Impact of Microfinance on Entrepreneurship Development: A Case Study of JLGS Lucknow, Uttar Pradesh, India

Meenu Arora, S.D. Sharma

1Research Scholar, Menar University, Chitoorgarh, Rajasthan, India
2Principal, JNPG College, Lucknow, Uttar Pradesh, India

ABSTRACT

This research study investigates the impact of microfinance schemes on entrepreneurial development in Lucknow district. To achieve the stated objective of the study, three research questions were formulated. The descriptive research design was adopted for the study. The Population for our study encompasses the joint liability groups who have been engaged in microfinance activities and are the beneficiaries of microfinance credit. 250 JLGs respondents were selected from Lucknow District according to simple random sampling method. The researcher used questionnaires as an instrument of primary data collection. Tables and simple percentages were used in data presentation. For clear analysis, the study centers on two broad variables: the dependent variable which is entrepreneurial development and the independent variable which is microfinance institutions. The study reveals that (i) there is a significant difference in the number of entrepreneurs who used microfinance institutions and those who do not use them; (ii) there is a significant effect of microfinance institutions activities in predicting entrepreneurial productivity; and (iii) that there is no significant effect of microfinance institutions activities in predicting entrepreneurial development. The researcher concludes that microfinance institutions world over and especially are identified to be one of the key players in the financial industry that have positively affected individuals, business organizations, other financial institutions, the government and the economy at large through the services they offer and the functions they perform in the economy.

1. INTRODUCTION

1.1. Background to the Study

Microfinance in India has come a long way. It started as an alternative source of finance to the unserved masses comprising the bottom of the socio-economic pyramid and gradually turned out to be a tool for uplifting their social standard and working their way out of poverty. The sector has helped millions of small households in the most remote areas to give life to their dreams by providing them the means to fulfill them. With sustainable growth and modest return, the sector, which initially survived just as a “not-for-profit” endeavour, has attracted several large multinational investors over the past decade.

Microfinance is the provision of financial services to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related services. More broadly, it is a movement whose object is “a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance, and fund transfers.”. Those who promote microfinance generally believe that such access will help poor people out of poverty. The dynamic growth of the microfinance industry has been promoted not only by market forces but also by conscious actions of national governments, microfinancing institutions, Non-Governmental Organizations (NGOs) and the donors who view microfinance as an effective tool for eradicating poverty.

It is worthy to note that the contribution of microfinance to entrepreneurship activities is increasingly being recognized as a primary engine of economic growth. By combining existing resources with innovative ideas, entrepreneurs add value through the commercialization of new products, the creation of new jobs and the building of new firms.
1.1 Notions of Microfinance

1.1.1 Microfinance
Microfinance is an economic development approach that involves providing financial services, through institutions, to low-income clients, where the market fails to provide appropriate services. The services provided by the Microfinance Institutions (MFIs) include credit saving and insurance services. Many microfinance institutions also provide social intermediation services such as training and education, organizational support, health and skills in line with their development objectives.

1.1.2 Microenterprises
A small business that employs a small number of employees. A microenterprise will usually operate with fewer than 10 people and is started with a small amount of capital. Most microenterprises specialize in providing goods or services for their local areas. Microenterprises serve a vital purpose in improving the quality of life for people in developing countries. Microfinance seeks to help microenterprises by loaning small amounts of capital to these businesses. This allows poor individuals or families to start their own businesses, earn income and benefit their communities.

1.1.3 Microfinance Institutions (MFIs):
A microfinance institution is an organization, engaged in extending micro credit loans and other financial services to poor borrowers for income generating and self-employment activities. An MFI is usually not a part of the formal banking industry or government. It is usually referred to as a NGO (Non-Government Organization).

1.1.4 Joint Liability Groups (JLG)
A Joint Liability Group (JLG) is an informal group comprising preferably of 4 to 10 individuals but can be up to 20 members, coming together for the purpose of Bank loan either individually or a group mechanism against mutual guarantee. The JLG members would offer a joint undertaking to the bank that enables them to avail loans. The JLG members are expected to engage in a similar type of production activities such as cropping.

1.2 Microfinancing Institutions and Their Role in Indian Economy
Microfinance Institutions (MFIs) have emerged as important players in the rural credit delivery system. A microfinance institution is an organization that offers financial services to low income populations. Almost all give loans to their members, and many offer insurance, deposit and other services. MFIs can take many forms, but can be broadly grouped into the following categories:

- Non Banking Finance Companies (NBFC);
- Private Commercial Banks;
- Non Government Organizations (NGO);
- Not-for-Profit Companies registered under Section 25 of the Companies Act, 1956;
- Cooperative Societies;
- Sections of Government Banks.

Microfinance has long been considered a powerful tool for sustainable development. Over the last ten years, development policy has focused on improving financial access for as many people as possible. For some time it seemed that development objectives and commercial profitability could be accomplished simultaneously and without friction. Sustainability of market growth was rarely questioned, as microfinance was transformed into a more and more financially efficient industry.

1.3 Statement of the Research Problem
Microfinance is miserably getting downfall due to the problems regarding lack of deployment strategy, institutional support, lack of promptness among the borrowers etc. The phenomenon of microfinance group lending, whereby borrowers are clubbed into small groups whose members typically received sequential loans, has been seen as the fundamental innovation that allows microfinance institutions to service clients without collateral.

The evolution of the microfinance in India as a powerful tool for poverty alleviation. Where institutional finance failed microfinance delivered, but the outreach is too small. There is a question mark on the viability of the microfinance institutions. There is a need for an all round effort to help develop the fledgling microfinance industry while tackling the tradeoff between outreach and sustainability. It is stated that in India have brought a fresh focus upon the problem of regulation in the field of microfinance. Three distinct aspects where government needs to play role i.e. poverty alleviation, women empowerment and entrepreneurship development.

The introduction of MFIs is seen as the best alternative source of financial services for low income earners in rural areas as a means to raise their income, hence reducing their poverty level. However evidence has shown that these MFIs are faced by a myriad of challenges which are not to limited coverage, poor organizational structures and some is donor driven. Strategies such as formation of
microcredit programmes. However, more research needs to be done in regard to whether microfinancing has effect on poverty reduction as will be done through this study. This is because despite efforts of micro financing, more people are still living with poverty.

Therefore research problem of this study is to “Impact of the microfinance on entrepreneurship development in Lucknow district” assess the impact of microfinance on entrepreneurship development and identify the influence of SIDBI schemes on the net impact of microfinance. At this point, it is therefore important to re-examine the impact of microfinance policies and its operations on the development of Microfinance in India. Microfinance institutions are the key tool for entrepreneurship development which is stimulating employment are eventually alleviating poverty.

1.4 NEED FOR MICROFINANCE IN INDIA

Microfinance provides financial support to low-income clients, where the market fails to provide appropriate services. Here we describe role and importance of microfinance:
1. Credit To Rural Poor
2. Poverty Alleviation
3. Women Empowerment
4. Economic Growth
5. Mobilisation Of Savings
6. Development Of Skills
7. Mutual Help And Co-operation
8. Social Welfare

Thus, the study is focussed to the role of microfinances in employment generation and further to put afresh idea of need-based micro-financing for self-employment purposes to those skilled poor workers who are aspirant to upgrade themselves.

2.1 Literature Review

Shetty, K. N. (2008) attempts to present the new paradigm for the development of micro-enterprises through microfinance within the frame work of ‘Maximalist Approach’. The empirical study shows that microfinance will be a true lubricant for micro enterprise development only when the finance flows with the non-financial services, which have a greater positive impact the livelihood of the poor.

Panigrahi and Shobhit (2008) defined microfinance as a system that provides small loans to poor entrepreneurs in specific to small scale self employed cottage and home-based businesses which becomes the newest silver bullet for alleviating poverty. The tremendous growth of microfinance occurs in India, due to the loopholes in Indian banking industry. They pointed that the potential of microfinance is more in India as compared to other part of world due to availability of 7.5 crore poor and their demand for small loans. Further they stated different sources of funding to MFIs in India. The presence of keys problems in rural financing like lack of credit, low saving capacity and prevalence of usurious money lenders provides scope to microfinance development. They suggested sustainable working of both MFIs and rural bank branches to cover the gap of credit accessibility and make microfinance successful.

Venkatapathy R (2006) using purposive sampling technique studied 75 first generation and 58 second generation entrepreneurs. The results of the investigations suggested that first generation entrepreneurs perceive the father as a loving person and parents as encouraging and overprotective. They are influential by the father attribute greater importance to friendship, initiative venture to promote self employment, desire to be a model to others. They consider social awareness and involvement as essentials for a business venture which are the second generation entrepreneurs perceive the father as being dominant, are not influenced by any one, attribute least importance to friendship adopt a venture to avoid unemployment consider social awareness and involvement as not essential for a business venture.

Evans and Adams (1999) approach the microfinance question at a slightly different angle. However, they seek to explain non participation in the microfinance evolution, stating that while microfinance is used as a viable tool in fighting poverty, more than 75% of the poor individuals choose not to participate for various reasons.

The study by Sharma (1976) on the inner state patterns of entrepreneurial performance between the states of Punjab and Uttar Pradesh revealed that interstate variations in industrial climate give rise to variations in entrepreneurial performance and better that climate the better world be the performer and that the socio-economic background of the enterprises matters for entry into manufacturing.

3.1 Research Methodology

Research Methodology is a way to systematically solve the research problems. It is the scientific steps that are generally adopted by the research in studying the
problem along with the logic behind by them. This section focuses on the research techniques adopted and used for this study with the aim of achieving the research objectives.

A sample design is a finite plan in obtaining a sample from a given population. It refers the techniques or procedure the researcher would adopt in selecting items for the sample. The probability sampling design offers every item of the population equal chance of inclusion in the sample. Survey research design is adopted in this study. Data were collected from a sample of enterprises (JLGs) to determine the relationship between entrepreneurial development (the dependent variable) and microfinance (the independent variable).

The Population for our study encompasses the joint liability groups who have been engaged in microfinance activities and are the beneficiaries of microfinance credit. 250 JLGs respondents were selected from Lucknow according to simple random sampling method and the respondents were selected on the basis of objectives of forming JLGs namely agriculture, Food Processing, Furniture and carpentry, Automobiles, Animal Husbandry, Lifestyle, Trading, Services, Manufacturing Process, logistics, and loan disbursed to them.

3.2 Objectives of the Study
To be meaningful, every work must have to formulate the objectives of the study. So in the light of the research topic, the objective of this study is to show how microfinance works, by using Joint Liability Groups for entrepreneurship development and how it effects the living standard (income, saving expenditure, access to health and education, etc.) of the minority and weaker section in Lucknow District.

4. HYPOTHESIS
“A hypothesis is a special proposition formulated to be tested in a certain given situation as a part of research which states what the researcher is looking for”

For the present study, the researcher has formulated three null hypothesis to examine the impact of microfinancing schemes on entrepreneurship development and how it effects the living standard (income, saving expenditure, access to health and education, etc.) of the minority and weaker section in Lucknow District.

ALTERNATE HYPOTHESIS (Ha): Micro financing schemes provided by the SIDBI have an impact on entrepreneurial development for different sections of Minorities & Weaker Sections.

Ha:μ≠μ0

5. DATA PROCESSING AND ANALYSIS
5.1 Introduction
This chapter provides the empirical findings gleaned from the collected data. The data analysis and hypothesis testing were carried out using the computer software package SPSS version 21.0. The data was collected over a period 2010-2016 of 250 respondents of 2480 JLGs from the Lucknow district of Uttar Pradesh selected for the study. The demographic data has been classified on the basis of their age, Income, Mothly savings, Family expenditure, Loan outstanding, loan repayment, Purpose of loan, education and their social status. It provides demographic information of the respondents and the statistical analysis of the information collected from them. This is followed by the interpretation and discussion about our findings.

Table 5.1 shows the number of JLGs and the membership in the Lucknow district of Uttar Pradesh. The total number of JLGs respondents were 250 in which number of members were 2480.

Table 5.2 shows the age groups of leaders in the Lucknow districts of Uttar Pradesh. The number of respondents were 106 with the age group of less than 20. Their percentage was 4.3. Number of respondents in age group 20-30 were 466 and they were 18.8%. 652 respondents were in the age group of 30-40 and 664 respondents are in the age group of 40-50. They are 26.3 and 26.8% respectively. The percentage of respondents in the age group of 30-40 was the highest. The number of respondents in the age group of less than 20 and above 60 was lowest. It shows in the age group of 30-40 and 40-50 was the highest. The number of respondents in the age group of less than 20 and above 60 was lowest. It shows in the age group of 30-40 and 40-50 participate in the activities of groups actively and respondents in the age group of 50-60 play important role in controlling and solving the problems in JLGs.

Table 5.3 describes the reasons of respondents for joining the JLGs. 41 respondents have joined JLGs for agricultural purposes. 39 have joined JLGs for food processing and analysis.

Table 5.1: No of district wise JLG’s

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of Districts</th>
<th>Number of JLG</th>
<th>Number of Members in JLG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lucknow</td>
<td>250</td>
<td>2480</td>
</tr>
</tbody>
</table>
processing business. 34 joined for furniture and carpeting and their percentage was 13.75. 31 opted for automobiles. 36 joined for animal husbandry. 19 opted for lifestyle micro enterprises. 16 each for trading and services. The minimum number of JLGs joined for manufacturing process and logistics units i.e. 11 and 7 respectively. It shows that It shows that maximum number of women are interested in setting up of Agriculture and food processing units in rural areas.

Income is the major determinant of the standard of living of the people. The table 4.4 shows the positive relationship. 40.5% women’s income were less than 1000 which reduced to 17.5% respondents in this category. 25.6% respondents income were 1000-1500 which reduced to 14.3%. Similarly, 4.3% respondents income were 1500-2000 which increased to 16.3%. Hence, income of the respondents has increased after joining JLGs, their percentage came down to 10% and they took interest in the activities of JLGs. Many of the women members began to involve in independent economic activities individually and with other members of the groups after joining JLGs. Therefore they are now economically independent and contribute to increase their household income.

Table 5.5 describes the types of loans given to the members of JLGs. For micro enterprises, the maximum amount is given between 20,000 to 25,000. For vegetables the amount is 10,000 to 25,000. For machinery the amount is 10,000 to 20,000. For repayment of old loan, it is 10,000 to 15,000. For medical treatment, it is 10,000 to 15,000. For house repairing it is up to Rs. 5,000. Cattle loan is 5,000 to 7,500. For woollen work it is 2,000 to 40,000. For fishing it is 10,000 to 30,000 and for knitting carpets, it is 10,000 to 25,000. The loan was taken by the majority of respondents to establish micro enterprises related to the importance and requirement of the particular area where the raw material and the market is easily accessible.

Table 5.6 depicts that the amount of loan availed by the members of JLGs. Now a days many women members are applying loans for setting up micro enterprises. 10.9% of respondents income were less than 1000 which reduced to 17.5% respondents in this category. 25.6% respondents income were 1000-1500 which reduced to 14.3%. Similarly, 4.3% respondents income were 1500-2000 which increased to 16.3%. Hence, income of the respondents has increased after joining JLGs, their percentage came down to 10% and they took interest in the activities of JLGs. Many of the women members began to involve in independent economic activities individually and with other members of the groups after joining JLGs. Therefore they are now economically independent and contribute to increase their household income.

Table 5.2: Age-Groups of Leader of JLG’s Members in the Sampled Districts In Lucknow

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Age-Group</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 20</td>
<td>106</td>
<td>4.3</td>
</tr>
<tr>
<td>2</td>
<td>20-30</td>
<td>466</td>
<td>18.8</td>
</tr>
<tr>
<td>3</td>
<td>30-40</td>
<td>652</td>
<td>26.3</td>
</tr>
<tr>
<td>4</td>
<td>40-50</td>
<td>664</td>
<td>26.8</td>
</tr>
<tr>
<td>5</td>
<td>50-60</td>
<td>434</td>
<td>17.5</td>
</tr>
<tr>
<td>6</td>
<td>Above 60</td>
<td>158</td>
<td>6.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2480</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Income is the major determinant of the standard of living of the people. The table 4.4 shows the positive relationship. 40.5% women’s income were less than 1000 which reduced to 17.5% respondents in this category. 25.6% respondents income were 1000-1500 which reduced to 14.3%. Similarly, 4.3% respondents income were 1500-2000 which increased to 16.3%. Hence, income of the respondents has increased after joining JLGs, their percentage came down to 10% and they took interest in the activities of JLGs. Many of the women members began to involve in independent economic activities individually and with other members of the groups after joining JLGs. Therefore they are now economically independent and contribute to increase their household income.

Table 5.3: Purpose of promotion of JLG’s

<table>
<thead>
<tr>
<th>S. No.</th>
<th>OBJECTIVES</th>
<th>No. of JLG</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>41</td>
<td>16.25</td>
</tr>
<tr>
<td>2</td>
<td>Food Processing</td>
<td>39</td>
<td>15.63</td>
</tr>
<tr>
<td>3</td>
<td>Furniture &amp; carpentry</td>
<td>34</td>
<td>13.75</td>
</tr>
<tr>
<td>4</td>
<td>Automobile</td>
<td>31</td>
<td>12.5</td>
</tr>
<tr>
<td>5</td>
<td>Animal Husbandry</td>
<td>36</td>
<td>14.38</td>
</tr>
<tr>
<td>6</td>
<td>Life style</td>
<td>19</td>
<td>7.5</td>
</tr>
<tr>
<td>7</td>
<td>Trading</td>
<td>16</td>
<td>6.25</td>
</tr>
<tr>
<td>8</td>
<td>Services</td>
<td>16</td>
<td>6.25</td>
</tr>
<tr>
<td>9</td>
<td>Manufactures process</td>
<td>11</td>
<td>4.38</td>
</tr>
<tr>
<td>10</td>
<td>Logistics</td>
<td>7</td>
<td>3.13</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>250</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Table 5.4: Monthly Income of the Members before and After Joining JLG’S

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Rs Monthly Income</th>
<th>Before Joining JLG’S</th>
<th>After Joining JLG’S</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of JHG’S</td>
<td>Percentage</td>
<td>Respondents</td>
</tr>
<tr>
<td>1</td>
<td>Less Than 1000</td>
<td>1004</td>
<td>40.5</td>
</tr>
<tr>
<td>2</td>
<td>1000-1500</td>
<td>635</td>
<td>25.6</td>
</tr>
<tr>
<td>3</td>
<td>1500-2000</td>
<td>107</td>
<td>4.3</td>
</tr>
<tr>
<td>4</td>
<td>2000-2500</td>
<td>139</td>
<td>5.6</td>
</tr>
<tr>
<td>5</td>
<td>2500-3000</td>
<td>92</td>
<td>3.7</td>
</tr>
<tr>
<td>6</td>
<td>Above 3000</td>
<td>69</td>
<td>2.5</td>
</tr>
<tr>
<td>7</td>
<td>Non- Earning Members</td>
<td>434</td>
<td>17.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2480</td>
<td>100.00</td>
</tr>
</tbody>
</table>
respondents avail loan less than Rs.5,000.25.6% avail loan between 10,000 to 15,000,.22.6% avail loan between 5,000 to 10,000..21.8% avail loan between 15,000 to 20,000.only 12.5% avail loan above Rs.20,000. The maximum loan amount per member is decided in the general body meeting .It shows that all the members are availing the loan facility .The highest number of respondents is availing the loan between 10,000 to Rs.15,000. 

Table 5.5 shows the 62.6% respondents make payment of loans in time while 21.8% make payment of loans in advance whereas 15.6% respondents do not make payment of loans timely. Hence, most of the members make payment in time or in advance only 15.6% members do not make payment in time.

Table 5.6 explains the individual savings of the members of JLGs, before and after joining the JLGs.

### Table 5.5: Type of Loans given by JLG’s

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type of Loan</th>
<th>Maximum amount Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>For Micro-Enterprise</td>
<td>20,000 to 25,000</td>
</tr>
<tr>
<td>2</td>
<td>For Growing Vegetables</td>
<td>10,000 to 25,000</td>
</tr>
<tr>
<td>3</td>
<td>For Machinery</td>
<td>10,000 to 20,000</td>
</tr>
<tr>
<td>4</td>
<td>Repayment of the Old Loan</td>
<td>10,000 to 15,000</td>
</tr>
<tr>
<td>5</td>
<td>Medical Loan for Treatment</td>
<td>10,000 to 15,000</td>
</tr>
<tr>
<td>6</td>
<td>House Repairing Loan</td>
<td>Up to 5,000</td>
</tr>
<tr>
<td>7</td>
<td>Cattle Loan</td>
<td>5,000 to 7,500</td>
</tr>
<tr>
<td>8</td>
<td>For Wollen Work</td>
<td>2,000 to 40,000</td>
</tr>
<tr>
<td>9</td>
<td>For Fishing Business</td>
<td>10,000 to 30,000</td>
</tr>
<tr>
<td>10</td>
<td>For Knitting Carpets</td>
<td>10,000 to 25,000</td>
</tr>
</tbody>
</table>

### Table 5.6: Amount of Loan Availed by Members through JLG’s

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Availed Loan Amount (Rs.)</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 5,000</td>
<td>281</td>
<td>10.9</td>
</tr>
<tr>
<td>2</td>
<td>5,000 to 10,000</td>
<td>525</td>
<td>21.17</td>
</tr>
<tr>
<td>3</td>
<td>10,000 to 15,000</td>
<td>561</td>
<td>22.76</td>
</tr>
<tr>
<td>4</td>
<td>15,000 to 20,000</td>
<td>541</td>
<td>21.87</td>
</tr>
<tr>
<td>5</td>
<td>20,000 to 25,000</td>
<td>284</td>
<td>11.57</td>
</tr>
<tr>
<td>6</td>
<td>25,000 to 30,000</td>
<td>164</td>
<td>6.62</td>
</tr>
<tr>
<td>7</td>
<td>Above 30,000</td>
<td>124</td>
<td>5.08</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2480</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Table 5.7 shows that the 62.6% respondents make payment of loans in time while 21.8% make payment of loans in advance whereas 15.6% respondents do not make payment of loans timely. Hence, most of the members make payment in time or in advance only 15.6% members do not make payment in time. 

Table 5.8 explains the individual savings of the members of JLGs, before and after joining the JLGs.

### Table 5.7: Repayment of Loan Of Members Of JLG’s

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Repayment in time</td>
<td>1552</td>
<td>62.6</td>
</tr>
<tr>
<td>2</td>
<td>Repayment in advance</td>
<td>541</td>
<td>21.8</td>
</tr>
<tr>
<td>3</td>
<td>Repayment not in time</td>
<td>387</td>
<td>15.6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2480</td>
<td>100.00</td>
</tr>
</tbody>
</table>

The table shows that the percentage of respondents is high whose saving are very low below 200,200-300 &300-400 at 30.69%, 14.52% and 13.86 % respectively before joining JLGs. But the percentage of respondents is low in the same category after joining JLGs at 11.88 %, 5.28% and 9.57 % respectively. The percentage of respondents in other categories such as 500-600, 600-700, 700-800, 800-900 and above 900 is very high after joining JLGs. It clearly shows that the savings of members of JLGs has increased manifold after joining JLGs.

### Table 5.8: Individual Savings of the Members Before and After Joining JLGs

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Monthly Savings (Rs.)</th>
<th>No. of Respondents</th>
<th>Percentage</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below 200</td>
<td>761</td>
<td>30.69</td>
<td>295</td>
<td>11.88</td>
</tr>
<tr>
<td>2</td>
<td>200-300</td>
<td>361</td>
<td>14.52</td>
<td>131</td>
<td>5.28</td>
</tr>
<tr>
<td>3</td>
<td>300-400</td>
<td>344</td>
<td>13.86</td>
<td>237</td>
<td>9.57</td>
</tr>
<tr>
<td>4</td>
<td>400-500</td>
<td>81</td>
<td>3.30</td>
<td>164</td>
<td>6.60</td>
</tr>
<tr>
<td>5</td>
<td>500-600</td>
<td>196</td>
<td>7.9</td>
<td>246</td>
<td>9.90</td>
</tr>
<tr>
<td>6</td>
<td>600-700</td>
<td>164</td>
<td>6.6</td>
<td>327</td>
<td>13.20</td>
</tr>
<tr>
<td>7</td>
<td>700-800</td>
<td>131</td>
<td>5.28</td>
<td>196</td>
<td>7.92</td>
</tr>
<tr>
<td>8</td>
<td>800-900</td>
<td>164</td>
<td>6.6</td>
<td>425</td>
<td>17.16</td>
</tr>
<tr>
<td>9</td>
<td>900-1000</td>
<td>196</td>
<td>7.92</td>
<td>327</td>
<td>13.20</td>
</tr>
<tr>
<td>10</td>
<td>Above 1000</td>
<td>82</td>
<td>3.30</td>
<td>132</td>
<td>5.28</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2480</td>
<td>100.00</td>
<td>2480</td>
<td>100.00</td>
</tr>
</tbody>
</table>
6. FINDINGS

6.1 Major Findings

The summary and findings of the present study can be discussed as follows.

- The total number of JLGs in sample Lucknow District were 250 respondents.
- The number of respondents were 106 with the age group of less than 20. Their percentage was 4.3. 18.8% respondents are in age group 20-30, 26.3% are in the age group of 30-40 and 26.8% respondents are in the age group of 40-50. The number of respondents in the age group of less than 20 and above 60 was lowest. Respondents in the age group of 30-40 and 40-50 participate in the activities of groups actively and 50-60 play important role in controlling and solving the problems in JLGs.
- The study also shows that the monthly income of member of JLGs has increased after joining JLGs.
- The loans have been taken for setting up of various micro enterprises such as agriculture, Food Processing, Furniture and carpenting, Automobiles, Animal Husbandry, Life Style, Trading, Services, Manufacturing Process, logistics.
- The percentage loan between 10,000 to 15,000 is 22.76% followed by 21.17% between 5,000 to 10,000 and 11.57% between 20,000 to 25,000.
- The repayment of loan is also very high which is 62.6%. Repayment in advance is 21.8% and repayment not in time is only 15.6%.
- The family expenditure has increased of the families of JLGs after joining JLGs. The individual expenditure has also increased after joining JLGs. It shows that the income as well as expenditure have increased after joining JLGs and these families can be brought out of BPL status in due course of time.
- It has also been observed that the savings of the members of JLGs has also increased after joining the JLGs.
- Recently, the contribution of women in micro enterprises in rural areas has increased.
- Women as an entrepreneur is mostly found either in weaker sections or in high class society.
- In rural India, JLGs can help women in setting up micro enterprises. The JLGs helps to generate group support and solidarity.
- It has been observed that the involvement of JLG in self employment activities contributes to group entrepreneurship at the grass root level. Group entrepreneurship offers an opportunity for installing basic managerial skills and values amongst the rural poor.
- Joint Liability Group Savings are not sufficient for availing loans.
- Self reliant objectives of the government are also lack behind and they are not reaching the beneficiaries.
- Division of amount of loan and distribution is not sufficient for the members for economic activities and income generating activities.
- To avail a loan with the Joint Liability Groups there is a problem of mediators at banks at every step of loan procedure.
- Members of JLGs have to face many hurdles and problems for sanctioning the loan.
- The loan taken by the JLGs are not utilized properly not the loan amount is utilized for exact purpose.
- Most of the members in the JLGs are not adequately trained in their field and most of them are not highly educated.

CONCLUSION

The study unraveled many interesting dimensions of findings of joint liability groups and members empowerment through microfinance in Lucknow District of Uttar Pradesh. The study shows that the monthly income of member of JLGs has increased after joining JLGs. The family expenditure has increased of the families of JLGs after joining JLGs. The individual expenditure has also increased after joining JLGs. It shows that the income as well as expenditure have increased after joining JLGs and these families can be brought out of BPL status in due course of time. It has also been observed that the savings of the members of JLGs has also increased after joining the JLGs. Recently, the contribution of women in micro enterprises in rural areas has increased. Women as an entrepreneur is mostly found either in weaker sections or in high class society. In rural India, JLGs can help women in setting up micro enterprises. The JLGs helps to generate group support and solidarity. Majority of JLG women were middle aged, functionally literate and untrained. Hence, capacity building programmes should be planned by govt. and intervening agencies for these women on education and enterprise development. There is need to increase the banking attitude of the joint liability group members. The emphasis on the active participation of the members in meetings of the group is essentially needed. Regular training of the members of the JLGs for undertaking income generating activities is
essential. For this purpose, new small scale occupations are discovered and in which rural women must be trained. Loan amount or limit of loans has to be increased by the microfinance institutions. The results of the present study demand the need for further investigations in other directions. The following suggestions could be used by the future researchers who are willing to take up the similar studies. The present study had limitations of time and resources of a single investigator hence taken only one district, Lucknow districts out of the 75 districts with a sample of 250 JLGs respondents were studied. A comprehensive study with a large sample on the same topic maybe conducted in future in Uttar Pradesh. Therefore, the results cannot be generalized to other districts of Uttar Pradesh especially in the analytical terms. Further research done on a bigger scale with large sample size could shed light on how microfinance activities affect the average living standard of poor people of Uttar Pradesh analytically.

**BIBLIOGRAPHY**

**Journals**

**Government Published data study omission by SIDBI and funded Accloration with DFID, UK**
- shodh.inflibnet.ac.in:8080/jspui/bitstream/123456789/1262/2/02_introduction.pdf
- http://up.gov.in/Social-Demography
QUESTIONAIRRE ABOUT THE ORGANIZATION /JLG

1. JLG PROFILE

Table-1: JLG Member’s Profile

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name</th>
<th>Age</th>
<th>Caste</th>
<th>Education</th>
<th>Employment</th>
<th>Total children</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. JLG: Existence and Sponsorship
   (i) Do you know when your JLG established?
      Yes [ ] No [ ]
      If Yes, specify the year in which JLG came into existence.
      Year of establishment ________________.
   (ii) Specify your position in JLG.
         Office Bearer [ ] Member [ ]

3. Group Size:
   3.1. How many members are in your group?
      (1) < – 9 [ ] (2) 11 – 15 [ ] (3) 15 – 18 [ ] (4) 18+ [ ]

4. When you joined the group..............years)?

5. Who suggested to join the group?
   (1) Self [ ]
   (2) Family Members [ ]
   (3) Friends/ Relatives [ ]
   (4) NGO’s workers [ ]
   (5) Other members of the Group [ ]

6. What is your position in Group?
   (1) Ordinary Member [ ]
   (2) Active Member [ ]
   (3) Cashier/ Secretary [ ]
   (4) President [ ]
   (5) Other (Specify) [ ]

7. Has income of members of JLGs increased after joining JLG
   a. Yes [ ] b. No [ ]
      If yes, indicate the increment ________________

8. Meetings:
   8.1. Do you know whether JLG meetings are held?
      a. Yes [ ] b. No [ ]
      If you know, how many times the JLG meetings are held?
      (1) Weekly [ ] (2) Fortnightly [ ] (3) Monthly [ ] (4) Meetings are not held for months [ ]
9. How is the decision taken?
   (1) By consensus
   (2) By voting
   (3) Group representatives
   (4) Link worker/facilitator in consultation with members
   (5) Link Worker/Facilitator/Representatives (Mixed)

10. Knowledge and Awareness of JIG’s Activities:
    (1) Meeting Calendar
    (2) Rules and Regulations
    (3) Information in Group Records
    (4) Cash in hand
    (5) Balance in Bank
    (6) Outstanding Loan
    (7) Total Capital of the Group
    (8) Savings of Group
    (9) Total loaning of Group
    (10) No. of Members taken loan
    (11) No. of Members repaid loans
    (12) Name of Bank
    (13) Income of Group
    (14) Objectives of Group
    (15) Achievements of Group
    (16) Constraints of Group
    (17) Others (Specify)

11. Saving Pattern
11.1 Your saving rate
    (i) Present (Rs.)
    (ii) Initial (Rs.)

11.2 Main Purpose of savings
   (Give your order of Preferences)
   (1) Social Security
   (2) Food Security
   (3) Education
   (4) Medical
   (5) Marriage
   (6) Festivals
   (7) Emergencies
   (8) Agriculture
   (9) Asset Building
   (10) Self Respect
   (11) Others (Spe.)

Your cumulative savings (Rs.)
Interest earned on savings (Rs.)
Your Present bank balance (Rs.)

12. Training and Experience
12.1 Whether you received training/orientation/exposure related to SHG’s activities
    (1) Yes
    (2) No

12.2 Nature of training:
    (1) Agriculture
    (2) Non farm sector
    (3) Participating planning process
    (4) Diversification of Agriculture
    (5) JLG’s functioning
    (6) Income generating activities
    (7) Marketing of commodities/products
    (8) Business development
    (9) Others

12.3 Who provided training?
    (1) NGO’s activists and representatives
    (2) Resource Reasons
    (3) Govt. Officials
    (4) Others

13. Objectives of Bank linkages
13.1. Please tell us the objective for which the bank was linkaged?
   a. To get loan for economic activities.
   b. To seek guidance from bank staff.
   c. Any other

14. Specify the total amount Deposited in Bank
Rs._____________.

15. JLGs programmes for women’s empowerment.

15.1. Internal loans
   a. Have you ever applied for internal loans to your JLG?
      (i) Yes    (ii) No
   b. If yes, have you got the loan?
      (i) Yes    (ii) No
   c. If yes, specify the amount Rs._________

16. Purpose of loaning

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Required (Rs.)</th>
<th>Received (Rs.)</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Agriculture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Animal Husbandry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Income generating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Asset Building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Emergencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Others</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>