
Madhya Pradesh	6%	13%	33%	21%	21%	6%
Comparison group	5%	11%	16%	16%	26%	26%
Increase in the income (Education wise)	Primary	High	High. Sec	Illiterate	UG/ Diploma	PG
Complete Sample	34%	14%	23%	11%	9%	9%
TN Total	43%	29%	14%	7%	7%	0%
Kanchipuram	47%	29%	12%	6%	6%	0%
Ramanathapuram	30%	40%	10%	20%	0%	0%
Rajasthan	29%	8%	17%	17%	6%	23%
Madhya Pradesh	32%	5%	45%	5%	11%	2%
Comparison group	44%	33%	11%	6%	6%	0%

The comparison group have their majority of members in the age group 41-50 and above 50, who had income increases in the past three years. This in a way substantiates our observation that in that income increases are mainly on account of savings in interest payments and not from enterprise formation, as younger population is expected to be more involved in enterprise formation and older members would have a past credit history of borrowing from money lenders.

In terms of the educational profile of the members who had increased incomes, we find that it is dominated by members who had primary and high school education. This could be partly due the fact that highly educated members in the sample itself is less. The only exception is Rajasthan, where post graduate members had income increases. Our observations point to the fact that there is no conclusive evidence on the links between education, enterprise formation and income increases.

Table 4.2: Respondents expenditure on family functions

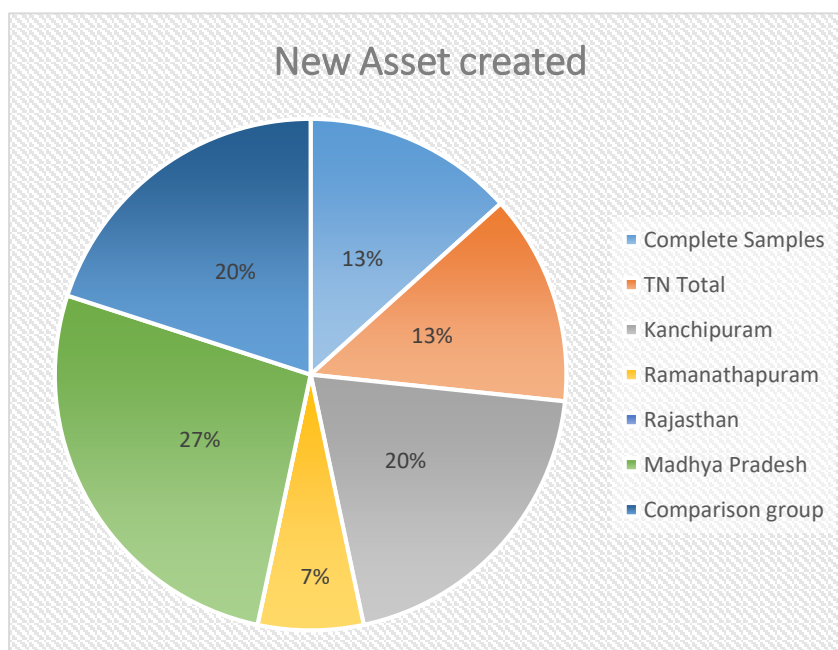
Expenditure on family functions	1000-10000	10000-20000	20000-40000	40000-60000	Above 60000
Complete Samples	7%	5%	3%	1%	1%
TN Total	10%	4%	2%	0%	1%
Kanchipuram	8%	4%	3%	1%	1%
Ramanathapuram	14%	3%	1%	0%	0%
Rajasthan	0%	10%	12%	0%	0%
Madhya Pradesh	0%	8%	0%	6%	0%
Comparison group	11%	5%	3%	0%	0%

In order to underscore the need for income increases, we explored one component of the expenditure of the members further, that is, expenses on family functions. This was taken up closer scrutiny for two reasons. First, often these expenses are unplanned and will have to be incurred in a very short time span. Second, these expenses push the family into deeper debts as the demand for credit is met by approaching local money lender who had higher interest rates. Table 4.2 reveals that the more respondents (as percentage of the total sample from TN) were spending up to 10,000 on family functions in Tamil Nadu,

while 12% of the respondents from Rajasthan spends around 20,000 to 40,000 and 8% of the respondents from Madhya Pradesh spends around 10,000 to 20,000. Comparison group has majority of the respondents (11%) spends up to 10,000. Thus it can be concluded that expenditure on family functions vary from each region and members in Rajasthan and Madhya Pradesh seems to be spending higher compared to Tamil Nadu.

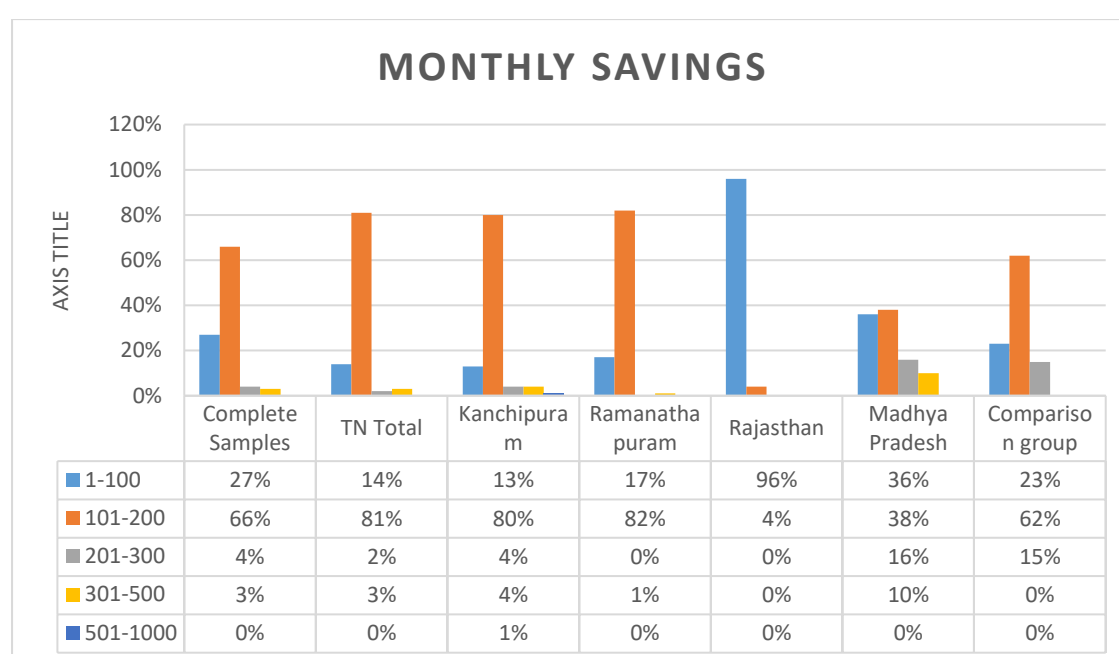
Apart from income generation, we examined asset creation to assess the effectiveness of SHG interventions. Assets creation was defined as an expenditure which would have value appreciation in future or income generation possibility or both. The above figure 14 reveals that overall asset creation was less, that is 13% of the members in the entire sample. However, there exists regional variations, for example, in Madhya Pradesh higher proportion of the members (27%) spend more on creating new assets, while in Rajasthan it is close to nil. Within Tamil Nadu we find variations as a larger share of members in Kanchipuram (20%) created assets, while a much lower fraction did in Ramanathapuram. Comparison group has 20% of the respondents in making new assets. Thus it can be concluded that, overall (13%) of the respondents involved in making new assets after joining SHG, which could be increased further through targeted interventions.

Figure 4.4: New asset creation



One of the reasons for low asset creation is low savings. As shown in figure 4.5 majority (66%) of the respondent's had a monthly savings around 100-200 Rupees. In fact 27% of the respondents, had monthly savings of Rs 100 or less. Rajasthan has majority (96%) of the respondents saving around Rs. 100. Comparison group has majority of respondents (62%) saving around Rs. 101-200 per month. It can thus be observed that women in the SHG have a modest monthly savings and it differs from each region. This modest savings often limit the size of the internal loan, which in turn has implications for asset creation and income generation.

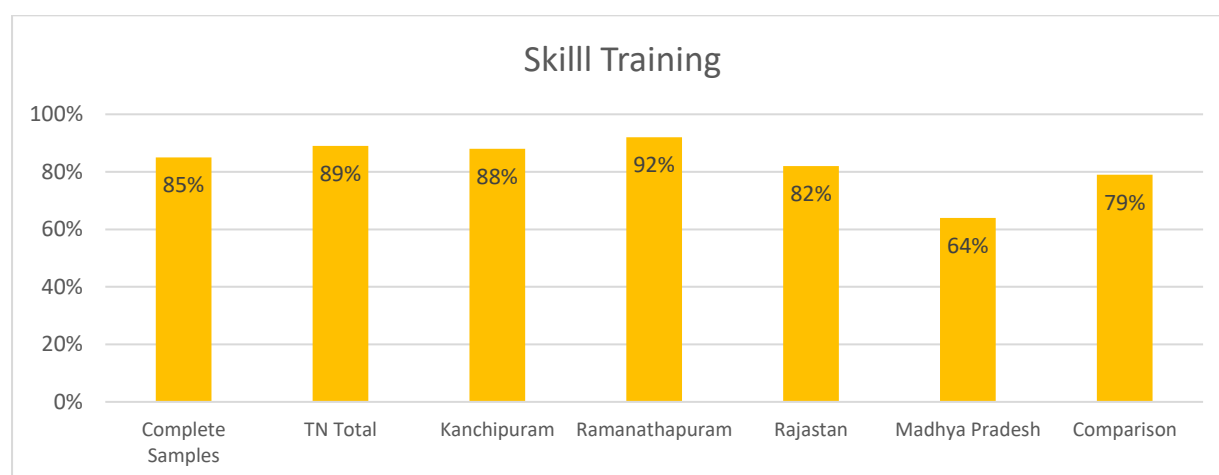
Figure 4.5: Respondents Monthly savings



A crucial factor for income generation and asset creation is the possession of skills required. Skill development of SHG members is critical for the empowerment of the SHG members. All SHGs in the surveyed regions have undertaken extensive skill development as a major component of their activity. Skills were imparted to the SHG members through various trainings by the facilitating NGOs and other agencies. To impart skills, various trainings were also conducted in cooperation with government agencies especially under the initiative of NABARD. Skill development programme were conducted on embroidery and artificial flower making, tailoring, handlooms, handicrafts, bag making, beautician

course, dairying, goat rearing, pickle and pappad making etc. resulting in developing skills for many beneficiaries. It should be noted that these skill training were additional to training on book keeping, training on leadership, financial management, health & nutrition and social awareness training. Figure 4.6 reveals that majority of the respondents from Ramanathapuram (92%) have undergone skill training, followed by Kanchipuram (88%), Rajasthan (82%) and Madhya Pradesh (64%). The comparison group had (79%) of the respondents undergoing skill training. Thus on the whole we find that the reach of skill training has been very high with 85% of the respondents undergoing at least one skill training, while SHGs in Madhya Pradesh need to focus more on spreading skill training among members.

Figure 4.6: Participation in skill training



Spread of skill training needs to be assessed alongside entrepreneurial activities. A first cut indicator of this would be the number of entrepreneurs among SHG members. As 85 percent of members have received skill training, we expect enterprise creation to be high. As is evident from figure 4.7, only 13% of the members in the entire sample have created enterprises. It should be noted that even though we follow the broader FAO definition of rural enterprises, here we focus only on non-livestock enterprises. This seems to be low given the high levels of loan advancements and awareness programs conducted for the SHG members. Interestingly Madhya Pradesh which had fewer skill training program has higher level of enterprise creation. This is mainly driven by the expansion of tailoring units

in the region. Ramanthapuram has the lowest levels of enterprise creation. This is partly because of the increased livestock, goat rearing, activities in the region, which we have included in the definition of enterprise. On the whole we do not find any relationship between training and enterprise creation.

We also examined the age profile of the entrepreneurs, which is portrayed in table 4.3. It can be observed that the majority of the entrepreneurs are in the age group of 27 to 40 years. Madhya Pradesh, had some entrepreneurs in the age 41-50 and Rajasthan in 27 to 32 years. Very young entrepreneurs are less. The comparison group have 26 % of the entrepreneurs above 50 years, which is because of older SHGs included in the sample. In terms of education qualifications, majority of the entrepreneurs had only primary school education, which underscores the need for more skill training programs. On the positive side we observe that even illiterates have become entrepreneurs. Our observation from the field shows that education is not playing a major role in starting enterprises.

Figure 4.7 Extent of Entrepreneurship

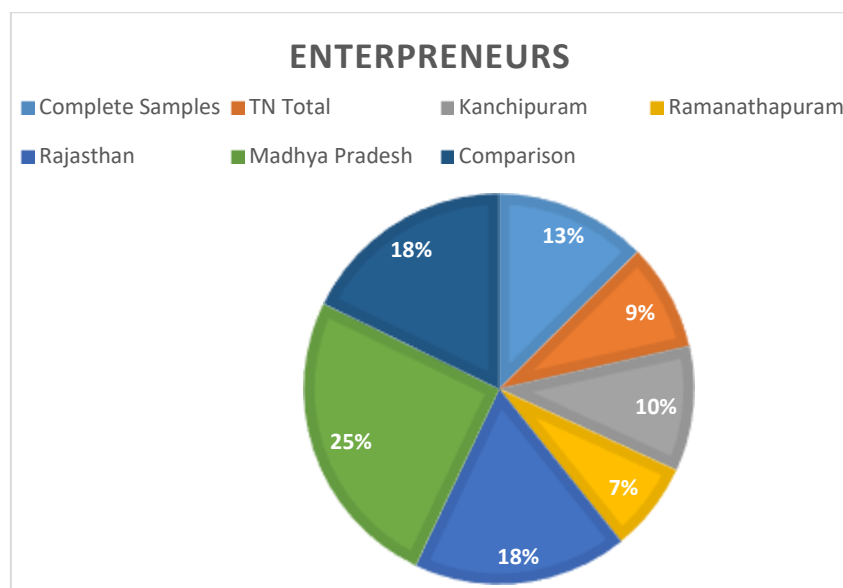
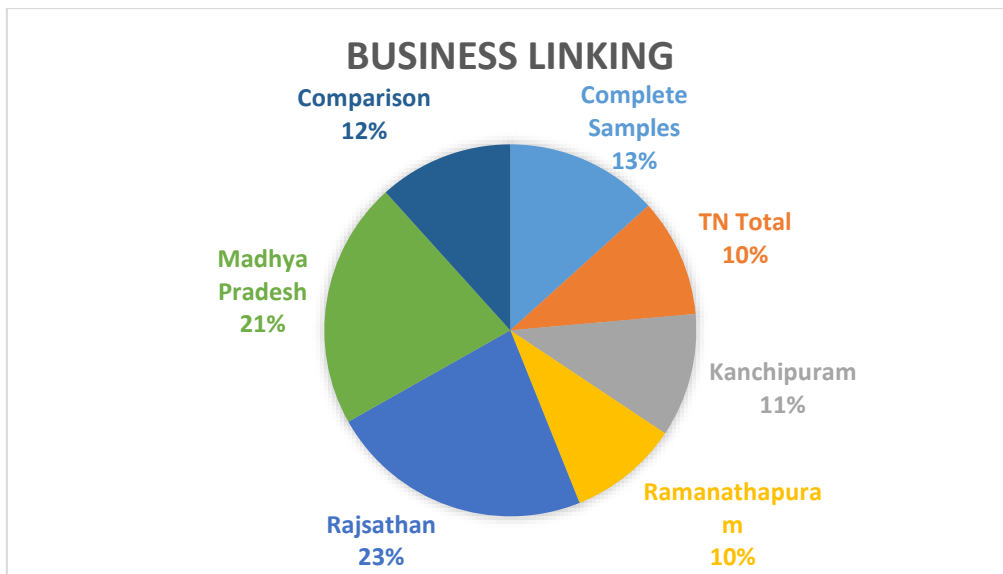


Table 4.3: Age and education profile of enterprise owners

Increase in the income (Age wise)	18-22	22-26	27-32	33-40	41-50	Above 50
Complete Sample	6%	11%	34%	26%	14%	9%
TN Total	0%	7%	27%	33%	20%	13%
Kanchipuram	5%	5%	26%	37%	11%	16%
Ramanathapuram	0%	10%	20%	10%	50%	10%
Rajasthan	6%	17%	40%	27%	6%	4%
Madhya Pradesh	6%	13%	33%	21%	21%	6%
Comparison group	5%	11%	16%	16%	26%	26%
Increase in the income (Education wise)	Primary	High	High. Sec	Illiterate	UG/ Diploma	PG
Complete Sample	34%	14%	23%	11%	9%	9%
TN Total	43%	29%	14%	7%	7%	0%
Kanchipuram	47%	29%	12%	6%	6%	0%
Ramanathapuram	30%	40%	10%	20%	0%	0%
Rajasthan	29%	8%	17%	17%	6%	23%
Madhya Pradesh	32%	5%	45%	5%	11%	2%
Comparison group	44%	33%	11%	6%	6%	0%

To assess the effectiveness of interventions on linking enterprises to hubs, as portrayed in figure 4.8, we observe that majority of respondents who linked their business with enterprise hubs were in Rajasthan (23%) and Madhya Pradesh (21%). Rajasthan had a cluster mapping initiative to identify the possibilities of linking enterprises vertically. This initiative has worked well in the context of dairying and has also resulted in the creation of new enterprises. Our field visits showed that Tamil Nadu has the lowest hub linkages 10% overall. The comparison group have (12%) of the respondents linking their business to hubs. On the whole we find that the linking of businesses with either hubs or other businesses is low, which limits the market for the entrepreneurs.

Figure 4.8: Linking of business with enterprise /producers hub



Some Success Stories

Manju Chauhan is an active member of Ram Self Help Group in Sonkatch, Madhya Pradesh. She joined the SHG on 10th August, 2016 and have been involved in all the meetings and training held by Hand in Hand, India. Her progress is a very enthusiastic story. She started with initial small loans from the her SHG which was substantiated by a Rs. 15,000 loan from Belstar with which she procured sewing machines and also machines for making embroidery. She has left no stone unturned to make use of an opportunity be it to make inroads into an entrepreneurial venture or to acquire training. She was trained by Hand in Hand for beautician also. Now with a further loan of 20,000 from her SHG, she has started a venture where she is able to do tailoring and embroidery. She has the mind to aggressively move ahead to the next strata of the society. Driven by this ambition she does procure material stitch dresses and sells it as well she is able to do the embroidery and stitching upon any order. Further she has converted a small area in her shop which she started a few days before our visit for pursuing her beautician business. She is seen as a role model among the other members of her group. She has been ably supported by her husband and immediate family members. She is very happy and is keen to progress further. Currently she earns around 10,000 to 12,000 per month. She was also able to get a hold over the financial decisions in her family and earned her independent in taking decisions. Through SHG, she has gained confident to run the business, better communication with others and earned more respect among her family members. She was also able to learn a lot of women's rights.



Kalaiselvi (name changed) is an active member of a Self Help Group in the suburbs of R S Mangalam, Ramanathapuram, Tamil Nadu. She joined the SHG in 2014 and have been involved in all the meetings and training held by Hand in Hand, India. Her entrepreneurial success is a story of hard work and timely help. She started with initial small loans from her SHG and later expanded activities with a slightly bigger loan of Rs. 15000, which was provided by the SHG from a financial institution. Using this initial capital she started sales of readymade garments in rural villages around R S Mangalam. Initially she used carry a bag full of garments and go house to house and sell them. This was a tedious model, but she earned income by getting clothes from the nearest city Madurai at attractive prices. Soon she expanded business by purchasing a two wheeler using a loan. She was ably supported by her husband in all these ventures and he also put in some money. She attended all the training sessions conducted by HiH. Subsequently she took another loan of Rs. 15000 and expanded the business. She now covers very interior parts of villages through her two wheeler and carries a wider variety of garments. She now plans to have another person with her to expand her business and increase the stocks. Her entrepreneurial spirit is backed by her husband and both of them wants to move ahead and expand business. She is seen as a role model among the other members of her group and in the locality. She currently earns around 12,000 per month. The SHG, membership transformed her life.



Pushpa (name changed) is an active member of a Self Help Group in the suburbs of Luni Rajasthan. She joined the SHG in 2016 and have been involved in all the meetings and training held by Hand in Hand, India. Her entrepreneurial success is a very enthusiastic story. She started with initial small loans from her SHG and later expanded activities with a slightly bigger loan of Rs. 15000, which was provided by the SHG from a financial institution. Using this initial capital she procured an electric milling machine for making dry spices and masala powders. As the power of the machine was good enough she started to make flours of bajara and wheat and started to sell it in the local market. Soon she started a small petty shop along with the mill. She was ably supported by her husband in all these ventures. She attended all the training sessions conducted by HiH. Subsequently she took another loan of Rs. 15000 and expanded the shop. She now plans to have a better roof for her mill as the present metal roof generated heat while the mill worked. Her entrepreneurial spirit is backed by her husband and both of them wants to move ahead and install a solar power plant to run the mill. She is seen as a role model among the other members of her group and in the locality. The couple currently earns around 10,000 to 12,000 per month. The financial decisions in her family are taken jointly and she has independence in taking decisions. The SHG, membership has transformed their lives and has given them the support and confidence to run the business.



Concluding Observations

From the survey and field work, the following observations emerge.

- Collection of thrift is a major activity of the SHGs which has been carried out successfully. This has inculcated a habit of savings among the SHG members. The SHG members are very enthusiastic about savings and they perceived it as an emergency fund.
- It emerged from our discussions that thrift amount is used for 'consumption soothing' – meeting consumption requirements, whereas loans taken from external agencies are meant mainly for pursuing income-generating activities
- An overwhelming majority (88%) of the SHG member have witnessed an increase in income in the last three year. We would like to highlight this as the most important outcome of the intervention. Viewed from this perspective, the SHGs have achieved the stated objective of improving incomes of the members.
- A major factor contributing to increased incomes is the savings from interest payments on loans from informal money lenders as the poor who needed money quite often met their contingencies by borrowing from professional money-lenders and others at high rates of interest. This borrowing reduced considerably leading to savings for the household.
- Other than increased income from savings on interest payments, we observed that livestock and tiny enterprises were the main contributors. In both Tamil Nadu and Rajasthan majority of members had income increases from livestock and only a small percent had income increases from tiny enterprises.
- There exists possibilities for income increases from tiny enterprises in all the three regions surveyed, which needs focussed attention.
- SHG members in the age group of 27 to 40 were the largest beneficiaries in terms of increased income. These members had only primary and high school education.

- Overall asset creation was less. Madhya Pradesh had higher proportion of the members while in Rajasthan it was very small. Asset creation could be increased further through targeted interventions.
- The modest monthly savings often limited the size of internal loans which in turn hindered asset creation and income generation.
- The reach of skill training has been very high with 85% of the respondents undergoing at least one skill training.
- Only 13% of the SHG members have created enterprises. This seems to be low given the high levels of loan advancements and awareness programs conducted for the SHG members.
- On the positive side we observe that even illiterates have become entrepreneurs. We find that that education is not playing a major role in starting enterprises.
- More Income generating skill development trainings could be organise for the SHG members.
- The linking of businesses with either hubs or other businesses is low, which limits the market for the entrepreneurs. This needs more focussed efforts.
- Providing market linkages is essential for encouraging the SHG members to take up productive enterprises.

Chapter – 5 Empowerment and Autonomy

The formation of Self-Help Groups is “not ultimately a micro-credit project but an empowerment process” (Micro-Credit Summit, 2001). The concept aims at empowering women and thus uplifting their families above the poverty line. It is a gradual process resulting from interaction with group members through awareness and capacity building. Building capacity refers to the strengthening of ability to undertake economic, socio-cultural, and political activities, and enhance self-respect as outlined in figure and table 5.1. Capacity to undertake economic activities includes ownership and control of productive resources and alternative employment opportunities at local levels. It has been proved that economic empowerment could have a positive impact in other spheres as well: enhanced social, legal, and political status. Capacity to undertake socio-cultural activities encompasses ability to participate in non-family-group meetings, to interact effectively in the public sphere, to create mutual dependence and to ensure mobility and visibility. Capacity to undertake political activity includes ability to fight injustice, to organise struggles, and to create an alternate power structure at the local level. Within the SHG approach, empowerment is embedded at many levels. The impact of SHG on the various dimensions of women empowerment depends on the backwardness, prevailing cultural practices, and demographic profile of the area.

Figure 5.1: SHG and outcomes

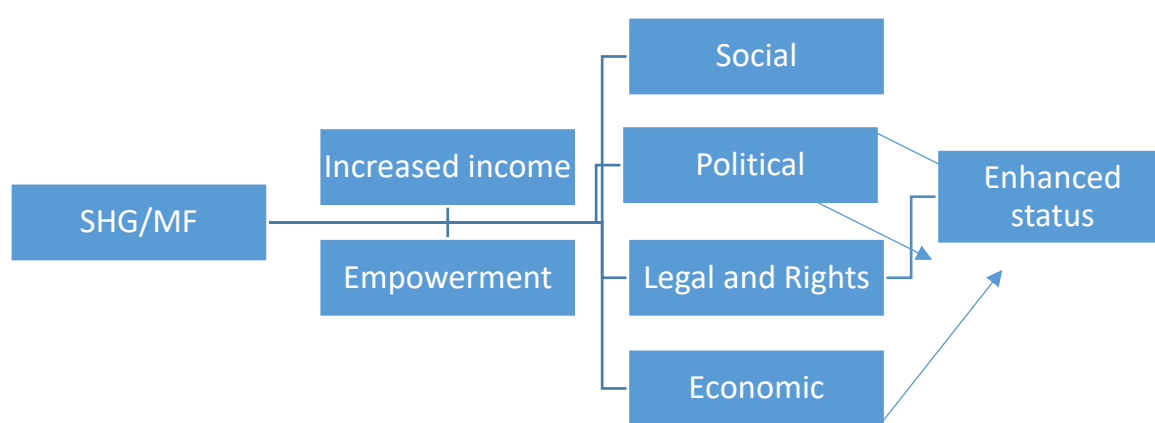


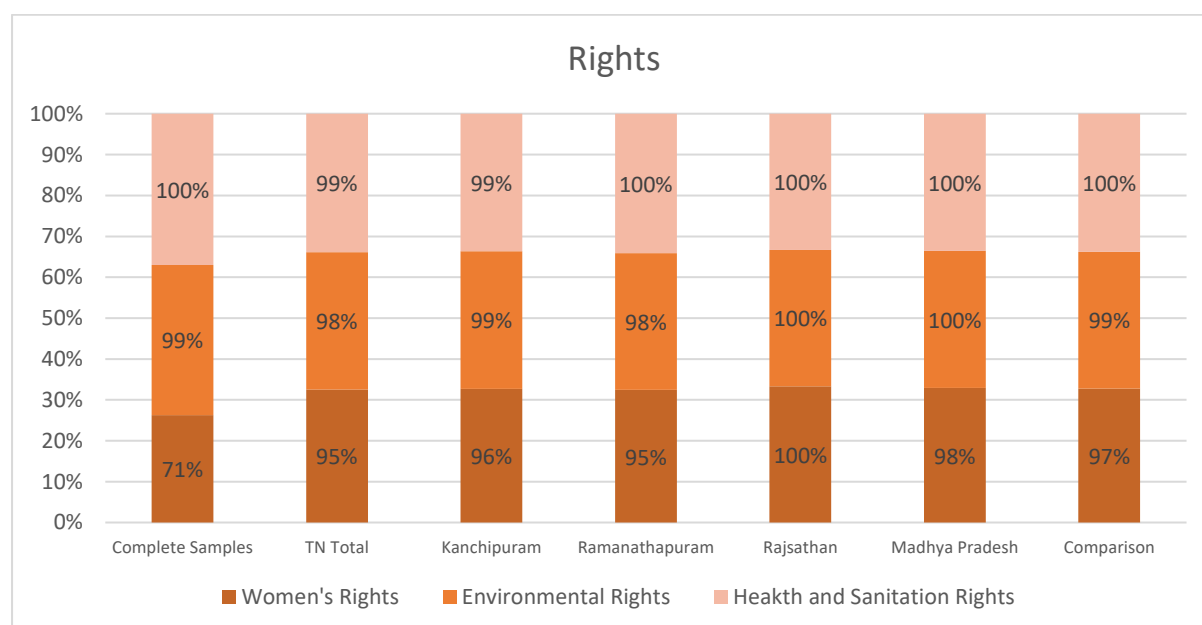
Table 5.1: Matrix for analysing Impact on Empowerment

Type of Indicator	Level at which impact on empowerment may be assessed
Economic	increase in savings increase in income increase in assets repayment rates & repeat loans skill development
Social	increase in self-confidence Change in attitude to women's role Improvement in communication skills and in social outlook
Political/Legal	increase in participation in political process Removal of legal discrimination against women

Source: Adapted from Actionaid, UK

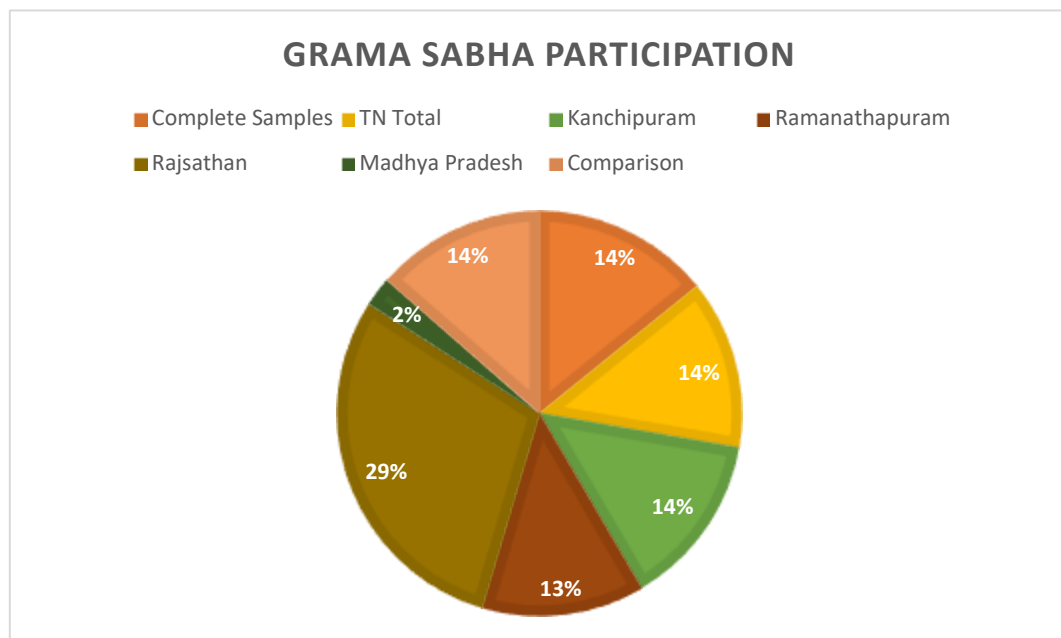
This matrix was pre-tested during the pilot survey. Only from among the relevant ones – economic, social, political, and legal variables have been considered. The methodology used for this enquiry was field investigation through structured schedule and discussions with SHG members. As empowerments in the economic sense in covered in the earlier chapter, we discuss the other dimensions in this chapter.

Figure 5.2: Nature of Rights



We first start with an analysis of whether members had exposure to training on rights. The above figure 5.2 reveals that the respondents have undergone different trainings on various rights. All have undergone training on health and sanitation rights (100%), followed by Environmental rights (99%) and Women's Rights (71%), which was the least. The comparison group respondents were well aware of all the rights in which Women's right were less. This concludes that the women in the SHGs have undergone training on important rights. Respondents were able to take actions when they undergo harassment in any form from the knowledge of their rights. Majority of the respondents were presenting the harassment issues to the elders in their community or family.

Figure 5.3: Participation in Grama Sabha



One of the outcome indicators of the benefits of knowing rights is participation in civic activities and grama sabha. Figure 5.3 reveals that majority of the respondents who goes to panchayat were from Rajasthan (29%), followed by Kanchipuram (14%), Ramanathapuram (13%) and Madhya Pradesh (2%). The comparison group were having (14%) of the respondents participating in Grama Sabha. This concludes that the respondents who participate in Gram Sabha overall were (14%). A caveat needs to be added here. In some of the villages surveyed Grama Sabhas had not met recently due the

prevailing pandemic. Further in Tamil Nadu elections to local bodies had not been conducted while surveying, which could have biased the responses of women surveyed. The participation of women in Grama Sabha need to be increased and women should be more involved in Grama Sabha activities.

Another indicator we examined was self-empowerment. From figure 5.4 we find that that the respondents from Rajasthan and Madhya Pradesh were self-empowered while, Tamil Nadu were less (27%). One of the reasons for the self-perception of being empowered in Rajasthan and Madhya Pradesh is low levels of empowerment the members had at the time of joining the SHGs. In Tamil Nadu generally the status of women is higher and hence the SHG members did not perceive of being more empowered. The comparison group was also less (22%) in self-empowerment. This concludes that the empowerment among SHG women in Tamil Nadu has to be concentrated much more.

Figure 5.4: Self-Empowerment

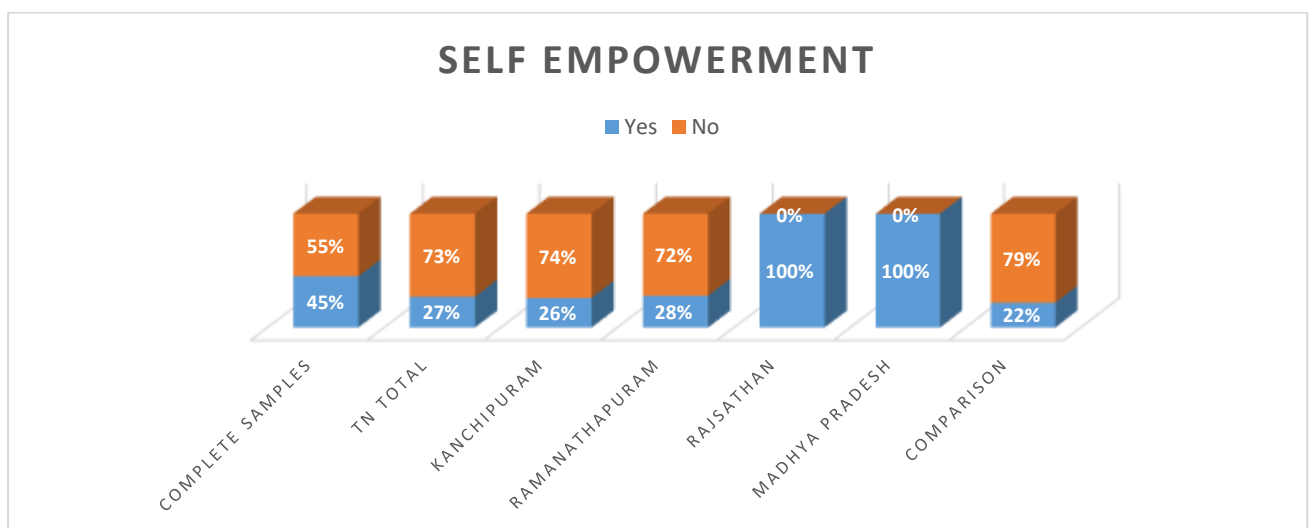
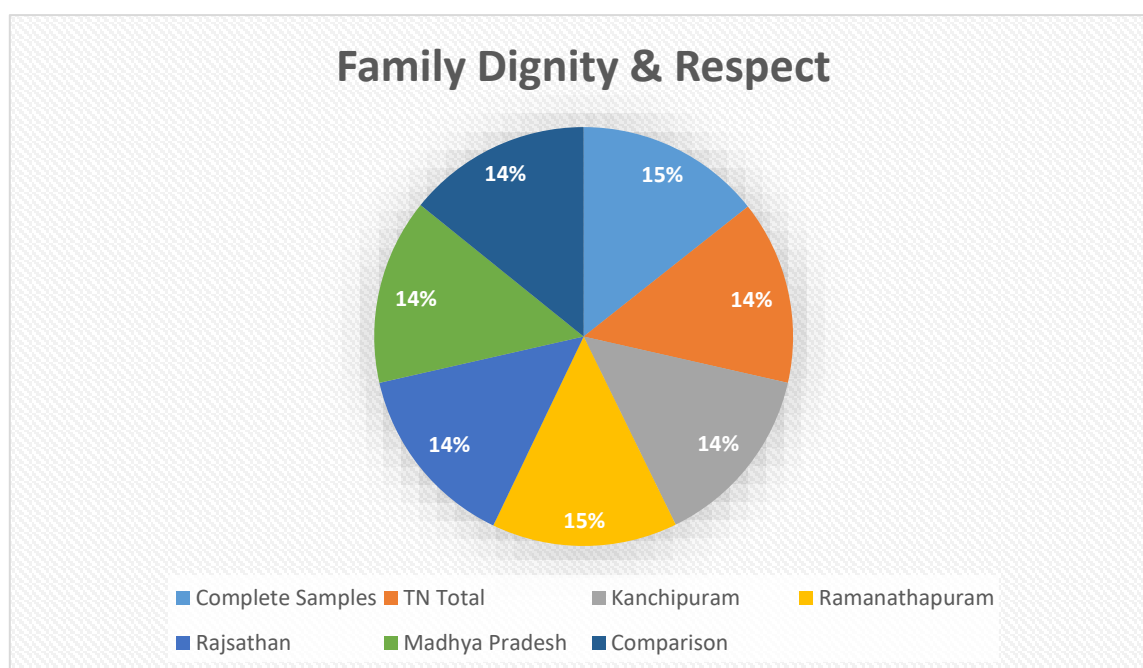


Figure 5.5: Family Dignity & Respect



The above chart (figure 5.5) reveals that (15%) of the respondents were experienced increase in family dignity & respect after joining the SHGs. The comparison group were having (14%) of the women experiencing increased family dignity and respect. We find that the overall percentage of women who experienced increase in dignity and respect is very less and there were no big difference with each regions. This is an area that warrants more attention.

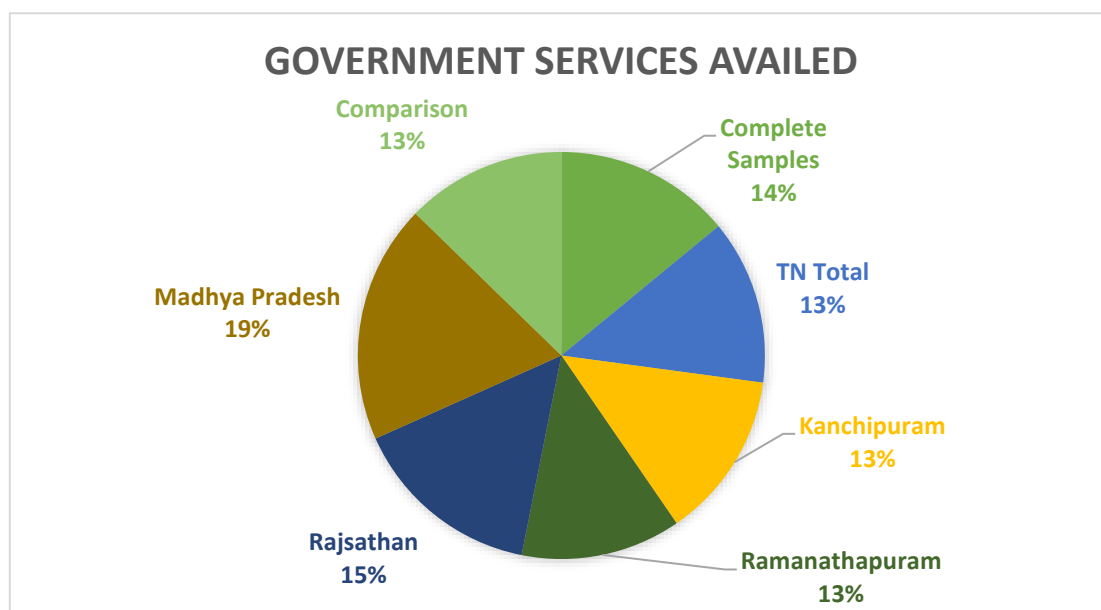
Table 5.2: Family support for the respondents

S.no	Support from Family	Complete Samples	TN Total	Kanchipuram	Ramanathapuram	Rajasthan	Madhya Pradesh	Comparison
1	Yes	47%	29%	27%	32%	100%	100%	22%
2	No	54%	71%	73%	68%	0%	0%	79%

Table 5.2 reveals that the respondents from Rajasthan and Madhya Pradesh were getting a complete support from their family, while smaller section of respondents from Tamil Nadu (29%) was getting family support for their activities in SHGs. In the comparison group also only lesser member (22%) were getting family support. Thus the overall percentage

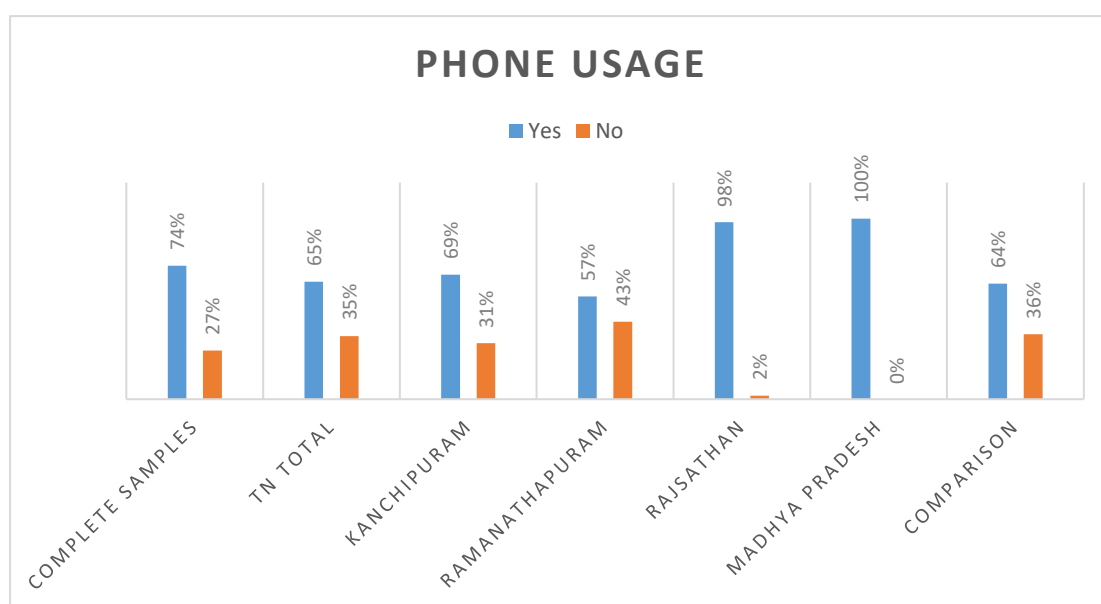
of women with family support is very less in Tamil Nadu while compared with Rajasthan and Madhya Pradesh.

Figure 5.6: Government services availed



Almost all the respondents availed government services with the help of their SHGs. Figure 5.6 reveals that the majority of the respondents who avail government services were from Madhya Pradesh (19%), followed by Rajasthan (15%) and Kanchipuram and Ramanathapuram were (13%) each. The comparison group were (13%) in accessing government services. It should be noted that by government schemes our focus is on Centre government schemes, as information about such schemes were generally low in rural areas until recently, while knowledge of state government schemes were higher. This was partly due to the larger reach of state governments in rural areas and their ability to communicate in regional languages. The lower figures for Tamil Nadu could be due to the availability of equivalent state government schemes in the state.

Figure 5.7: Phone usage for government services



Telephone use for availing government services is another outcome. Figure 5.7 shows that majority of the respondents (74%) were using phone for government services, in which Rajasthan and Madhya Pradesh were high in the usage. The comparison group is having (64%) of the respondents using phone. This concludes that the phone usage in accessing government services is high in every region.

Concluding observations

In line with the framework adopted to capture the extent of success in women's empowerment we used a set of indicators. These indicators were a combination of quantitative and qualitative indicators. As empowerment is a multidimensional concept, we classified indicators into three dimensions, economic, social, political and legal. In all the three dimensions, self-esteem and respect within the family is considered as a latent outcome of SHG membership, which catalyses the extent of empowerment in other dimensions.

The status of women is connected with their economic position, which in turn depends on opportunities for women for participating in economic activities. Women's ability to save and access to credit would give them an economic role not only within the household but,

may be, outside it as well. The evidence of this is discussed in the preceding chapter. It is widely found that the returns from the economic activity are used not only for women's welfare but also for the welfare of their children and the family and the community at large. Income generating activities, is thus the cornerstone of economic empowerment. Irrespective of the SHGs, majority of the members in rural areas had gone in for livestock, cow/buffalo, and goat-rearing as an income generating activity. This activity has proved to be low risk, low cost economic activity for supplementing family income without much effort. In the semi-urban location it was tailoring that provided additional income. The increased incomes have helped to supplement the incomes to reduce the levels of poverty to a great extent in several families. Some members take up more than one activity (goat rearing and tailoring, for example) to make up the loss during off-seasons. It could be inferred that in case of 80 percent of the members with economic activities, their incomes from these activities contributed considerably to the family incomes directly or indirectly. This in our view is a direct manifestation of economic empowerment.

SHGs are generally found to be very effective in improving the levels of knowledge and skill of the rural folk through informal education and training programmes. The success however, depends on the type of training, number of training sessions attended and also the quality of training. Eighty five percent of the selected members who participated in SHG activities stated that they were aware of government schemes and programmes. Sixty five percent of members were well aware of the health and family welfare programmes. The occasional classes arranged on health and hygiene had benefited all the members. The role of SHGs in making members participate in the mass polio immunisation campaign is worth mentioning. The participation of SHG members in grama sabha meetings, election process and school PTA meetings have increased substantially.

About 91 percent of the members have learned about the banking system and were found confident of dealing with bankers. They said that this was an achievement, which they could not have dreamt of earlier. Our experience during the field survey also corroborates this.

However, the awareness level of women about local planning and legal rights is an area was very low. This is almost neglected by all the SHGs. Apart from an instance in Pali district in Rajasthan, where the SHG members actively took part in a movement to shift out the local liquor shop from the village, there was less involvement of SHG members in enhancing local public goods. This indicates low levels of empowerment in the legal/political dimension. Members in older groups show a high degree of social and psychological empowerment than their counterparts in infant groups.

Chapter - 6 Findings and Observations

In the light of foregoing discussion, we now present a summary of the findings and draw few conclusions. The study has attempted to examine the performance of selected SHGs and to assess its impact, especially the impact of the micro credit programme on empowering women. We considered three states, Tamil Nadu, Rajasthan and Madhya Pradesh focussing mainly on SHGs under the FS7 programme and the program under study at Madhya Pradesh. Given the heterogeneous nature of the regions considered, a comparison of the performance across the three regions has not been attempted as they were focusing on different activities for enhancing livelihood options and some being organised at different periods of time. However, the creation of women led sustainable micro enterprises by training them on the operations of business in addition to skill training has been the major goal of the SHGs. Our study area are the districts of Kancheepuram, Ramanathapuram, Chengalpetu in Tamil Nadu, Jodhpur and Pali in Rajasthan and districts of Indore, Dhar, & Devas in Madhya Pradesh.

We employed a sample survey following a cross sectional design in the quantitative phase. The basic unit of our analysis is the SHG member individual. Our data collection and analysis was carried out at two different levels: (i) individual level in-terms of awareness and (ii) individual level use for socio-economic benefits. Further we conducted focus group discussions (FGDs) after the initial analysis of the data collected through questionnaires at all the locations.

We find that the target age group is widely heterogeneous across the regions. The respondents in the age group 33-40 were high in the overall sample. The age group 18-22 is the lowest. We find that the age group 27-40 were more likely to be get involved in SHG activities, and the age group 18-22 were less involved. The respondents who completed primary school education were high in the overall sample, while the respondents who completed higher secondary school education were high only in Madhya Pradesh. In terms of income, the respondents who earn in the range of Rs. 3000-5000 were high in the overall sample. Respondents who earn above Rs.20000 were the lowest overall. The

evidence from the field reveals that the respondents who had agriculture as their main occupation was high overall, while, tailoring was high in Rajasthan and Madhya Pradesh. We also find that the majority of the 1st, 2nd and 3rd loan source were SHGs. Most of the SHG members prefer the source of loan through SHG rather than outside and only few have taken a third loan.

It emerged from the FGDs that the targeted beneficiaries of the program are well within the productive age group. However, there were possibilities for targeting younger age group women, especially in the rural areas as they had constraints on mobility. In terms of skill training almost all the members had exposure to at least one training program. However our discussions revealed that the training was limited in terms of the number of days and on the variety of skills. This hampered employment and diversification especially for the younger age groups with limited educational qualifications. We also found that the overall household consumption expenditure was low and just above the poverty line in many cases. This meant that the main purpose of internal loans is consumption smoothing. Quite often expenses related to family functions inflicted huge financial burden on the SHG members, especially marriage related expenses. In spite of this, we found that the use of loans for income generating enterprise creation was very less. Bulk of respondent availed loans for expanding/sustaining existing businesses, not for starting new ventures. The loans were mainly for working capital requirements.

Collection of thrift is a major activity of the SHGs, carried out successfully since their inception. SHGs surveyed by us have been extremely effective in creating the habit of savings among the rural poor and mobilising it for common good. It emerged from our discussions that it is generally conceived that thrift amount can be used for 'consumption soothing' – meeting consumption requirements, such as expenses towards marriage, funeral, medical treatment, and repayment of debt, whereas loans taken from external agencies are meant mainly for pursuing income-generating activities.

An overwhelming majority (88%) of the SHG member have witnessed an increase in income in the last three years for overall sample. However, it should also be noted that the in most cases increases in income have come from the savings in interest payments on loans taken from informal money lenders. Other than increased income from savings on interest payments, we observed that livestock and tiny enterprises were the main contributors. Thus we conclude that the SHGs are very effective in income enhancing and have made changes in the incomes of the members. In terms of the educational profile of the members who had increased incomes, we find that it is dominated by members who had primary and high school education. Our observations reveal that there is no conclusive evidence on the links between education, enterprise formation and income increases.

Apart from income generation, we examined asset creation. Overall asset creation was less, that is 13% of the members in the entire sample. However, there exists regional variations, for example, in Madhya Pradesh higher proportion of the members (27%) spend more on creating new assets, This could be increased further through targeted interventions. One of the reasons for low asset creation is low savings as respondent's had a monthly savings around Rs. 100-200. This modest savings often limit the size of the internal loan, which in turn has implications for asset creation and income generation.

Majority of the respondents from Ramanathapuram (92%) have undergone skill training, followed by Kanchipuram (88%), Rajasthan (82%) and Madhya Pradesh (64%). Thus on the whole we find that the reach of skill training has been very high with 85% of the respondents undergoing at least one skill training, while SHGs in Madhya Pradesh need to focus more on spreading skill training among members.

As 85 percent of members have received skill training, we expect enterprise creation to be high. However, only 13% of the members in the entire sample have created enterprises. This seems to be low given the high levels of loan advancements and awareness programs conducted for the SHG members. Majority of respondents who linked their business with

enterprise hubs were in Rajasthan (23%) and Madhya Pradesh (21%). Rajasthan had a cluster mapping initiative to identify the possibilities of linking enterprises vertically. This initiative has worked well in the context of dairying and has also resulted in the creation of new enterprises. Our field visits showed that Tamil Nadu has the lowest hub linkages 10% overall. On the whole we find that the linking of businesses with either hubs or other businesses is low, which limits the market for the entrepreneurs. Market uncertainty was a major constraint for the existing entrepreneurs. This necessitates cluster level aggregation of activities to ensure market linkages, which was working well in certain regions and sectors

All the respondents have undergone training on health and sanitation rights were (100%), followed by Environmental rights (99%) and Women's Rights (71%), which was the least. We could infer that the women in the SHGs have undergone training on rights. Respondents were able to take actions when they undergo harassment in any form from the knowledge of rights. Majority of the respondents were presenting the harassment issue to the elders in their community or family. One of the outcome indicators of the benefits of knowing rights is participation in civic activities and Grama Sabha. We find that majority of the respondents who goes to panchayat were from Rajasthan (29%). However, the participation of women in Grama Sabha need to be increased and women should be more involved in Grama Sabha activities. Another indicator we examined was self-empowerment. We find that that the respondents from Rajasthan and Madhya Pradesh were self-empowered while, Tamil Nadu were less. We also find that the overall percentage of women who experienced increase in dignity and respect is very less and there were no big difference with each regions. This is an area that warrants more attention.

Recommendations

1. Intervention has not been universal. They have not been able to provide the same level of effectiveness for the same kind of intervention across regions for the

similar benefits to accrue to the beneficiaries. This unevenness is to be addressed at the organizational level

2. Within same region in many SHGs some groups have just not been able to get enough benefits out of these schemes. May be there is a need to develop a 'bottom up' approach which will fit them or which will work for them.
3. Most of members join SHGs for the lower rate of interest on the borrowing and secondary benefit being some savings. Otherwise many members not able to derive any other benefit.
4. Benefit perceived is predominantly the interest rate reduction and saving through lower interests. More benefits could be derived for members with diversified income generation activities.
5. There is too much concentration on selected activities in rural areas, which poses some risks. For example the livestock rearing especially in Ramanathapuram district often has the risk of wide spread infection to the livestock. Under such circumstances a micro insurance scheme for these beneficiaries could be a useful add on.
6. Semi-urban areas have too much focus on tailoring. There are possibilities for diversification there. For example in Madhya Pradesh one of the possible viable business could be to bring in a dairy hub given the huge potential for livestock rearing.
7. There is need for more knowledge sharing and cross learning across regions, as we find HiH officials sometimes unaware of what happens in another region, which could have relevance for their own activities
8. Post training enterprise creation is very less. This is area that warrants urgent attention. There are of course success stories from among the participants but that is a very small fraction.

9. One time training is not enough for skill formation. Possibly HiH will have to do a repeat training to the same SHG members after a short duration.
10. The basket of skill training options are limited and possibly these could be designed to suit the needs of the region. For example in one of the interior villages SHG members wanted to be taught auto-rikshaw driving skills so that they could operate an auto-rikshaw for the villagers commute to the nearest bus stop as the region is not well connected.
11. Market linkage is the main intervention necessary for moving the SHG women to entrepreneurial activity. Most of them do not want to move out of their village due to various constraints, but are prepared to work for few hours a day. Similar to the shirt stitching or bag stitching in Madhya Pradesh they need to be provided with. This requires linking with bigger markets.
12. Cluster formation and hub level activity or hub creation is very minimal. Here dairying in Rajasthan provides a good example, which could be replicated. In general and especially in Tamil Nadu, the focus should be more on creating more hubs so that the more SHG members can benefit from that.
13. Beneficiaries in Rajasthan and Madhya Pradesh seem to be better aware of the government schemes than in Tamil Nadu. This needs a concerted effort from the part of organizers in Tamil Nadu to create more awareness on Government schemes.
14. Three year scheme or projects create some uncertainty as to what is going to happen after the 3rd year to the beneficiaries. This could be addressed by appropriate follow up plan.
15. Even though training on rights were done, the awareness could be improved with subsequent rounds of trainings, especially on health and hygiene and women's rights. In Rajasthan one of the success of the project was to bring more women to public sphere. In the initial years women were reluctant to come out but now there

is a change in the attitude along with increased confidence. This underscores the need for sustained efforts.