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# ANNEXURE

## INTERVIEW SCHEDULE

### EMPOWERMENT OF TRIBALS THROUGH FINANCIAL INCLUSION

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#### I. Demographic, Socio-Economic Profile

##### 1. Gender

Male  Female  Transgender

##### 2. Age

Less than 25 Years  26-30 Years  31-35 Years

36-40 Years  41-45 Years  46-50 Years

51 Years and Above

##### 3. Educational Qualification

Illiterate  School level  Diploma  Graduate

Post Graduate  Professional  Others \_\_\_\_\_

##### 4. Occupation

Government Employment  Metal Works

Collection of Forest Products  Home Maker

Farmer  Agricultural Labour

Self-Employment  Others \_\_\_\_\_

##### 5. Marital Status

Married  Unmarried  Widow

##### 6. Type of family

Joint Family  Nuclear Family

##### 7. Number of members in the family

Up to 2 member  2- 4 member  4-6 member

More than 6 member

8. No. of earning members in the Family \_\_\_\_\_

1  2  3  More Than 4

9. Regional Location (belong to)

Ooty  Gudalur  Kundah  Panthalur

Kotagiri  Coonoor

10. Name of the Community

Irular  Kattunayakan  Kota  Korumba

Paniya  Toda

## II. Awareness towards Financial Inclusion

11. When did you opened bank account?

Before Implementing Jan Dhan Yojana

After Implementing Jan Dhan Yojana

11.a. If after Implementing of Jan Dhan Yojana, kindly state from where do you gathered knowledge about financial inclusion through banks?

Through Bank Staff

Through NGO's, Insurance Agent & other Institutions

12. What type of Bank Account do you have?

No Frill Saving Account  General Saving Account

Current Account

13. How many Bank Accounts do you have?

1  2  3  More than 3

14. State your level of awareness towards banking Operations before and after entering into the stream of financial services.

Well Aware (5) Aware (4) Moderately Aware (3) Not Aware (2) Not At All Aware

(1)

Sl. No	Variables	Before Financial Inclusion					After Financial Inclusion				
		5	4	3	2	1	5	4	3	2	1
1.	Banking Operation in General										
2.	Types of Accounts Available										
3.	Types of Credit Offered by Banks										
4.	Types of Deposits Available										
5.	Services Offered to the Customers (Other than Deposits /Loan)										
6.	Bank's Linkage with SHGs/DIC/Tribal NGOs										
7.	Automatic/ Debit card services										
8.	Government Benefits Remitted through Banks										
9.	Availing Life or Health Insurance /pension Subscriptions promoted through Banks										
10.	Other Services (Digital/Mobile/ Online Banking Services)										

Note: SHGs: Self-Help Groups, DIC: District Industrial Center, NGO: Non-Government Agencies

### III

11. What were the Challenges faced by you before entering into the stream of financial services as a tribe? Rank the variables as 1,2,3....

S.No	Challenges Faced	Rank
1.	High rate of Interest charged on external borrowing	
2.	Indebtedness due to huge amount of loan borrowed over the capacity to pay	
3.	Poor Returns for Crops /Produces Pledged	
4.	Loss of Valuable /Assets Pledged	
5.	Threat from local money lenders	
6.	Poor saving options	
7.	Lack of financial advice	
8.	Distance in access to banking service	
9.	Neglected by formal financial agencies	
10.	Limited access to formal financial institutions	
11.	Lack of infrastructure development (Road/ Electricity/ Internet etc.)	

#### IV.12. Tribal People's Access to Financial Inclusion

S.No	Linkages	Responses
1.	Co-operative Societies	
2.	Regional Rural Banks	
3.	Local Post Office	
4.	Commercial Banks	
5.	Non-Governmental Organizations	
6.	NBFC (Non-Banking Financial Corporation)	
7.	Micro-Finance Institutions	

13. Have you use following Digital /Electronic payment modes?

Yes  No

13.a. If Yes, Where do you use your digital payment?

Kissan Credit Card

Mobile Banking

Online Banking

ATM services

Business Correspondents

UPI

14. Before you become financial inclusive, from which of the sources did you borrow money/loan?

From Friends  Close Relatives

Drawing from Thrift  From Local Money Lenders

From Local traders (Daily Rotation)

Pledging Gold Jewellery (Pawn Brokers)

### 15. Shift in Sources of Borrowings of the Tribal Respondents

Stage	Sources of borrowing	Responses
<b>Before Entering into the Financial Stream</b>	Friends	
	Close Relatives	
	Local Money Lenders	
	Local traders (Daily Rotation)	
	Pledging Gold Jewellery (Pawn Brokers)	
<b>After Entering into the Financial Stream</b>	Banks led Self Help Groups	
	NGO's	
	Co-operative Societies	
	Regional Rural Banks	
	Non-Banking Financial Companies	

### Amount Borrowed by the Tribal Respondents Before and After Entering into Financial Stream

Sl.No	Value	Before	After
1.	Less than 25,000		
2.	25,001- 75,000		
3.	75001- 1,25,000		
4.	1,25,001-2,00,000		

17. State the purpose of credit borrowing from formal financial agencies & its Utilization.

Sl. No	Purpose	Primary Goal	It is Goal	Moderate	Not a Goal	Not at All Goal
<b>Economic Activities</b>						
1.	Start of New Business					
2.	Business Development					
3.	Working Capital Needs					
4.	Agricultural Purpose (Buying Inputs /Equipment/Machinery)					
<b>Wealth Creation and Skill Development</b>						
5.	To Build Wealth/Assets/Investment					
6.	For Repayment of Household Debt					
7.	For Upskilling (Training /Learning)					
<b>Improvement on Standard of Living</b>						
8.	Children's Higher Educational					

	Expense					
9.	Household durables					
10.	Purchase of Vehicles					
11.	Excruciating expenses					
12.	Social Financial Needs					
13.	Consumption Purpose					
14.	Medical Expenses					

#### IV. Tribal People's Perception towards Benefits Realised due to Financial Inclusion

22. According to you what are the benefits of being financial inclusive?

S.No	Purpose	Major Benefit	One of the Benefit	Moderate Benefit
1.	Access to Banking Financial Services			
2.	Universal Access to Various Financial Services			
3.	Promote Efficiency in Conduct of Banking Operation			
4.	Able to Make Digital Payment			
5.	Access to Bank Branches			
6.	Access to Mobile /Digital Banking Services			
7.	Access to Bank Loans for Business Development			
8.	Access to Household Credit			
9.	Get SHGs Loan Benefits			
10.	Able to Get Government Benefits Credited to the Bank Account (Tribal)			
11.	Ease of Grievance Redressal			
12.	Able to Subscribe to Insurance /Pension Schemes			
13.	Gain Financial Literacy			
14.	Freedom from Local Money Lenders			
15.	Get MGNREGs Wages Credited			
16.	Timely Access to Banking Services			
17.	Multiple Credit Window (Agencies)			
18.	Micro /Mobile ATM Facilities			
19.	Access to Smart Card			
20.	Access to Debit Card			

23. Benefits Derived by the Tribal Respondents through Financial Inclusion

Variables	Responses
Easy Access to Financial Services	
Amount borrowed at low rate of Interest	

Avail Digital Financial Services	
Financial Security	
Wealth Generation	
Entrepreneurial Opportunities	
Community Engagement	

#### 24. Financial Inclusion Among the Tribal Respondents

<b>Variables</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
Access to Banking Services			
Access to Financial Institutions			
Ability to Carry out of banking operation			
Able to Make Digital Payment			
Access to Bank Branches for deposits			
Access to Mobile /Digital Banking Services			
Access to Bank for Agricultural Loans			
Access to Household Credit			
Access to Self Help Groups Loans			
Tribal Welfare Schemes			
MGNREG's wage Scheme			
Pension Schemes			
Gain Financial Literacy			
Access to Business Correspondence			
Insurance			
Access to UPI Services			
Kissan Credit Card			
Micro /Mobile ATM Facilities			
Access to Rupay1 Debit Card			

**25. Economic Independence, Social Participation and Financial decision making of the Tribal respondents- Rank the responses.**

<b>Variables</b>	<b>Categories</b>	<b>Within</b>	<b>Overall</b>
<b>Economic Independence</b>	Increase in Household Expenditure		
	Increase in savings		
	Increase in Socio-Economic Status		
	Increase in Wealth Creation		
<b>Social Participation</b>	Access to Education and Health care		
	Participation in decision making at local bodies		
	Financial Inclusion has changed your personality and life style		
	Right to preserve identity and culture		
<b>Financial Decision Making</b>	Increase in Income Generating Activities		
	Increase in investment avenues		
	Timely repayment of debt		
	Increase in Ownership of Assets		

**THANK YOU**

## LIST OF PUBLICATIONS

<b>S.No</b>	<b>Article title</b>	<b>Journal Name</b>	<b>Volume, Issue and P.no.</b>	<b>ISSN No.</b>
1	Micro Health Insurance in India	International Journal of Applied Management.	Volume 3., Dec 2011, P.No:423-427	ISSN:09748709.
2	Rural Electrification in India	Asian Journal of Business Economics and Management.	Volume1, Issue 3, Dec 2011, P.No.:219-223	ISSN-2249-7307.
3	Women Entrepreneurship – A Study with Reference to Select Self-Help Groups of Coimbatore District.	Bonfring international journal of industrial engineering and management science.	Volume -5, August 2015 P.No-175-179,	ISSN-22501096

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**MICRO HEALTH INSURANCE IN INDIA**

Dr. G. SANTHIYAVALLI\*, M. ESTHER JANSI\*\* & A.R. RIHANA BANU\*\*

**Introduction**

The insurance sector in India is in growing stage and it has become a must for each individual to have his or her own insurance in order be ready with risk associated with life and property. Insurance functions on the concept of risk pooling, and likewise, regardless of its small unit size and its activities at the level of single communities. In that Micro insurance is playing a very important role. Micro insurance is a term increasingly used to refer to insurance characterized by low premium and low caps or low coverage limits, sold as part of typical risk-pooling and marketing arrangements, and designed to service low-income people and businesses not served by typical social or commercial insurance schemes. Micro insurance is a new option for low-income households designed primarily to provide protection for health and death expenses. Poor individuals and households at or around the poverty line are the primary target market.

**Micro insurance**

Consultative Group to Assist the Poor (CGAP) working group on micro insurance defines micro insurance as “the protection of low income household’s specific perils in exchange for premium payments proportionate to the likelihood and cost of risk involved”.

**Review of Literature**

Health insurance enhances the welfare of the household by providing financial protection, shortening the duration of illness and improving health (Young et al, 2006) and reduces the use of impoverishing risk coping strategies (Dekker and Wilms, 2009) thus, makes poor less vulnerable to poverty induced by health shocks (Wilms , 2006 ). Poor face variety of risks including funerals, serious health problems, and unemployment (Dercon 2002). A recent literature review by Dercon (2008) reiterated the positive effect of health insurance on savings of household for precautionary reasons.

**Objectives of the Study**

- a) To know the growth of micro insurance sector developed and potential for the micro health insurance.
- b) To understands the marketing of micro health insurance products in rural market.

- c) To know the importance and role of micro health insurance.

**Micro Insurance Products**

A micro insurance product is an insurance policy with a small sum insured and low premium. It is designed to reduce the fundamental risks of life, living and livelihood.

Risk	Product (Kinds Of Policy)
Life	Term life Insurance, Accidental Death Insurance
Living	Health Insurance, Catastrophe (sudden calamity) Insurance
Livelihoods	Asset Insurance, Weather Insurance

**Micro Health Insurance**

Micro health insurance is a key element in the financial services package for people at the bottom of the pyramid. Micro health insurance should therefore provide great economic and psychological security to the poor as it reduces exposure to multiple risk and cushions the impact of disaster. Micro health insurance has been considered as the potential long term solution available to prevent impoverishment of poor population. Micro health insurance is defined as any not-for-profit insurance scheme that is aimed primarily at the informal sector and formed on the basis of a collective pooling of health risks, and in which the members participate in its management (Musau 1999). Most of the schemes operate in rural areas and cover people from the infor

\*Associate Professor, Avinashilingam Institute for Home Science & Higher Education, Coimbatore  
 \*\*, \*\*\*Asst. Prof. in Commerce, Avinashilingam Institute for Home Science & Higher Education for women, Coimbatore

mal sector. They are intended to provide financial protection to poor families and safeguard them from falling into indebtedness.

*The salient features of micro health insurance*

- Health insurance sold under the "general micro-insurance product" or the "life micro-insurance product" definition must cover ("cap") no less than Rs. 5,000 (per individual) or Rs. 10,000 (per household). Although not specifically stated in the Regulations, it is assumed that this cap applies for the entire period of the contract (rather than to a single event of illness).

- The minimal period of coverage is one year. The Regulations do not specify the terms for renewal, and this implies that insurers could decide to renew or not to renew any policy at the end of the affiliation period. Incidentally, insurers could also change the terms of the policy and the premium it commands, which de facto means that insurers could cherry pick. And insurers can decide whether to accept an offer of insurance in the first place or refuse it.

- Minimum and maximum age of the insured is left to insurers' discretion. The Regulations do not require the insurer to justify such exclusions, or to maintain the same age limitations for all insured. The Regulations do not define the scope of coverage; therefore, insurers can (and do) exclude certain conditions or pathologies from coverage.

*Micro Health Insurance Delivery Mechanism*

- **Partner-Agent Model:** A partnership is formed between the micro health insurance scheme and an agent (insurance company, microfinance institution, donor, etc.), and in some cases a third-party healthcare provider. The micro health insurance scheme is responsible for the delivery and marketing of products to the clients, while the agent retains all responsibility for design and development. In this model, micro health

insurance schemes benefit from limited risk, but are also disadvantaged in their limited control. Examples of partner-agent model in India include VIMO SEWA AND ICICI Lombard, Shepard and United India Insurance Company, and Karuna Trust and National Insurance Company.

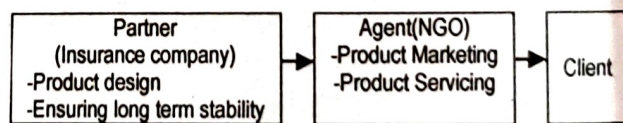
- **Full Service Model:** The micro insurance scheme is in charge of everything; both the design and delivery of products to the clients, working with external healthcare providers to provide the services. This model has the advantage of offering micro insurance schemes full control, yet the disadvantage of higher risks. This model is useful for complicated and service intensive covers like health and weather insurance.

- **Provider-Driven Model:** The health care provider is the micro insurance scheme, and similar to the full-service model, is responsible for all operations, delivery, design, and service. There is an advantage once more in the amount of control retained, yet disadvantage in the limitations on products and services.

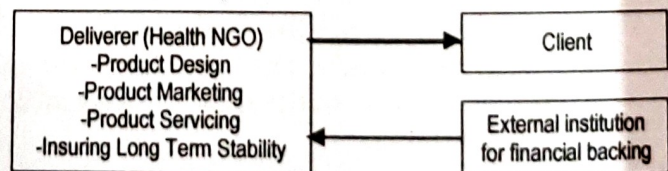
- **Community-Based/Mutual Model:** This is a self-insurance scheme where the community itself pools the contributions and acts as an insurer. This model is advantageous for its ability to design and market products more easily and effectively, yet is disadvantaged by its small size and scope of operations.

**Diagrammatic Representation Of Micro Health Insurance Delivery Mechanism**

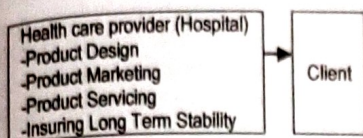
*i. Partner-agent model*



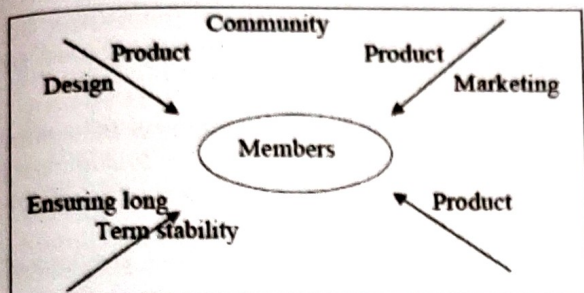
*ii. Full-Service Model*



iii. *Provider-Driven model*



ii. *Community-based model*



**Benefits of Micro Health Insurance**

- *Risk pooling for inpatient care (hospitalization)*

One of the major causes of poor households slipping into the poverty cycle is out of pocket expenditure incurred for hospitalization. In such a scenario, insurance, which allows for risk pooling, helps in making available additional source of financing for the household thereby reducing overall vulnerability and smoothing expenditure shocks for larger unpredictable catastrophic health events.

- *Increased utilization of health services*

It is expected that the introduction of health insurance will lead to greater utilization of health care services. Across the world it has been found that the overall use of curative services for adults and children was up to five times higher for members of health insurance programmes than non-members.

- *Standardization and cost effective quality health care*

Insurance as a mechanism attempts to standardize protocols, procedures and bring down cost through rate negotiations. This ensures the availability of cheaper healthcare, controlling fraud and possibility of rent seeking behavior which is high in the case of the Poor who have comparatively lesser knowledge about their health

status required Health Insurance. Further due to Health Insurance, the out of pocket expenditures per episode of illness are significantly lower for members as compared with those for nonmembers.

- *Cover For Access Barriers*

It has been seen that since most of micro insurance models evolved from community institutions and NGOs, they packaged critical access barriers as part of their insurance cover. Also, insurance as a concept works on the principle of risk pooling and cross subsidization for low frequency events. The cost of healthcare for life style diseases like diabetes or critical illnesses and HIV/AIDS, is very high. Community Insurance models delivered at a large aggregation can cover for these rare events and ensure that the poor do not fall back into poverty in the process for paying for this high cost event.

- *Development of stronger referral linkages*

Insurance as a mechanism to be sustainable requires developing strong upward as well as downward referral mechanisms. Strong referrals ensure non escalation of cases, thus ensuring "right care at the right time", reducing possibilities of collusion and fraud.

- *Efficiency in the health system*

It leads to the efficiency in the health system in terms of allocative efficiency in addressing the most risky event a household faces i.e. hospitalization and by diverting the surplus premium to strengthen the health infrastructure and incentives manpower.

- *Value for money*

Presently the spending of the poor on health gets leaked out by expenditures on transport, on spurious drugs, on unlicensed medical practitioners who offer health care of sub optimal quality.

**Various Models of Health Insurance for the Poor**

- *Social Health Insurance*

Such kind of insurance models are seen in about 8 countries across the world. The overall model works with a differential

premium payment mechanism where the economically secure pays a relatively higher premium than what their risk profile dictates and the poor pay a comparatively lower premium commensurate with their income. This leads to cross subsidization across the rich and poor category.

• **Community Based Health Insurance(CBHI):**

There are three basic designs of CBHI, depending on who the insurer is. In Type I (or HMO design), the hospital plays the dual role of providing health care and running the insurance programme. In Type II (or Insurer design), the voluntary organization is the insurer, while purchasing care from independent providers and finally in Type III (or Intermediate design), the voluntary organization(NGO/CBO) plays the role of an agent, purchasing care from providers and insurance from insurance companies. The provider model or insurer model may not work out as customization to local condition becomes the main crux of success or failure of the scheme. Further an NGO along with an insurer will be in a better position to retain the large risk of the community as compared to an individual entity like a provider or an NGO alone. It is crucial to find NGOs that have a long term stake and therefore would act as "conscientious players" who will ensure that the insurance programme generates long term positive impact on the health system of the specific geography.

**List of Health Insurance Policies Provided By Insurance Companies**

**Private Insurance companies**

- Shakthi Health Scheme
- Health Insurance Policy
- Individual Mediclaim Insurance
- Critical Illness Insurance
- Advanced Medical Insurance
- Term Insurance Plan
- Sudarshan Endowment Policy
- MoneyBack Plan
- Endowment Assurance Plan

**Public Insurance companies**

- Gram Arogya Yojana
- Universal Health Insurance Scheme
- Package Insurance for Credit Society
- Mother Theresa Women and Children Policy

• **Parivar Suraksha**

Table 1 (Reference page) reveals the business under micro insurance portfolio for the year 2008-09, 2009-10. The total premium income under micro insurance portfolio for the year 2009-10 was ₹402 crore. It nearly doubled from the previous year's Premium income of ₹206 crore. While LIC contributed 94 per cent of the total premium under micro insurance, the remaining 6 per cent was contributed by the private insurers.

*To ensure the success of health insurance for individuals and families on low-incomes the following three conditions are essentials.*

- The provision of healthcare services of a reasonable quality;
- The possibility of resource mobilization from the targeted population, so that part of the cost is recovered,
- And the presence of an intermediate agency to overcome the informational disadvantages and high transaction costs involved in providing insurance to low-income groups.

The positive impacts of health insurance schemes for the poor can also be enhanced, by the strengthening of public health facilities through structural and institutional reforms, the provision of public subsidies to health insurance schemes in their initial years, and greater regulation of the growing number of micro-health insurance schemes.

**Conclusion**

Health insurance reform in India requires the mobilization of significant resources, and multiple approaches to achieve universal coverage that includes social health insurance, targeted subsidies, micro health insurance and voluntary health insurance. Micro health insurance is recognized as a useful tool in economic development. Micro health insurance is one instrument which can be used to extend social protection to the excluded. It is particularly relevant in situations where governments lack the resources and capacity

to provide social protection. Even in situations where the resources are available, if governments support micro-insurance as a social protection mechanism, it may be a more efficient means of social protection than services provided entirely by the gov-

ernment. Micro insurance along with micro health insurance in conjunction with micro savings and micro credit go a long way in keeping the poor away from poverty trap and would truly be an integral component of financial inclusion.

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Table 1 Business under micro insurance portfolio for the year 2008-09, 2009-10

(Rs. in lakhs)

Insurer	2008-2009					2009-2010				
	Individual		Group			Individual		Group		
	Policies	Premium	Schemes	Live Covered	Premium	Policies	Premium	Schemes	Live Covered	Premium
LIC	1541218	3118.74	6883	11052815	17268.54	1985145	14982.51	5190	14946927	22869.72
Private	610851	537.81	14	1498994	3326.80	998809	839.78	17	1895143	1472.09
Total	2152069	3656.55	6897	12551809	20595.34	2983954	15822.29	5207	16842070	24341.81

Source: www.irda.org

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## Special Issue on Entrepreneurial Excellence

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# Women Entrepreneurship - A Study with Reference to Select Self- Help Groups of Coimbatore District

M. Esther Jansi

*"When the women are empowered, society with stability gets assured"*

*Dr. Abdul Kalam*

## I. INTRODUCTION

Poverty and unemployment are the major problems of under developed countries, to which India is no exception. Poverty is often the consequence of unemployment and being gender - related, leads to feminization of poverty. In order to improve the socio-economic development of the country the Government introduced various poverty alleviation programmes, but unfortunately these measures have not really reached the needy beneficiaries particularly to the rural poor women. Currently, microfinance has become the endorsed solution to poverty alleviation and unemployment. Over the past few years microfinance has been advocated internationally as the formal route to offering opportunities for livelihoods and pulling the poor out of poverty traps.

The Indian Economy has recently witnessed an increase in entrepreneurship among women because of microfinance. Microfinance is the "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas enabling them to raise their income levels and improve living standards" (Reserve Bank of India). Micro credit programmes are "extending small loans to poor people for self-employment projects that generate income, allowing them to care for themselves and their families" (Micro Credit Summit 1997).

*In a nutshell, the main features of microfinance are:*

- a) It is a provision of financial services to poor or low income clients from rural and urban areas.
- b) The amount of loan is very small and no collateral is needed for the loan.
- c) Loan is not for individuals but for groups of borrowers called Self-Help Groups.
- d) Loans are provided for income generation through market-based self-employment.

*M. Esther Jansi, Asst. Professor in Commerce, CMS College of Science and Commerce, Coimbatore*

- e) Lenders of microfinance include government, commercial banks, co-operative banks, microfinance institutions and Non-Governmental Organizations.

The microfinance movement has been gathering momentum, with women at the grassroots organizing themselves into Self- Help Groups. The Self-Help Group is considered as a viable organization of the rural poor particularly women for delivering micro credit in order to undertake entrepreneurial activities. Women are seen as more credit worthy than men and hence the bulk of microfinance have been centered on them. Entrepreneurship has been a male dominated phenomenon from the very early stage, but time changed the situation and brought women as today's most memorable and inspirational entrepreneurs because of microfinance. Self-Help Groups play a crucial role in improving the savings and reducing poverty and social inequalities.

*Statement of the problem:*

The Government programmes have failed to address certain issues and specifically they have failed to target all the poor under their programmes. In fact, there is a considerable section of the formal banking sector or other credit systems. The prime need of the hour is to ensure that the poor live dignity. In order to remove the unemployment and poverty, micro finance acts as catalyst in the lives of the poor. The activities approach to make credit facilities available to the poor at their door steps in a simple and flexible manner. The main aim of Self-Help Group is to provide financial services to the people and help them to start or expand a microenterprise. The present study focused mainly on the performance of Self-Help Group women entrepreneurs, the economic development, social empowerment and problems, if any, faced by them.

## II. OBJECTIVES OF THE STUDY

*The study has the following Objectives*

- To study the socio-economic profile of the selected women entrepreneurs of Self-help Groups.
- To assess the role played by microfinance in strengthening the Self-Help Groups and thereby enhancing empowerment of their members.

- To evaluate the performance of selected Self-Help Group women entrepreneurs and to identify the factors which contribute to their successful performance and sustainability.

### III. METHODOLOGY

#### Period of the Study

The study was undertaken during the months of April to June 2015

#### Source of Data

The study was based on both primary and secondary data. Primary Data were collected using a structured interview schedule. Data were collected directly from the sample members through field investigation. Besides, the researcher used qualitative methods such as group discussions and observation. Secondary Data has been collected from various reports and websites of NABARD.

#### Sample

The Data were collected using two stage sampling. At the first stage, details of all the 185 Self-Help Groups under Maryalaya (NGO) were collected. From the list, 30 Self-Help Groups were randomly selected. In the second stage, 300 members were selected from 30 Self-Help Groups.

#### Tools for Analysis

- In order to achieve the objectives the following tools were applied - Percentage Analysis, Ranking technique and SWOT Analysis

### IV. LIMITATIONS OF THE STUDY

- The present study is a micro study, covering only the selected women entrepreneurs of Self-Help Groups of Ganapathy.
- The study was made on the basis of personal interview method. The possibility of data bias exists.
- The study is based on the opinion and views of selected women entrepreneurs of Self-Help Group of Coimbatore District only. No generalization could be possible based on this study.

### V. RESULTS AND DISCUSSIONS

Women Entrepreneurship – A Study with reference to select Self Help Groups of Ganapathy, Coimbatore” was undertaken to understand the profile of the selected micro enterprises initiated by women members of Self Help Groups and profile of the Self Help Groups. The economic returns from the micro enterprises, repayment of loans and the problems faced by the entrepreneurs were analysed and interpreted under the following headings:

Table 1 Socio-economic profile of the members of Self-Help Groups

S. No.	Factors	Number of respondents	
		Numbers (300)	Percentage (%)
1	<b>Age</b>		
	Below 20 years	17	5.67
	21-30 years	68	22.67
	31-40 years	90	30.00
	41-50 years	82	27.33
	51 years and above	43	14.33
2	<b>Marital Status</b>		
	Married	269	89.67
	Unmarried	19	6.33
	Widow	12	4.00
3	<b>Nature of Family</b>		
	Nuclear	238	79.33
	Joint	62	10.67
4	<b>No. of Members in the family</b>		
	Upto 3 members	48	46
	4 members	132	44
	5 members	64	21.33
	6 members and above	56	18.67
5	<b>Educational Qualification</b>		
	Not studied	22	7.33

	Upto V Standard	38	12.67
	Upto VIII Standard	45	15.00
	Upto X Standard	<b>93</b>	<b>31.00</b>
	Upto XII Standard	67	22.33
	Diploma	26	8.66
	Graduate	9	3.00
6	<b>Community</b>		
	Other Communities	71	23.66
	Backward Community	<b>134</b>	<b>44.97</b>
	Most Backward Community	37	12.33
	Scheduled Caste	32	10.7
	Scheduled Tribes	26	8.67
7	<b>Status of respondents before joining the Self-Help Group</b>		
	Student	15	5.0
	Housewife	<b>142</b>	<b>47.33</b>
	Employed	78	26.0
	Not employed	65	21.67
8	<b>Encouragement from Family members</b>		
	Received encouragement	296	<b>98.7</b>
	No encouragement	4	1.3

- Source: Survey Data
- Table reveals that 30 percent of the respondents belong to the age group of 31-40 years, 89.67 percent of the respondents are married women, 79.33 percent of the respondents are from nuclear family and 47.33 percent of the respondents have a family of 4 members. 31 percent of the respondents completed their

studies upto X Standard, 44.67 percent of the respondents belong to backward community and 47.33 percent of the respondents were only housewives before joining the Self-Help Group. 99 percent of the family members of the respondents supported their Self-Help Group activities.

Table 2 ECONOMIC STATUS OF THE MEMBERS OF SELF-HELP GROUPS

S. No	Factors	Number of respondents	
		Number (300)	Percentage (%)
1	<b>Number of earning members in the family</b>		
	One	43	14.33
	Two	174	<b>58.00</b>
	Three	65	21.67
	Four	18	6.00
2	<b>Monthly Income of the family before joining the Self-Help Group</b>		
	Upto Rs. 2,500	74	24.67
	Rs. 2,501 – Rs. 5,000	113	<b>47.67</b>
	Rs. 5,001 – Rs. 7,500	83	21.00
	Rs. 7,500 and above	30	6.66
3	<b>Monthly Income of the family after joining the Self-Help Group</b>		
	Upto Rs. 2,500	35	11.67
	Rs. 2,501 – Rs. 5,000	79	26.33
	Rs. 5,001 – Rs. 7,500	136	<b>45.33</b>
	Rs. 7,500 and above	50	16.67
4	<b>Respondents share in the household's total income</b>		
	Up to 10%		
	11 % - 25%	20	6.67
	26% - 50%	66	22.00
	51% - 100%	169	<b>56.33</b>
		45	15.00

5	<b>Type of Residence</b>	119 <b>181</b>	39.67 <b>60.33</b>
	Own house		
	Rented house		

- Source: Survey Data
- Table 2 reveals that 58 percent of the selected families have at least two earning members. Before joining the Self-Help Group, 47.67 percent of the respondents' family income ranged from Rs. 2501-Rs. 5000. But, after joining the Self-Help Group, it was noted that the

income level was substantially increased to Rs. 5001-Rs. 7500. The contribution of 56.33 percent of the respondents spent to the extent of 26 percent to 50 percent of income towards their household expenses. Majority of the respondents 60.33 percent are tenants.

Table 3 Types of Income Generating Activities by the Self-help Groups

S. No.	Types of Income Generating Activities	Number of groups	
		Number	Percentage
1	Dairy Farming	1	3.33
2	Manufacturing	3	10.00
3	Trading	7	23.33
4	Cottage Industries	9	30.00
5	Catering Services	5	16.67
6	Handicrafts	4	13.34
7	Running a Beauty Parlour	1	3.33
	<b>TOTAL</b>	<b>30</b>	<b>100</b>

Source: Survey Data

Table 4.4a shows that 30 percent of the Self-Help Groups are engaged in cottage industries. 23.33 percent of the Self-Help Groups are involved in trading activities. 16.67 percent of the Self-Help Groups are doing catering services. One of the Self-Help Groups is involved in dairy farming (3.33 percent) and one of them is running a beauty parlour (3.33 percent). The Self-Help Groups involved in cottage industries, produce masala powders, pickles, papads, bakery items, candles, readymade

garments and mushroom cultivation, etc. The Self-Help Groups also involved in trading activities such as provision stores, textile shop, fancy stores, petty shops, tea shop, fruit stalls and vegetable shops.

4. Profits earned by the enterprises of Self-Help Groups

Though performance can be measured through various angles, profit is an important measure indicating the viability of an organisation. Table 4.4g shows the amount of profits earned by the Self-Help Group enterprises per month.

Table 4 Profitability of Micro Enterprises of Self-Help Groups

Amount of Profit per month	Number of groups	
	Numbers	Percentage
Up to Rs. 10,000	12	40.00
Rs. 10,001 – Rs. 20,000	13	43.34
Rs. 20,001 – Rs. 30,000	4	13.33
Rs. 30,001 and above	1	3.33
<b>TOTAL</b>	<b>30</b>	<b>100</b>

Source: Survey Data

Profit is the driving force motivating the members to work harder. It is necessary for sustenance as well as growth. It could be understood from the Table 4.4g that all the selected Self-Help Groups were found to be running profitably. 43.34 percent of the enterprises earned profit of Rs. 10,001 to Rs. 20,000 per month. 40 percent

of the enterprises earned profit up to Rs. 10,000 per month. 13.33 percent of the enterprises earned profit of Rs. 20,001 to Rs. 30,000 per month. Only 3.33 percent of the enterprises earned a profit of Rs. 30,001 and above per month.

Table 4.6 Problems Faced By The Self-Help Groups

Problems faced	Mean Value	Score	Rank	Normal Value	Distribution
Lack of adequate funds	3.83		II	63	
Lack of technology	3.21		V	37	
Inability to reduce the cost	3.67		IV	46	
More competition	3.84		I	77	
High transport cost	2.79		VI	23	
Lack of advertisement	3.73		III	54	

Source: Survey Data

From the Table 4.6, it is found that majority of the respondents were unable to meet the competition from medium and large enterprises. Other problems faced by them includes lack of adequate funds, lack of advertisement inability to reduce their cost, lack of technology and high transport cost in running their micro enterprises. The problems in proportion of selected Self-Help Groups were reported to be mainly related with entrepreneurship development, skill upgradation, technology transfer, marketing linkage, etc. Most of the entrepreneurial activities of the Self-Help Groups are limited to small organisations. Various problems arise because of their size being small.

## VI. SWOT ANALYSIS

SWOT Analysis helps to discover new opportunities, manage and eliminate threats. It is a powerful technique for an organization to understand its strengths, to identify its weaknesses and look for opportunities and threats. An effort was made to evaluate the Self-Help Groups using SWOT analysis based on the results of the current study.

### Strength:

- Self-Help Groups help in generating employment opportunities to the women members.
- Self-Help Groups develop group activity and leadership qualities.
- Self-Help Groups develop self-confidence in the members

### Weakness:

- practices by some members of Self-Help Groups.
- Utilization of funds for personal purpose.
- Lack of marketing skills and opportunities.
- High pricing of products because of business being small.
- No plans for development of business in future.

### Opportunities:

- To develop group dynamics, building leadership quality, to realize their potential and self-belief.
  - To promote self-employment activities and thereby improving their economic position
- Development of managerial, technical and marketing skills of the members of Self-Help Groups through participation in appropriate training programmes.

### Threats:

- Self-Help Groups have to face high competition from medium and large scale industries as per Table No. 4.7.
- Group conflicts among members led to discontinuance of business reported by the leaders of selected Self-Help Groups.
- No proper linkage with marketing agencies reported by the members of selected Self-Help Groups.

## VII. CONCLUSION

Micro credit is emerging as a powerful instrument for poverty alleviation and unemployment. Micro finance in India grows at tremendous speed. Micro enterprises initiated by Self Help Groups are found to be commercially and socially viable. The study proved that the women have tremendous energy to take up self-employment programme to generate income when they are given the right opportunities. The study revealed that there is a drastic change in the economic status of the women resulting in change in their social status also. The members have abundant self-confidence and self esteem through Self-Help Groups. Self-employment is a must for the socio-economic upliftment of women. The study shows that the Self Help Groups are the effective instrument for women empowerment.

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## RURAL ELECTRIFICATION IN INDIA

**M. ESTHER JANSI**

Lecturer in Commerce, Avinashilingam Institute for Home Science and Higher Education for women, Coimbatore – 641 043

### ABSTRACT

*It is a well-known fact that there is an urgent need to re-energise India's rural economy, including both agricultural and the non-farm sector. A number of recent initiatives on rural electrification intend to augment the rural infrastructure level, which could contribute in improving the poverty scenario. Rural Electrification is a vital programme for socio-economic development of rural areas. The objectives are to trigger economic development and generate employment by providing electricity as an input for productive uses in agriculture and rural industries, and improve the quality of life of the rural people. India is a country with numerically dominant rural population, where in its approx 638 thousand villages inhabit 72.2% of its human resource. About 40% of the total energy is in rural areas, in which the domestic sector constitutes the major energy demand and its consumption accounts for 55-60% of the energy used. [Kamalapur G D et al 2006]. This paper focuses on various aspects of Rural Electrification in India, its features, impact and strategies needed.*

**Key words:** Rural Electrification, socio-economic development.

### Introduction

*Rural Electrification is a vital programme for socio-economic development of rural areas. The objectives are to trigger economic development and generate employment by providing electricity as an input for productive uses in agriculture and rural industries, and improve the quality of life of the rural people by supplying electricity for lighting of homes, shops, community centres and public places in all villages.*

*Rural Electricity involves supply of energy for two types of programmes:*

- a. Production oriented activities like minor irrigation, rural industries etc.
- b. Electrification of villages

*India has varied geo-physical, agro-climatic and socio-economic conditions in the various regions. About 0.638 million villages spread over country offer various economic opportunities for judicious use of local resources. Such optimal use of resources holds the key for sustainable development. Among the various factors for growth and development, electrical energy is the crucial input. Different technical*

avenues, feasible strategies and action plan for implementation help the policy makers to take suitable actions for effective use of locally available electrical energy resources. The following are some of the important aspects having direct and indirect bearings on energy supply, to rural areas:

- Both the traditional energy and commercial energy are in short supply and demand-supply gap is increasing.
- Pressure on traditional energy resources such as wood is continuously increasing due to the growing population. Dependency on fuel wood in rural and urban areas is 78% and 30% respectively. Urbanization and the resulting deforestation are causing ecological problems.
- Heavy dependence on commercial fuels such as coal and oil as a short term measure for meeting increasing demand is alarming, in view of depleting fossil fuels and leads to environmental pollution.
- Energy supply to far-off rural areas is associated with high transportation and transmission losses of about 22.4%.
- Spiraling price of crude oil to meet the demand is a mounting burden on the foreign reserve of the country. Thus, emphasis should be laid on the auditing of the energy in such a way that ensures affordable, environment friendly and clean energy.

#### Impact of rural electrification

Recent studies of Rural Electrification (RE) indicate the following broad consensus concerning the impact of electrification in the rural areas. [Munasinghe 1990]

##### A. Quantifiable benefits: cost saving and increased productivity

###### 1. Industrial and commercial uses of electricity.

- (a) motive power -replacing liquid fuel
- (b) lighting -replacing liquid fuel or gas
- (c) processing food -replacing liquid fuel, gas, biomass, animal waste
- (d) transport -replacing liquid fuel

###### 2. Household uses of electricity.

- (a) lighting -replacing liquid fuel, gas, biomass or animal waste
- (b) cooking -replacing biomass, animal waste, wood, liquid fuel, coal, gas
- (c) drinking water -replacing liquid fuel for pumping
- (d) Home appliances (fan, TV, Radio) -replacing batteries, biomass, coal.

###### 3. Agricultural uses of electricity.

- (a) water pumping -replacing liquid fuel, coal, muscle power
- (b) heating and drying -replacing biomass, coal, liquid
- (c) Milling, chaff cutting, threshing etc -replacing liquid fuel, hydro or muscle power.

##### B. Benefits those are difficult to quantify.

1. Modernization, dynamism and attitude changes -catalytic effects
2. Quality of life, community services and participation
3. Income distribution and social equity
4. Employment creation.

#### Features of Rural Electrification

Rural electrification is an important component of Integrated Rural Development and has the following challenges:

- Villages are located from 3-30 km or even more away, from an existing grid.
- They are located in difficult areas like forests, hill areas, and deserts.
- The number of households may range between 2 to 200 with dispersed distribution of loads.
- Power demand in villages is quite low and rural domestic consumers are mainly peak time consumers and contribute for poor load factors of 0.2-0.3.
- The income level and hence the paying capacity is low.

**Reported status of Rural Electrification**

The electrical power sector was recognized as one of the Millennium Development Goals (MDGs) in 2000, for the upliftment of the masses and poverty alleviation. The Five Year Plans of the Government of India, World Bank, and International Monetary Fund etc have identified this socially relevant sector and initiated several measures like the Electricity Act 2003, Deregulation, Unbundling, Independent Power Producers (IPP), and Electricity Regulatory Commission etc.

**Table1**  
**Status of rural Electrification in India**

Total no of villages in India	6,38,000
Total no of Rural Population in India	37,189,229
Total no of States in India	28
No of electrified States (100%)	18

(Source: Ministry of power)

**Electrification Rate by Indian States**

It should be noted that village electrification rate is different from population or household electrification rate. According to Ministry of Power, a village would be classified based on a Certificate issued by the Gram Panchayat, certifying that:

- 1) Basic infrastructure such as Distribution Transformer and Distribution lines are provided in the inhabited locality as well as one Dalit Basti/hamlet where it exists
- 2) Electricity is provided to -public places like Schools, Panchayat Office, Health Centers, Dispensaries, Community Centers etc
- 3) The number of households electrified is at least 10% of the total number of households in the village

**Table2**  
**Electrified villages and Households in India**

Electrified states			Electrified states		
States	Electrified villages (%)	Electrified households (%)	States	Electrified villages (%)	Electrified Households (%)
Punjab	100.00	91.90	Madhya Pradesh	97.43	70.00
Haryana	100.00	82.90	Rajasthan	98.38	54.70
Gujarat	100.00	80.40	Chhattisgarh	94.0	53.10
Maharashtra	100.00	77.50	West Bengal	83.63	37.50
Tamil Nadu	100.00	78.20	Orrisa	80.15	26.90
Kerala	100.00	70.20	North-east	75.32	33.20
Andhra Pradesh	100.00	67.30	UP	58.73	31.90
Himachal P	99.38	94.80	Bihar	50.00	10.30
Karnataka	99.9	78.50	Jharkhand	26.00	24.30

(Source: Ministry of power)

**Steps initiated by the Government of India to further rural electrification.**

From the time of Independence, the Government of India and the State Electricity Boards have given priority for rural electrification – and the phenomenal growth is evident (Table 2). The Government of India has setup the Rural Electric Corporation in July 1969, to stimulate the process of rural electrification. A technology mission on rural electricity – namely, the Rural Electric Supply Technology (REST) Mission, under the Ministry of Power with representatives from other Ministries i.e. Rural Development, Non-Conventional Energy Resources, and organizations like CSIR, BHEL, etc started its operation in September 2002. The purpose of REST Mission is to accelerate electrification to meet the goal of 'Power for all by 2012'. The mission is also to identify technologies that could be used in

providing affordable and reliable power supply to rural areas, and effect implementation through distributed generation schemes, wherever feasible. The purpose is to provide electrification of the remaining 'one lakh villages and one crore households'. The following are the various Rural electrification (RE) schemes introduced by Government of India.

#### **Rural Electrification (RE) Schemes**

Rural electrification is the backbone of rural economy and a basic input for rapid rural development. It is also the main infrastructure for ensuring speedy growth of the agriculture sector and agro based industrial structure in rural areas. The Rural Electrification Corporation (REC) was established as a public sector undertaking in July, 1969.

#### **Pradhan Mantri Gramodaya Yojna (PMGY)**

The PMGY launched in 2000-2001 provided additional financial assistance for minimum services by the central government to all states on a 90% loan and 10% grant basis. These included rural health, education, drinking water and rural electrification. The PMGY, with an outlay of about Rs 1600 crores during the 10<sup>th</sup> Plan period, was being coordinated and monitored by the Rural Development Division of the Planning Commission. More importantly, under PMGY states had the flexibility to decide on the inter-reallocation of funds amongst the 6 basic services. Thus states could enhance allocations to expedite the pace of rural electrification. The scheme has been discontinued from 2005 onwards.

#### **Kutir Jyoti Program (KJP)**

KJP was initiated in 1988-89 to provide single point light connection (60 w) to all Below Poverty Line (BPL) households in the country. KJP provides 100% grant for one time cost of internal wiring and service connection charges and builds in a provision for 100% metering for release of grants. Nearly 5.1 million households have been covered under the scheme to date. The scheme was merged into the 'Accelerated Electrification of One Lakh Villages and One Crore Households' in May 2004 and now into the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY).

#### **Minimum Needs Program (MNP)**

The MNP, exclusively targeted states with less than 65% rural electrification (by the old definition) provides 100% loans for last mile connectivity. The program resources are drawn from the Central Plan Assistance. Rs. 775 crore was released during 2001-03 for rural electrification under the MNP. The scheme was discontinued in 2004-05 on account of difficulties in implementation.

#### **Accelerated Rural Electrification Program (AREP)**

The AREP, operational since 2002, provides an interest subsidy of 4% to states for RE programs. The AREP covers electrification of un-electrified villages and household electrification and has an approved outlay of Rs. 560 crore under the 10<sup>th</sup> Plan. The interest subsidy is available to state governments and electricity utilities on loans availed from approved financial institutions like the REC (Rural Electrification Corporation), PFC (Power Finance Corporation) and from NABARD under the Rural Infrastructure Development Fund (RIDF).

#### **Rural Electricity Supply Technology Mission (REST)**

The REST was initiated on 11<sup>th</sup> September 2002. The mission's objective is the electrification of all villages and households progressively by year 2012 through local renewable energy sources and decentralized technologies, along with the conventional grid connection.

REST proposes an integrated approach for rural electrification.

#### **Rajiv Gandhi Grameen Vidyutikaran Yojna**

The RGGVY is the latest national RE scheme launched by the Ministry of Power to execute the vision for rural electrification as enunciated in the NCMP and recommended by the Chief Ministers conference in 2001. The plan was instated in April of 2005 with the following objectives:

- 100% electrification of all villages and habitations in the country
- Electricity access to all households
- Free of cost electricity connection to BPL (Below Poverty Line) households.

**Strategies proposed:****A. Quick survey of remote village:**

The remote villages with difficult access, and need to be covered initially to provide electricity through decentralized generation. For this survey, all the available resources locally to be identified and the least cost option worked out to ensure that the minimum need of the village are met immediately. Normally, options available are:

- Small/ Mini/ Micro hydel generation
- Bio gas/ bio mass generation
- Solar photo voltaic powered/ stand alone systems
- Diesel generation

**B. Detailed survey of other villages:**

In this programme, a village wise survey various resources locally available and the estimation thereof is made. This could include the future growth potential in the development of rural industrialization etc.

**C. All villages survey:**

This will need a nationwide programme on a detailed scale so that all aspects of the use of local resources, consumer preferences, local tariffs etc is to be covered. This stage will help in preparation of detailed master plan about availability and economical preferences of all the sources of energy. This stage can bring a clearer picture about the status of resource base for its economical application for meeting the energy needs of the country.

**Conclusion**

Electric power is a vital engine for growth in rural areas through its more widespread use in productive activities, and its potential to improve living conditions. It is playing an important role in the development process, and must be most effectively used to help numerous, deprived rural masses of India to move away from their subsistence type of existence—and significantly improve their quality of life in the coming years. Rural electrification is a tool for national socio-economic development, and should be treated like any other policy instrument. In particular, it should be subject to the same rational analysis, and closely co-ordinate with the other policy tools available to the government of a developing country, to meet national objectives and goals.

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