
A FINAL PROJECT REPORT ON

STUDY ON INDIVIDUAL HOUSEHOLD ENTERPRISE STARTED BY SHG MEMBER
AFTER TAKING LOAN FROM SHG UNDER JEEViKA PROJECT.

(BLOCK LEVEL STUDY CONDUCTED IN SARMERA, RAHUI BLOCK OF NALANDA
DISTRICT AND DOBHI, MANPUR BLOCK OF GAYA DISTRICT.)



JEEViKA

Bihar Rural Livelihoods Promotion Society

BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY

SUBMITTED BY:

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JEEViKA INTERN

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ACKNOWLEDGEMENT

The spirit of summer internship program lies in not merely doing the program but to get a firsthand experience of the Organization and to prepare ourselves for tomorrow's managerial needs.

I express my appreciation and thanks to all those with whom I have had the opportunity to work and whose thoughts and insights have helped me in furthering my knowledge and understanding of the subject.

My sincere gratitude goes to **Mr. Ajit Ranjan**, SPM (M & E) and **Mr. KshovenGuha**, **Mrs. Nidhi** without whose valued guidance, encouragement and inspiration the completion of this project would never have been possible. I am also indebted to **Mr. Pratyush, YP** for providing me an opportunity to be a part of **BRLP JEEViKA**, Bihar and to all the employees of the organization for giving me valuable information during my project.

I perceive as this opportunity as a big milestone in my career development. I will strive to use gained skills and knowledge in the best possible way, and I will continue to work on their improvement, in order to attain desired career objectives. Hope to continue cooperation with all of you in the future.

Sincerely,

Siddharth Nandan

Patna,

29-07-2016

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EXECUTIVE SUMMARY

TITLE OF THE STUDY	STUDY ON INDIVIDUAL HOUSEHOLD ENTERPRISE STARTED BY SHG MEMBER AFTER TAKING LOAN FROM SHG UNDER JEEVIKA PROJECT.
OBJECTIVE OF STUDY	<ul style="list-style-type: none"> • Determine percentage of SHG members taking loan for enterprise. • No. of times loan taken for enterprise development. • Average amount of loan utilized for the enterprise. • Types of enterprise started by the SHG members. • Average annual income of SHG member involved in different types of enterprise.
METHODOLOGY OF STUDY	<p>The study entailed the following tasks:</p> <ul style="list-style-type: none"> • Study Planning • Location of study selected • Preparation of comprehensive data-collection tools and analysis framework. • Data collection on the basis of approved tools • Analysis of the data • Report writing • Sharing of report with the M & E • Final report • Submission of the report
TIMEFRAME OF PROJECT REPORTING	June 6 th , 2016 to July 31 st , 2016 (9 weeks)
PLACE FOR CONDUCT OF STUDY	<p style="text-align: center;">AjitRanjan, SPM (M & E)</p> <ol style="list-style-type: none"> 1. Nalanda District <ul style="list-style-type: none"> • Sarmera • Rahui 2. Gaya District <ul style="list-style-type: none"> • Manpur • Dobhi

FINDINGS AND DATA

- 96% members have taken loan whereas only 4% have not take any loan.
- Around 60% members have started enterprise after taking loan.
- Out of the total 60% enterprise started, 93% are functional. The remaining 7% has closed.
- Avg. no. of member per SHG is 13.
- Majority of members are from OBC category. 61% members are BPL.
- SHG members have started a total 48 types of enterprise.
- Average no. of loan size for enterprise is 3.
- Average loan amount for enterprise is 54221.
- 79% members have started 1 enterprise whereas 21% members have started more than 1 enterprise.

INTRODUCTION

Jawaharlal Nehru stated as “You can tell the condition of a nation by looking at the status of its women” and Eleanor Roosevelt defined as “A woman is like a tea bag: you can not tell how strong she is until you put her in hot water.”

The concept of empowerment is defined as the process by which women take control and ownership of their choices. The core elements of empowerment have been defined as agency (the ability to define one’s goals and act upon them), awareness of gendered power structures, self-esteem, and self-confidence (Kabeer, 2001).

Women comprise half of human resources they have been identified as key agents of sustainable development and women’s equality is as central to a more holistic approach towards stabilizing new patterns and process of developments that are sustainable. [Birendra Kumar Jha, 2009]. The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. Women constitute 90 per cent of total marginal workers of the country. Rural women who are engaged in agriculture form 78 per cent of all women in regular work [Harendar Kumar, 2009].

The Government of Bihar’s project under the department of rural development is known as Bihar Rural Livelihood Project or “JEEVIKA”. The project aims at social and economic empowerment of the rural poor by creating SHGs. It comes under the National Rural Livelihood Mission. The ethos behind the whole mission is that the poor need to be organized and their capacities need to be building up systematically so that they can access self-empowerment opportunities.

The core strategy of the programme is to build vibrant community institutions of women, which through members saving, internal loaning, regular repayment and economic activities become self-managed institutions. It has been translated into mobilizing the vulnerable into self-help groups.

The BRLP objective is to enhance social and economic empowerment of the rural poor in Bihar. This objective is to be accomplished by:

- Improving rural livelihoods and enhancing social and economic empowerment of the rural poor.
- Developing organizations of the rural poor and producers to enable them to access and better negotiate services, credit and assets from public and private sector agencies and financial institutions.
- Investing in capacity building of public and private service providers.
- Playing a catalytic role in promoting development of microfinance and agribusiness sectors.

The project was initially started in 22 villages across 5 blocks in 2006. Later on the project was further expanded to 18 blocks in 6 districts in 2007. Jeevika has become

lifeline for many poor families living in villages. Self-help group is a method of organising the poor people and the marginalized to come together to solve their individual problem. The government, NGOs and others use the SHG method worldwide. The poor collect their savings and save it in banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise. Thousands of the poor and the marginalized population in Bihar are building their lives, their families and their society through Self help groups. The government of India has given due recognition on the importance and the relevance of the Self-help group method to implement developmental schemes at the grassroots level.

BACKGROUND OF THE STUDY

SHGs play today a major role in poverty alleviation in rural India. A growing number of poor people (mostly women) in various parts of Bihar are members of SHGs and actively engage in starting enterprise by taking loans from within SHG. The micro finance is agenda for empowering poor women. Micro enterprises are an integral part of planned strategy for securing balanced development of the economy of the poor women. Rural women's participation in agro-based activities is much more than what statistics reveal. This is mainly due to the fact that most of the work done by the women at farm and home is disguised as daily chores. Mechanization and easy availability of labour provide more time to energetic women to engage themselves in self-employment or entrepreneur ventures. Rural women are having human and non-human resources to take up an enterprise need one an innovative mind and motivation. Entrepreneurship is the only solution to the growing employment among rural youth. It helps to generate employment for a number of people within their own social system. This is more beneficial for women in rural areas as it enables them to add to the family income while taking care of their own home and livestock centered task. Rural women possess abundant resources to take up enterprises. She has the benefit of easy availability of arm and livestock based raw materials and other resources.

Self Help Group (SHGs)-Bank Linkage Programme is emerging as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor, leading to their empowerment. One of the primary benefits of participation in an SHG is the opportunity to save regularly, access formal savings institutions and participate in the management of these savings. They save regularly, have their own bank accounts and make deposits into these accounts. SHG is having a good impact on members, in their ability to save their hard earned money.

The economic bondage between the banker and the SHGs provides an opportunity for both bankers and the SHGs members to increase the scale of borrowing. The magic of the success of micro-credit through the SHGs is the goodwill of the members. In the matter of borrowing the funds, utilization of funds and repayment, all members help one another in running their economic ventures successfully.

According to Ministry of Rural Development, Micro Enterprise constitutes a significant proportion i.e. (99.8%) of the existing unregistered enterprises in the country. Rural livelihoods are not only agriculture based. The number of households that depend on rural non-farm employment (RNFE) as their primary source of income has increased, but still a huge household are dependent on agriculture as their primary source of income. The enterprise started by the rural women cover traditional skill as well as new skill.

OBJECTIVES

The objective of this study was to determine;

1. The percentage of SHG members taking loan for enterprise.
2. The number of times loan taken by SHG members for enterprise development.
3. Average amount of loans utilized for the enterprise.
4. Types of enterprise started by the SHG members.
5. Average annual income of SHG members involved in different types of enterprise.
6. Average number of loan taken by SHG members.
7. Average annual income of SHG member with 1 & more than 1 enterprise.

METHODOLOGY OF THE STUDY

1. SAMPLE TECHNIQUE

It was assumed that in SHGs that had received 2nd dose of bank credit, probability of those members taking up enterprise activities was more. Therefore, district-wise detail of number of SHGs having second credit linkage for BRLP district was taken. A total of two districts with maximum 2nd credit linkage were taken. Two blocks one from (Phase-I) and the other from (Phase-II) from each district where maximum 2nd bank credit linkage had been done were selected for the study. Top three panchayats where most number of 2nd bank credit linkage had been done were selected. Selections of SHGs were done randomly after consultation & group discussion with block staff. A meeting was organized by the selected SHGs and a format filled to assess SHG members who have taken up loan for starting enterprise activities. Three members from each SHG were surveyed for the study.

S. No.	District	No. Of 2 nd bank credit linkage
1	Gaya	5,542
2	Nalanda	4,273

Selection of district with maximum 2nd credit linkage.

- GAYA (5542)
- NALANDA (4273)

Two blocks from phase I & II with maximum 2nd credit linkage were selected from each district.

- Sarmera & Rahui
- Dobhi & Manpur

Top three panchayats with maximum 2nd credit linkage were selected.

Selection of SHG was done after consultation with block staffs.

Selection of SHG member was done after

- 3 members from each SHG that had activity were surveyed.

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 Selection of SHG member was done after

block staffs.
 Selection of SHG was done after consultation

were selected.
 Top three panchayats with maximum 2nd credit



2. STUDY LOCATION

The study was carried out in **Sarmear (Phase-I)&Rahui (Phase-II)** block of Nalanda district and **Dobhi (Phase-I)&Manpur (Phase-II)** block of Gaya district.

3. DISTRIBUTION OF SAMPLES

A total of 40 SHGs from two districts of BRLP project with maximum number of 2nd credit linkage were surveyed. 20 SHGs were surveyed from each district. One block from phase-I and one block from phase-II were chosen and total of two blocks from each district were taken. From each block 10 SHGs were surveyed. Further 3 members from each SHG that have started any enterprise activity were surveyed. Therefore, 120 SHG households (HHs) were surveyed in total.

S. No.	District	Block	Phase	No. Of SHG	No. Of Member covered during FGD	No. Of SHG member interviewed
1.	Nalanda	Sarmera	I	10	123	30
		Rahui	II	10	123	30
2.	Gaya	Dobhi	I	10	130	30
		Manpur	II	10	119	30
			Total	40	495	120

4. METHOD OF DATA COLLECTION:

Structured Questionnaire consisting of close & open-ended questions was prepared for the SHG and SHG members.

- SHG survey Questionnaire: The questionnaire was finalized after field-testing. The essential data for the study were collected through focused group discussion and participant observation. The questionnaire had different component to capture information of SHG. The components were – General information, loan detail, Enterprise detail, etc.
- SHG members Questionnaire: The questionnaire was for members who have started any enterprise and is functional. Questionnaire was finalized after field-testing. Components of questionnaire were – General information, Loan detail, Enterprise detail, Monthly & annual income detail, Ownership, Training, etc.

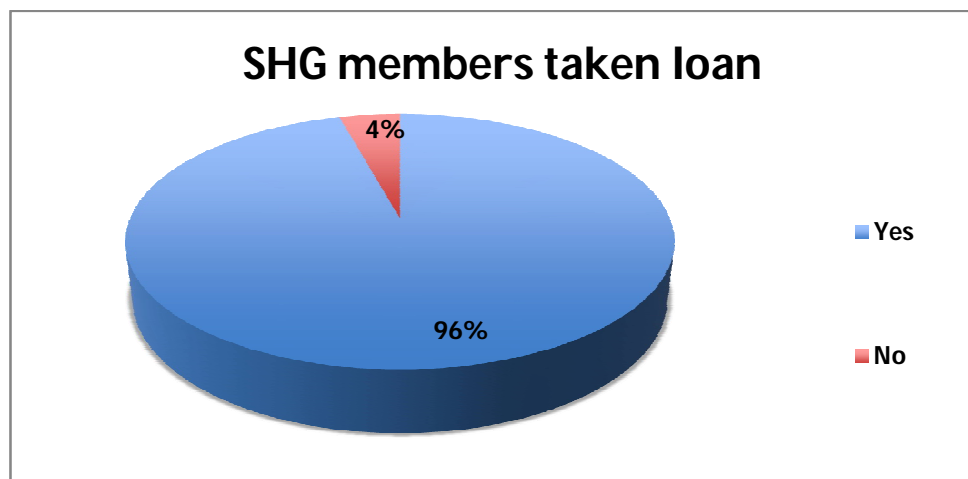
5. TOOLS OF DATA COLLECTION:

Primary data was collected through focused group discussion, participant observation, interview and structured questionnaire.

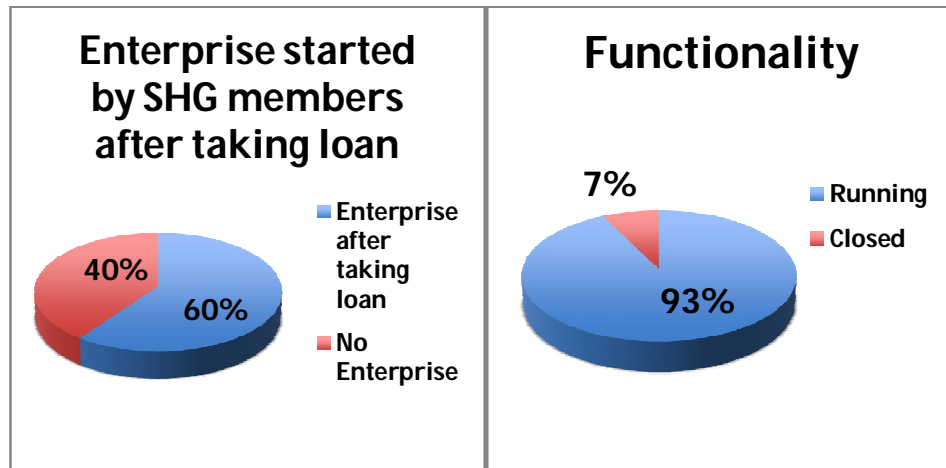
FINDINGS

The data collected through pre-designed questionnaire was fed electronically to identify and analyze the emerging patterns. The findings of the report are prepared based on the analysis of captured data from the field. The major findings are:

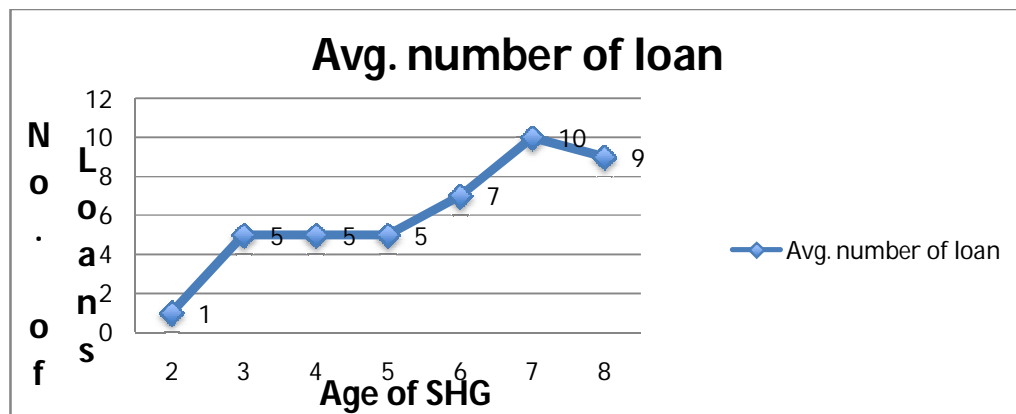
1. The survey was carried out in four blocks. 10 SHGs were selected from each block. It was found from the survey that, average no. of members per SHG were 13 whereas average no. of members per SHG in Rahui, Sarmera, Manpur & Gaya was 13, 12, 12 & 13 respectively.
2. On being asked if the members have taken any loan, 96% have said yes whereas 4% have said no. Also, average no. of loan taken by an SHG member is 7. The loan taken by the members have been used for consumption and few members have taken loan for starting enterprise activities.



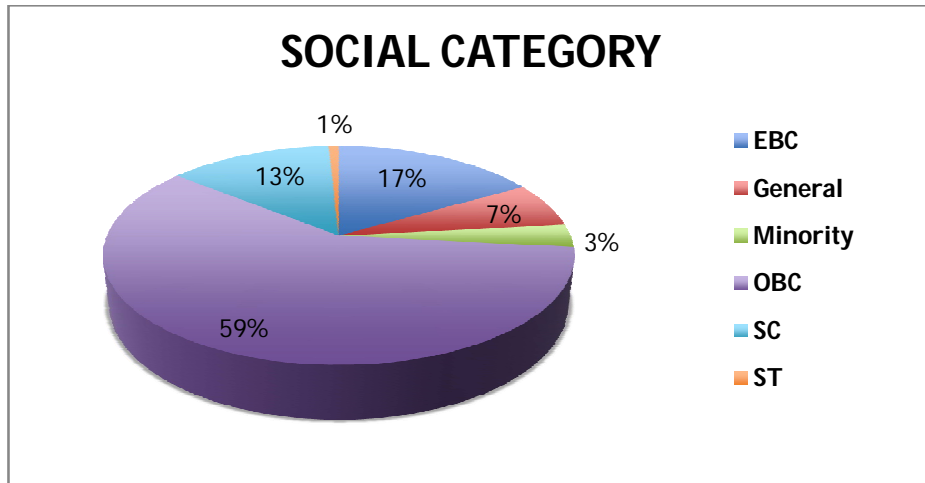
3. Many members after taking loan went on to start an Enterprise. From discussion and interview with the members of SHG it was found that 60% members started Enterprise after taking loan and the remaining 40% members used the loan amount for different purpose. It was further observed from the survey that enterprise, which was started after taking loan from SHG, 93% are still functional whereas the remaining 7% has closed.



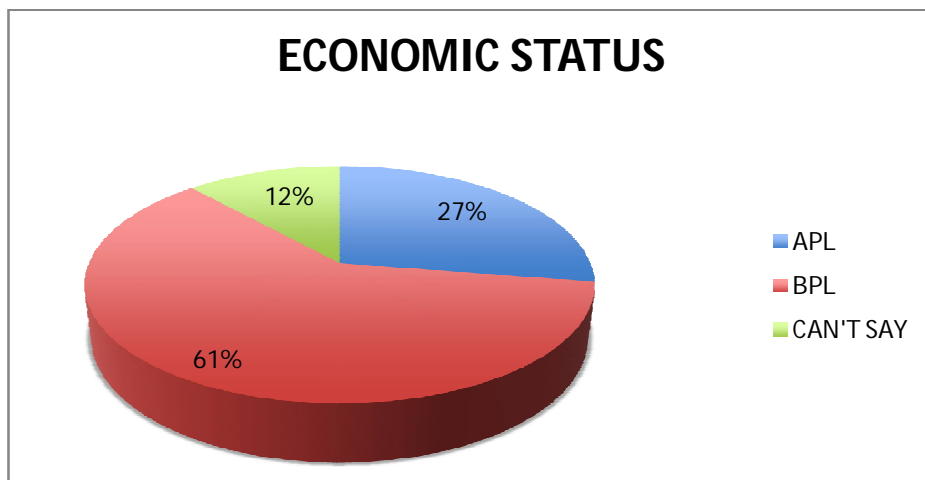
4. Another interesting finding that came out from the survey was, as the SHGs got older year by year, the average number of loan have also increased. SHGs that are 2 year old have average loan of 1, SHGs that are 3, 4, 5 year old have average loan of 5 and SHGs that are 6, 7 & 8 year old have average loan of 7, 10 & 9 respectively.



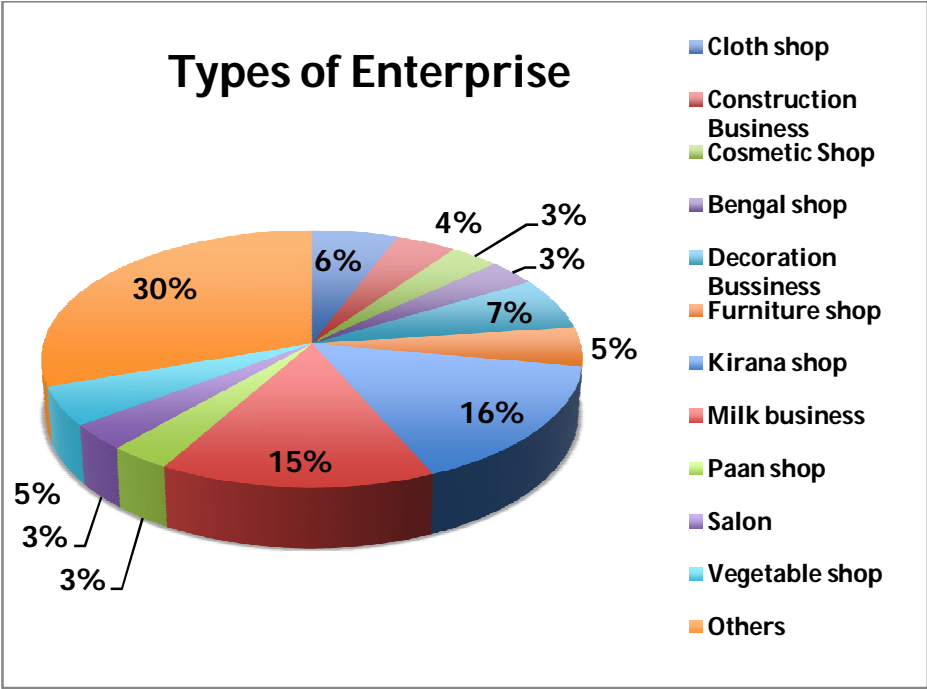
5. Of all the members surveyed, 59% were from OBC category, 17% were from EBC, 13% were from SC community, 7% were from General category, 3% were minorities whereas only 1% was from ST category. Majority of members were OBC whereas a very small percentage of members were from marginalized section of society.



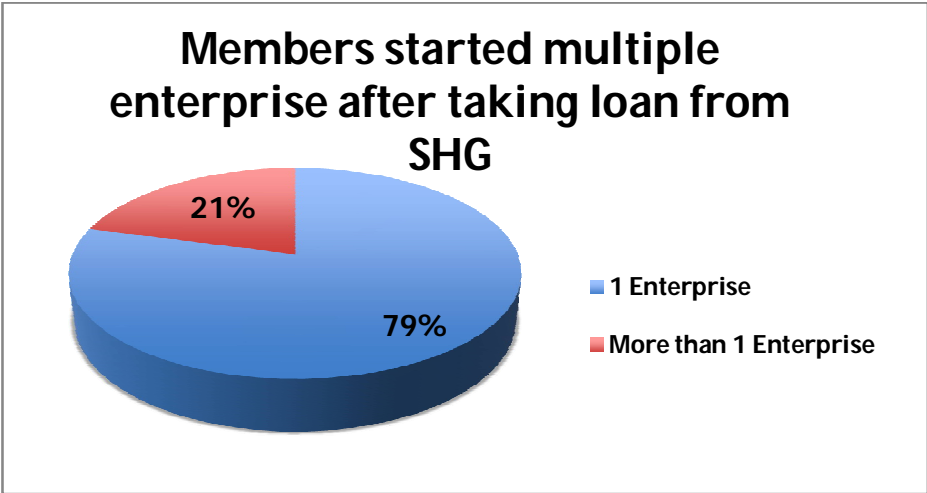
6. Representation of BPL is much higher than APL. 61% members were from BPL, 27% were from APL whereas 12% members didn't know their economic status.



7. The SHG members have started 48 different types of Enterprises. There are 11 types of Enterprises that have been started by four or more than four members and the remaining 37 types have been mentioned as others which include – Aatachakki mill, Agarbatti Manufacture, Agricultural equipment, Bag store, Carpenter shop, Centering shop, Chaat shop, Electric shop, Electronic shop, Jewellery shop, Multipurpose store, Steel shop, Stationary shop, Snacks shop, Shoe store, Chemist shop, Clay pottery, Crockery store, Internet café, Detergent manufacturer, Door maker, Egg shop, Fast food, Fodder business, Fruit & Veggie shop, Goatry, Hardware shop, Iron Shop, Poultry, Public transport, Rice mill, School uniform store, Seed business, Tailor shop, Transport business, Umbrella manufacturer, Brick business. 16% members have started kirana shop whereas 15% have started milk business.



8. Another Finding from the survey says 79% members have started 1 enterprise whereas 21 % members have started more than 1 enterprise after taking loan from SHG. Also average no. of loan taken for the enterprise by member is 3 and the average loan amount taken by SHG member for enterprise is 54221.



Average no. of loan taken by members with multiple enterprises are 4 and the average loan amount taken for Enterprise is 106794.

Table 1: Age wise loan detail and the utilization of loan for Enterprise

Age of SHG member	No. of members	% Of Sample	Avg. no. of loan taken	Avg. loan amount	Avg. no. of loan taken for enterprise	Avg. loan amount for enterprise
2	3	2.5%	3	49666	2	44333
3	4	3.3%	4	50250	2	23000
4	9	7.5%	7	79944	3	65944
5	20	16.6%	9	67385	2	40397
6	54	45%	9	78772	3	57527
7	15	12.5%	10	105894	3	89353
8	15	12.5%	11	44310	2	28886

From the above table it can be said, as the SHGs get older, the average no. of loan taken increases. Average number of ongoing enterprise per SHG is 7.

Table 2: Percentage of SHG members that took loan for enterprise.

S.No. of Loan	No. of SHG members taken Loan	No. of SHG members used Loan for Enterprise	% of SHG members used Loan for Enterprise
Loan 1	120	30	25%
Loan 2	118	35	29.6%
Loan 3	112	32	28.5%
Loan 4	103	35	33.9%
Loan 5	99	36	36%
Loan 6	87	28	32.1%
Loan 7	78	40	51.2%
Loan 8	64	19	29.6%
Loan 9	37	37	100%
Loan 10	17	17	100%
Loan 11	7	7	100%
Loan 12	4	4	100%

9. Average annual income of SHG members with 1 enterprise is 1,01,954 whereas average annual income of SHG members with more than 1 enterprise is 3,61,979. This finding shows that average annual income of members with more than 1 enterprise is much higher than the income of SHG member with only 1 enterprise.

V. (I). After joining JEEVIKA did you take any loan from other financial institutions/organizations or enterprise?

- (A) Yes []
 (B) NO []

IF YES, THEN from where did you take loan for starting the enterprise?

- (A) Bank []
 (B) Relatives []
 (C) Government Organizations []
 (D) PMEGP/Govt. schemes []
 (E) Others _____

VI. Who is the owner of the enterprise?

Name of Enterprise	Myself	Family Members	Partnership	Other

VII. Have you received any training for enterprise?

- (A) No
 (B) Yes

If Yes, then from whom did you receive the training for the enterprise. Tick on any one of the following.

- (A) RSETI []
 (B) JEEVIKA []
 (C) NGO []
 (D) Govt. scheme []
 (E) Other: _____

Name of SHGs

1. SHANKARJEEVIKA
2. DEVI JEEVIKA
3. GULAB JEEVIKA
4. BELI JEEVIKA
5. BAJARANGI JEEVIKA
6. PARVATI JEEVIKA
7. POOJA JEEVIKA
8. SANTOSHI JEEVIKA
9. DURGA JEEVIKA
10. LAXMI JEEVIKA
11. RAKHI JEEVIKA
12. SUBH JEEVIKA
13. HARIOM JEEVIKA
14. MAA JAIRANI JEEVIKA
15. MAA BHAWANI JEEVIKA
16. GENDA JEEVIKA
17. PARVATI JEEVIKA
18. MAA JAGDAMBA JEEVIKA
19. LAXMI JEEVIKA
20. POOJA JEEVIKA
21. DEEP JEEVIKA
22. SHANKAR JEEVIKA
23. CHANCHAL JEEVIKA
24. SARASWATI JEEVIKA
25. GAYATRI JEEVIKA
26. GANGA JEEVIKA
27. DURGA JEEVIKA
28. KRISHNA JEEVIKA
29. JUHI JEEVIKA
30. SAGAR JEEVIKA
31. BHAGWATI JEEVIKA
32. LAXMI JEEVIKA
33. SURYA JEEVIKA
34. AARTI JEEVIKA
35. DURGA JEEVIKA
36. SHIVGURU JEEVIKA
37. SHANKAR JEEVIKA
38. SANTOSHI JEEVIKA
39. SHIV JEEVIKA
40. KRISHNA JEEVIKA