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Impact of SMA-LM Training programme



MICRO-CREDIT RATINGS INTERNATIONAL LIMITED
602 Pacific Square, 32nd Milestone, NH-8, Gurgaon 122002

Table of Contents

Section	Page
Synopsis	i
1 Introduction	1
1.1 Background	
1.2 Approach and methodology	
2 Study coverage and profile of respondents	6
2.1 Broad segments of analysis	
2.2 Socio-economic profile of respondents	
2.3 SHG membership profile	
3 Methodology and effectiveness of the training	10
3.1 Training modules	
3.2 Training methodology adopted by HIH	
3.2 Effectiveness of training delivery	
4 Outcomes of the training programme	23
4.1 Enterprise creation and sustenance	
4.2 Impact at household level	
4.3 Behavioural changes	
5 Conclusions	39
Annex Survey template	42

Synopsis

M-CRIL (Micro-Credit Ratings International Limited) conducted an intensive research in June 2013 to assess the impact of the SMA-LM training and resulting formation of enterprises in four districts of Tamil Nadu. HIH (Hand in Hand) which works towards poverty alleviation and community development by improving the livelihood of SHG members provided its active support for this research. Focus group discussions as well as one-on-one interviews were conducted to collect information from the respondents who were distributed roughly equally across four districts.

The **key hypothesis** of the study was “The trainings provided under the SMA-LM training programme has been effective in making the SHG members aware of aspects related to functioning and strengthening of group, financial management, enterprise management skills and bookkeeping. The members have also benefited from the skill training resulting in establishment of enterprises and improvement in household income levels and wellbeing”. There were five broad research questions which were analysed and presented in this study.

Profile of the respondents

The study covered a total of 437 respondents across 266 SHGs with almost 84% attending Phase II and the remaining in Phase I. The selected samples had received at least one vocational/skill training. The ratio of rural respondents to urban respondents was approximately 2:1. Majority of the respondents were married and within the age bracket of 18-40 years, belonged to the backward communities and keener to receive trainings. Hinduism was followed by most of the respondents.

Training methodology and effectiveness

The entire training course was divided into three modules: Module I, Module II and Module III which comprised of educating the respondents about group strengthening, financial management and enterprise promotion over a course of 6 days. The book keeping training was provided only to the representatives or animators of SHG groups. The training location was usually HIH offices and /or village centres except for a few respondents who were trained at multiple locations. Demonstrative training tools such as picture cards, stories and practical demo were used more to enhance the retention capacity of the respondents. However use of interactive tools such as games was limited.

Over 70% of the total respondents were able to clearly retain the learnings of Module I as compared to Module II and Module III. The retention capabilities of Phase II respondents were observed to be better as compared to Phase I. In case of Module II, a higher proportion of respondents were partially aware of the importance of delegation of responsibility, SHG savings methods and how to select members of internal loans. Retention was observed to be much better in aspects such as importance of savings, internal lending (*and its terms and conditions*), repayment and subscription charges. Less than two-thirds of the respondents were able to retain what they learned in Module III. Respondents faced difficulty to retain aspects of customer analysis and business feasibility. The retention level for both Phase I and Phase II respondents was above 80% in case of book keeping.

At least 2 out of every 10 respondents received more than 1 skill training. Tailoring was the most sought after training and was received by most of the respondents for a period of 60 days at a nominal fee of Rs.250. Market information, satisfaction and confidence level was found to be quite high in case of almost all the respondents. Almost all the respondents expressed that they were quite satisfied with the timing, duration, fees, location and content of the training module. However one out of every ten respondents mentioned that the training duration should be stretched further.

Impact of the training programmes

No significant variation was observed in case of household composition, residence and agricultural land of the respondents. However, it was found that there has been a significant increase in the usage of two-wheelers such as motorcycles, scooters and bicycles as compared to four wheelers. A major increase was also seen in case of productive assets and usage of gas stoves, mobile phones, refrigerator and DVD player as compared to other household appliances.

There was an increase observed in the saving habit of the respondents with mostly saving in SHGs, Banks and at their homes. About 86% of the members saved regularly every month. Also there were very few respondents (0.9%) who felt their savings had depleted after the training programme and the rest said it has not changed.

Availing credit has increased for the respondents post training with more than three fourth of them taking loans internally from their SHGs. There has been a significant increase of more than 30 percentage points for availing credit from SHGs and HIH/Belstar. The respondents have also started taking credit from banks. However this has not led to any drop in number of members going to moneylenders. The use of the loans have been majorly productive however as credit is easily available from various sources, the consumptive loans have also increased.

The awareness of risk coverage is very low among respondents and is limited to life, health and vehicle insurance. Some respondents are aware of credit insurance and very few about livestock and crop insurance.

There has been an increase in control for at least 40% of the total respondents in managing the utilization of funds for activities such as purchase of groceries, assets, investment in enterprises, obtaining loan and its utilisation. Moreover there has been a reasonable increase in the ability to manage expenses related to food, clothing, health and recreation. However at the village level, more than half of the respondents said they did not participate in any village level meetings either before or after the training thereby indicating that the impact has been limited to the household level.

Conclusions

The survey highlights that the SMA LM trainings increased the awareness level of the participants on the aspects of group strengthening, financial management and entrepreneurship skills. Retention level however remained poor for aspects of customer analysis and business feasibility. The survey included respondents who had attended at least one skill training however it can be established through the survey that the vocational training participants willingly joined the programmes based on their need. The fee requirement for some programmes did not discourage them for selecting the courses they were interested in.

The vocational trainings were useful for the trainees and most of them (about 80%) had started a new enterprise. About 72% of the skill trainings resulted in the creation of a new enterprise while 8.3% helped in existing enterprise expansion. The application of the skills acquired through the trainings was high. These trainings and the enterprise creation resulted in asset creation and impacted the households positively. A significant development in the respondents' contribution to family income and overall increase in confidence was observed.

Chapter 1

Introduction

1.1 Background

Hand in Hand (HIH) Tamil Nadu, is a not for profit organisation registered as a Public Charitable Trust (PCT) in Tamil Nadu, India since 2002, with a development focus. Its initial activities focussed on child labour elimination, education and empowerment of women. Over the years, HIH has expanded its intervention across several sectors to provide integrated services to the communities in its operations areas. It has coined its approach as five interconnected and interdependent programmes that includes

- i. Child Labour Elimination Programme
- ii. Self Help Groups (SHG)/Women Empowerment Programme
- iii. Citizen Centre Enterprises Programme
- iv. Health Programme
- v. Environment Programme

The vision, mission and goal of HIH is

Vision: To alleviate poverty through job creation and integrated community development

Mission: To work for the economic and gender differentiated empowerment of women, by promoting enterprises and jobs through an integrated development approach that creates sustainable communities

Goal: To support 5 million job creation by 2020

To create jobs and alleviate rural poverty, HIH mobilises poor and socially marginalised women into democratically governed cohesive SHGs, provides them training and capacity building, facilitates access to affordable and flexible microfinance products and links SHGs with banks in a demand-driven approach, and supports group members in building sustainable livelihoods through continued hand holding support for enterprise promotion. The strategy of HIH to improve the livelihood of the Self Help Groups (SHG) women can be categorised into three basic components.

- i) Capacity building of SHGs
- ii) Financial literacy and credit linkages (microfinance)
- iii) Enterprise development and promotion

For capacity building of SHGs, Swedish Medical Aid (SMA)/ Läkarmissionen (LM) has been supporting HIH since 2008. It funded the trainings of SHGs in microfinance, entrepreneurial and vocational skills in two phases. The first phase of the training from March 2008 to May 2009 was implemented in Vellore, Thiruvannamalai and Salem districts of Tamil Nadu which was increased to 14 districts of Tamil Nadu in the second phase during November 2009 to December 2011. Phase 1 and 2 coverage under various training programs are given hereunder in **Table 1.1**.

Table 1.1: Outreach of SMA-LM training project

Type of training	Number of members trained		
	Phase –I	Phase-II	Total
Module-1: Group strengthening	19,669	32,288	51,957
Module-2: Financial management	22,644	31,324	53,968
Module-3: Entrepreneurial	14,209	31,324	45,533
Bookkeeping	0	17,023	17,023
Vocational/skill	1,418	4,620	6,038

Source: HIH database

Objectives and scope of research

The main objective of this research is to

Evaluate the **SMA-LM training impact** and the subsequent formation of enterprises to increase their household income, based on the survey of SHG members in four regions.

The survey was conducted

- To measure the broader impact of the SMA-LM training project for Phase I and Phase II at the individual member level, family level and at the village level
- To assess the effectiveness of the training methodology / processes / tools / manuals used by HIH
- To evaluate the sustainability of enterprises as a result of support extended through the project
- To gain learning from the project and use this as input for future planning

1.2 Approach and methodology

The research study has three broad components

- Formulation of the research hypothesis and selection of appropriate tools for collecting the required information/data for testing
- Selection of the sample respondents that represent the outreach of SMA-LM training programme in Tamil Nadu
- Conducting field research for data collection, followed by analysis of data for evaluating the impact of the training programme.

1.2.1 Study hypothesis

The key hypothesis of the study was

“The trainings provided under the SMA-LM training programme has been effective in making the SHG members aware of aspects related to functioning and strengthening of group, financial management, enterprise management skills and bookkeeping. The members have also benefited from the skill training resulting in establishment of enterprises and improvement in household income levels and wellbeing”

The hypothesis was addressed through a survey of SHG members of HIH in Tamil Nadu. The broad questions and the hypothesis tested covered by the study is listed in **Table 1.2**. These questions were used to design the questionnaire for collection of data/information from the participants for further analysis.

Table 1.2: Broad research questions

	Broad Research Questions	Hypothesis tested
1	What is the level of awareness of the respondents on SHG functioning, financial management, enterprise promotion and bookkeeping?	The training tools and aids were effective in increasing the level of awareness of the trainees on various aspects of SHG functioning, financial management, inculcating entrepreneurship skills and bookkeeping.
2	What proportion of SHG members underwent vocational training to start new/expand existing enterprises?	SHG members expected the vocational training to be helpful in providing them options for increasing the household income and they wilfully participated in such these programmes.
3	What proportion of SHG members started new/ expanded existing enterprise after receiving vocational training?	The SHG members who underwent the training found it useful and were able to start a new enterprise or expand their existing enterprise. The enterprises are active and sustainable.
4	Has the household income level of the members who have participated in the training programme increased? Has there been any changes in asset holding, savings habit and the way credit is accessed?	The trainings and enterprise formation have resulted in increased household income and asset holding. The SHG members have started to save regularly. Their ability to understand the credit terms and conditions and assess their repayment capacity before obtaining credit has also improved.
5	Has there been an increase in self-confidence/social status of SHG members who have received SMA-LM trainings?	The confidence level of the SHG members who have undergone the training programme has increased in interacting with various officials and stakeholders. Their participation in various activities at family/village level has also increased.

1.2.2 Sampling

The sample size was pre-decided by the ToR at 400 SHG members in Tamil Nadu. The sample selection was done using stratified random sampling in which the stratification was at three levels.

- a) Region: The sample was spread across four regions of Tamil Nadu covering approximately 100 respondents per district.
- b) Geographical location: The respondents were selected from rural and urban/semi-urban to capture the geographical diversity. As HIH operates majorly in rural areas, the ratio of rural: urban sample was kept at around 7:3.
- c) Phase of training: The study was conducted to study the impact of Phase I and II of the training programme thus respondents were chosen from both the phases. A much higher proportion of Phase II respondents were kept in the sample (around 80%) as Phase I of the training was delivered in 3 districts while Phase II was in 14 districts.

Since the survey also intended to analyse the impact of the trainings on the enterprise creation and sustenance, the sample comprised participants who had received **at least one vocational** training from HIH. The study was conducted in four operational regions of HIH in Tamil Nadu- Kanchipuram, Villupuram, Salem and Trichy. Overall, the survey covered 437 respondents representing 266 SHGs. **Table 1.3** shows the sample distribution.

Table 1.3: Sample distribution

Regions	No. of respondents	No. of SHGs
Kanchipuram	121	69
Villupuram	119	85
Salem	99	62
Trichy	102	50
Total	437	266

Profile of the sample respondents and SHGs is analysed in Chapter 2.

1.2.3 Information collection tools

The research team used the following tools for collection of data and information during the survey. **Table 1.4** shows the types of information collected using these tools.

- **FGDs:** The team conducted quick focus group discussions (FGD) of the SHG members before conducting individual interviews with them to know the SHG level details like name of SHG, establishment date, current number of members, number of members at the time of formation and number of dropouts. The geographic details such as location, district, block and village were also captured during FGDs along. In addition, the FGDs helped to capture the name of HIH branch with whom the SHG is associated and the bank account details (account number and bank branch) and where the SHG has its account.
- **One-to-one interviews:** All the respondents were interviewed in person by the research team. A questionnaire was designed (**Annexe 1**) to capture the responses of the participants of the training programme individually. The questionnaire was designed to capture present as well as past data (at the time of training programme) based on recall method. This was necessary due to absence of baseline information to evaluate the outcomes of the training programme.

Table 1.4: Types of information collected during the field survey

SHG level (through a quick FGD)	Individual respondent (one-to-one interviews)
<u>SHG membership details:</u> - Name of the SHG - Date of establishment - Concerned HIH branch - Account number of group and bank branch - Total group members- at formation - Total group members- current - Dropouts	<u>Respondent details</u> - age, marital status, caste, religion and level of education. <u>SHG membership</u> - Date of association with the SHG, position in SHG <u>Respondent household's details</u> - number (gender wise) of adults, children and working members <u>Training methodology and effectiveness</u> - phase in which training was received, location, tools/aid used and convenience

SHG level (through a quick FGD)	Individual respondent (one-to-one interviews)
<u>Location details</u> - Rural/Urban location - District - Block - Village/Town	<u>Retention of learning</u> - retention of participant on the training modules <u>Vocational training</u> – details of the vocational training received, feedback on the skill training which includes location and convenience, start-up/ expansion of enterprise by the respondents and factors contributing towards sustainability of their enterprise. <u>Impact of training and resulting enterprise creation</u> - Change in household income, asset holding, saving habit, credit assessment, household and social status and quality of life

The data and information collected is analysed and presented in the following chapters.

Chapter 2

Study coverage and profile of respondents

Chapter 2 analyses the profile of the respondents covered in the training impact assessment. The information was collected at group level and individual level. The profile of the SHG covered, socio economic profile and household composition of the respondents' are also analysed. The overall analysis of the sample and the variations across two broad segments - i) location and ii) phase of training has been highlighted.

2.1 Broad segments of analysis

The SMA- LM training impact assessment study covered 437 respondents across 266 SHGs as shown in **Figure 2.1**. The respondents were selected proportionately across four operational regions (around 100 each in Kanchipuram, Salem, Trichy and Villupuram) where HIH had delivered trainings. The analysis in this report presented on various aspects has been done across two broad segments (i) geographical location and (ii) phase of training programme, to understand if there are any significant differences in terms of effectiveness of training and the resulting impact. **Table 2.1** below shows the sample distribution across these segments.

Table 2.1: Distribution of respondents

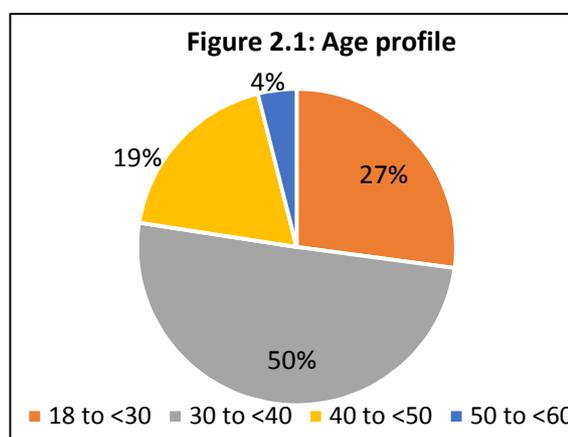
Regions	Geographical location		Phase of training	
	Rural	Urban	Phase I	Phase II
Kanchipuram	79	38	8	109
Villupuram	80	39	12	107
Salem	83	16	50	49
Trichy	35	67	0	102
Total	277	160	70	367

The geographical distribution of the sample was a representation of the training programme. About 63% of the sample were from rural locations and 37% were urban respondents. In terms of Phases of training programme (Phase I - March 2008 to May 2009; Phase II - November 2009 to December 2011), the sample had 16% respondents who were trained in Phase I and 84% from Phase II. This is mainly because of the much larger geographical coverage of Phase II in comparison to Phase I.

2.2 Socio-economic profile of respondents

2.2.1 Age profile

HIH targets SHG members of age 18 and above. The respondents of the survey are spread across all age brackets from 18 to 60 years. **Figure 2.1** shows that about half the respondents were in the 30-40 year age bracket. Around 27% were women aged less than 30 years and nearly 19% of the respondents were more than 40 and less than 50 years old while just 4% were in the 50-60 age bracket. None of the participants surveyed were less than 18 or greater than 60 years of age. It can be inferred that 96% of



the respondents belonged to the productive age bracket of 18-50, who were keen to obtain training and use lessons to establish/expand enterprises and enhance their household incomes.

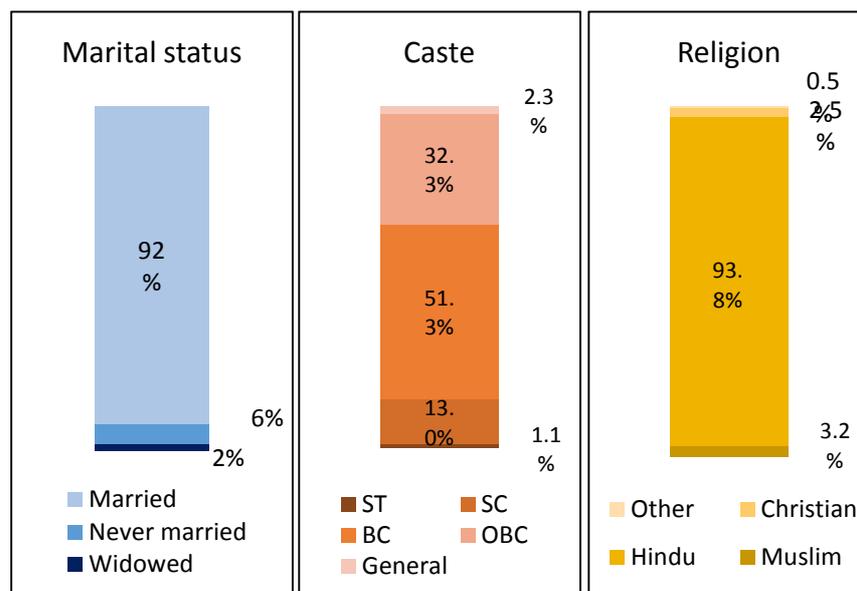
2.2.2 Social profile

HHH members are generally married women. Among the respondents, majority (92%) of them were married, but there were 6% of the respondents who had never married. Around 2% of the sample are widows while none of the respondents covered were separated or divorced.

Almost 98% of the sample respondents were belonged to the backward communities which included scheduled tribes (ST), scheduled caste (SC), backward class (BC) and other backward class (OBC). This is a representation of the target communities of the beneficiaries of the training programme. More than half the sample respondents belonged to the backward class, 13% to the scheduled caste and slightly more than 1% to scheduled tribes. About one third respondents were from the OBC and 2.3% belonged to general category.

About 93.8% of the participants surveyed followed Hinduism as their religion while 3.2% followed Islam. There were nearly 2.5% Christian respondents and only 2 members followed other religion. The SHGs selected for the interviews were largely in Hindu dominated areas therefore the sample had this skew. **Figure 2.2** illustrates the socio-economic profile of the respondents.

Figure 2.2: Socio-economic profile of respondents



2.2.3 Level of education

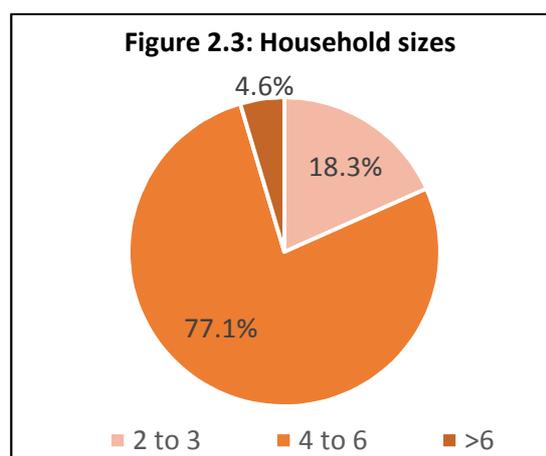
The education level of the respondents in the sample is high with about 96% having received some formal education. Overall, most of the respondents across geographical locations and phase of training have attended secondary schooling as shown in **Table 2.2**. There are only 18 members in the whole sample who have not received any formal education. The literacy level of the sample population is comparable with the literacy levels of Tamil Nadu of 80.3% [Census 2011]

Table 2.2: Education level of the respondents

Education level	Geographical location		Phase of training		Overall
	Rural	Urban	Phase I	Phase II	
No education	2.7%	0.5%	0.5%	2.7%	3.2%
Neo literate	0.5%	0.5%	0.2%	0.7%	0.9%
Primary	5.7%	2.3%	0.9%	7.1%	8.0%
Secondary	47.4%	29.1%	13.5%	62.9%	76.4%
Higher	7.1%	4.3%	1.4%	10.1%	11.4%

2.2.4 Household composition

The average household size of the respondents of the survey is 4.3 members (2.1 women plus 2.2 men). This is lower than the all India average household size of 5.5 members but is comparable to the state level average of 4.4 members. The study indicates that majority (95.4%) of the respondents were from nuclear households with 2 to 6 members as also depicted in **Figure 2.3**. About 4.6% had households with more than 6 members which included one respondent having 13 members in her family. Overall the households of the respondents comprise 1.5 members who are less than 18 years of age with equal number of boys and girls.



The average number of adults in the household is 2.8. On an average about 2.2 members are earning members with equal number of male and female engaged in work. The difference of 0.6 members who are adults and not working are children who are not yet engaged in any livelihood.

Table 2.3 highlights that there are no major variations in the household composition across the two segments of analysis – geographical location and phase of training. It is observed that more than three fourths of the adults of the respondents' households are engaged in some livelihood generation. The ratio is slightly higher in the rural areas than urban areas as more women members work in the rural areas. Similarly, the ratio is higher for respondents of Phase I than Phase II.

Table 2.3: Household composition

Household composition	Geographical location		Phase of training		Overall
	Rural	Urban	Phase I	Phase II	
Average household size	4.3	4.3	4.1	4.3	4.3
<i>No. of women</i>	2.1	2.2	2.1	2.2	2.1
<i>No. of men</i>	2.2	2.1	2.0	2.1	2.2
Number of adults/household	2.7	2.8	2.7	2.9	2.8
<i>No. of women</i>	1.4	1.4	1.4	1.5	1.4
<i>No. of men</i>	1.3	1.4	1.3	1.4	1.4
Avg. no. of working members/ household	2.2	2.2	2.2	2.2	2.2
<i>Working women/household</i>	1.1	1.0	1.1	1.1	1.1
<i>Working men/household</i>	1.1	1.2	1.1	1.1	1.1
Ratio of working to adult members (%)	81.5	78.6	81.5	75.9	78.6

2.3 SHG membership profile

The survey covered 266 SHGs to interview the 437 respondents, spread across four regions of Tamil Nadu. The SHG level information was collected during the focus group discussions (FGDs), as analysed in **Table 2.4**. The survey covered nearly twice the number of SHGs in rural locations than urban. This was done to keep the rural to urban ratio in tune with operation concentration of HIH.

Table 2.4: SHGs covered

	Geographical location		Phase of training		Overall
	Rural	Urban	Phase I	Phase II	
Kanchipuram	53	16	4	65	69
Villupuram	56	29	8	77	85
Salem	47	13	31	29	60
Trichy	19	33	0	52	52
Total	175	91	43	223	266

The profile of the SHGs is shown in **Box 2.1**, highlights that the average number of members in an SHG is 15. However 266 SHGs had to be covered to interview 437 respondents with an average of 1.6 members/SHG as not all members of a SHG necessarily received vocational training. M-CRIL sampled only those respondents who had undergone at least one skill training.

Box 2.1: Overall profile of the SHGs covered	
Number of SHGs covered	266
Total members in these SHGs at formation	4018
Total members in these SHGs at present	3908
Number of dropouts	110
Average no. of members per SHG	~15
Members interviewed	437

Chapter 3

Methodology and effectiveness of the training imparted

The SHG members selected by HIH are usually married women of similar economic status, less than 65 years of age and who live in proximity to each other. It is to be noted that according to the senior management, a representative SHG would have only about 10% very poor members. The rest of the members are either self-employed, or seeking to initiate an entrepreneurial venture. HIH encourages a few economically better off women to be in the group to motivate and set an example for other members.

An enrolment form is filled by each of the SHG members before the commencement of the training programme. Following is a list of data obtained from each respondent before training:

- Name of the district, block, cluster, village and SHG
- Date, time and place of training
- Name of the trainer

The participants received trainings on Module 1, 2 and 3 as discussed below. As Module 3 sensitized them about enterprise creation, a demand was seen among them to receive vocational training. The interested members enrolled for skill trainings as per their need and interest.

This chapter discusses the training methodology and the feedback obtained from the respondents. The various training modules have been analysed separately to get a clear picture of the respondents' views as well as their retention levels which reflects the effectiveness of the trainings organised by HIH.

3.1 Training modules

The training programme under the SMA-LM project included five different modules which were developed in-house. Of these the first three modules (M1 – group strengthening, M2 – financial management and M3 – enterprise promotion) were basic modules which was provided to all SHG members after their enrolment in a step wise manner. The fourth module was on bookkeeping and provided to group leaders and animators while the fifth module was on a variety of vocational skills. A brief description of these modules is provided below.

Module 1 – The focus of this training session was to explain three aspects of SHGs' which revolve around group strengthening:

- General concept of SHG groups
- Need of SHGs'
- Operational aspects of such groups

Participants were informed about Hand in Hand, its missions, vision goals as well as the objective which HIH seeks to achieve through such training sessions. After the registration and introduction of involved participants, the training session commenced with a brief discussion about understanding poverty and how SHG's can play a significant role towards addressing such aspects. SHG concepts such as unity, strength, knowledge and prosperity are discussed along with the roles and responsibilities of SHG members. Two other aspects discussed in this module are the importance of equality in SHG groups and the process of conducting group meetings.

Module 2 – This session focussed on the following financial management aspects and banking related concepts:

- Savings
- Internal lending
- Repayment
- Subscription charges
- Delegation of responsibility

The session started with a discussion about savings, its need, types and the rules to be followed as per banking regulations. The other important concepts discussed are internal lending and its norms, importance of repayment, subscription charges and delegation of financial responsibility. A follow up was conducted at the end of the training session to analyse their individual financial views. Respondent feedback is obtained from each of the participants to list down their views regarding the training sessions on various parameters such as drawbacks of the training programme, suggestions, opinions etc.

Module 3 – ‘Enterprise promotion’ was the topic of this session with the discussion revolving around two key aspects:

- Motivate the SHG members to begin an enterprise of their own
- Improve their standard of living

Participants were made to realise the benefits of initiating individual or group enterprises during this training session. The other important aspects discussed are entrepreneurial qualities which are required to run such businesses, knowledge about analysing their customer segment and sustainability of their business.

Some of the aspects which were **similar in the delivery of modules 1 to 3** was:

- An evaluation was conducted at the end of every training module to determine the retention capacity of the involved participants
- Methodology such as games, presentation, picture cards, role plays, group discussions, storytelling, videos, songs etc. was adopted to make the sessions more interactive and increase the retention capacity of the participants
- The training duration was 2 days for each of the modules
- The group strength was usually around 25-30 women during these training sessions

Training on bookkeeping

The bookkeeping training was provided to representatives and animators of the SHG groups. Since these positions are generally rotated among members, there were some respondents in the sample who position in the group was just as a member but had undergone bookkeeping training as a representative or animator earlier. The key focus of such training was on:

- Modus operandi of financial transactions
- Recording transactions in books of accounts
- Importance of audit and checking accounting entries

3.2 Training methodology adopted by HIH

Training methodology includes various aspects like selection of appropriate location which is accessible to trainees, timing & selection of tools and aids to impart lessons. This section analyses the feedback from the respondents on these aspects.

3.2.1 Location

Following were the important attributes which were considered by HIH before the selection of suitable locations for the training sessions:

- *Space to accommodate all the participants* – A larger space was required to allow the instructors to engage participants in interactive exercises such as group tasks, games etc.
- *Distance between the location and the residence of the participants* – A more accessible location will decrease their opportunity cost in terms of travelling time and money. It would also ensure higher attendance during the sessions.

Analysis shows that while HIH tried to organisation training programmes for a particular group of members at a single locations, there were case where locations had to be changed from one module to another. **Figure 3.1** shows that a high majority of respondents (88%) received trainings on all modules at the same location while a few (12%) received their trainings at multiple locations. Among the locations, HIH office and the village centres were more preferred as compared to other locations.

✓ Among the 12% of respondents who received training at multiple locations, **more than half of them** received it in the village centre as well as the HIH office.

✓ 13% of these respondents also received their training in SHG buildings, temples and schools apart from the locations cited in **Figure 3.1**.

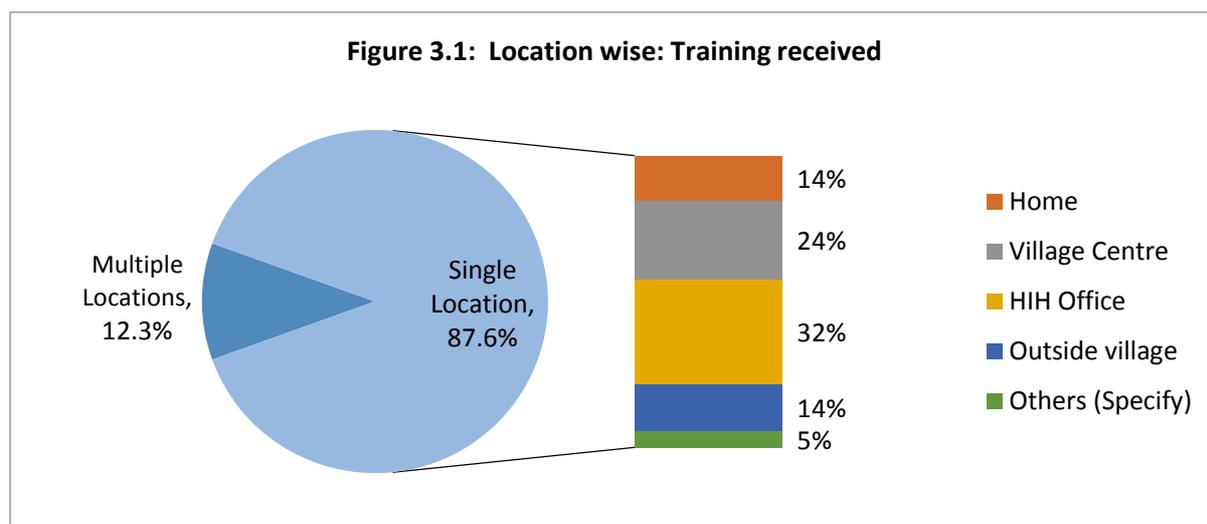


Figure 3.2 shows the location-wise distribution of rural vs. urban respondents. The analysis indicates that 47% of the rural respondents received their training at the village centre itself. Almost two-third of the urban respondents were trained at the HIH office. This shows that the village centres were comparatively closer to rural respondents in terms of distance as compared to respective HIH branch offices which are usually located at the main districts.

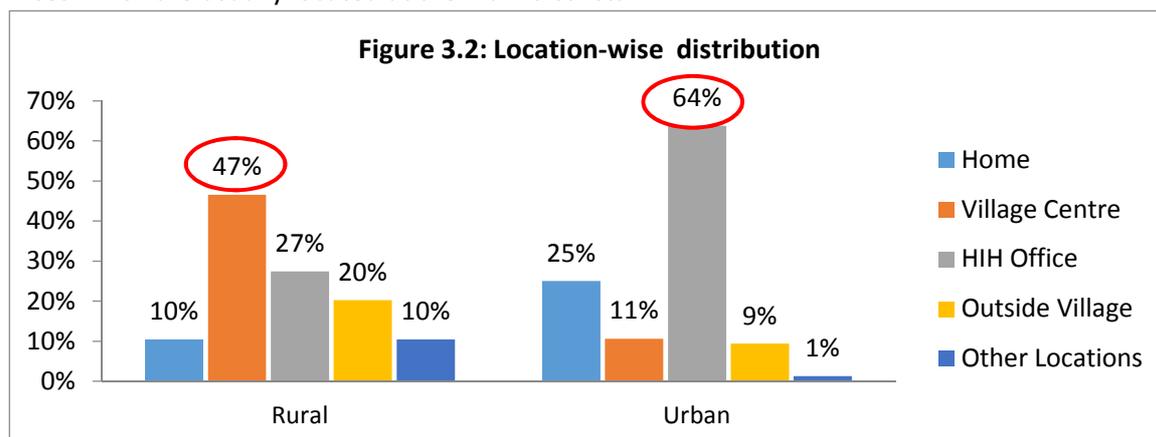
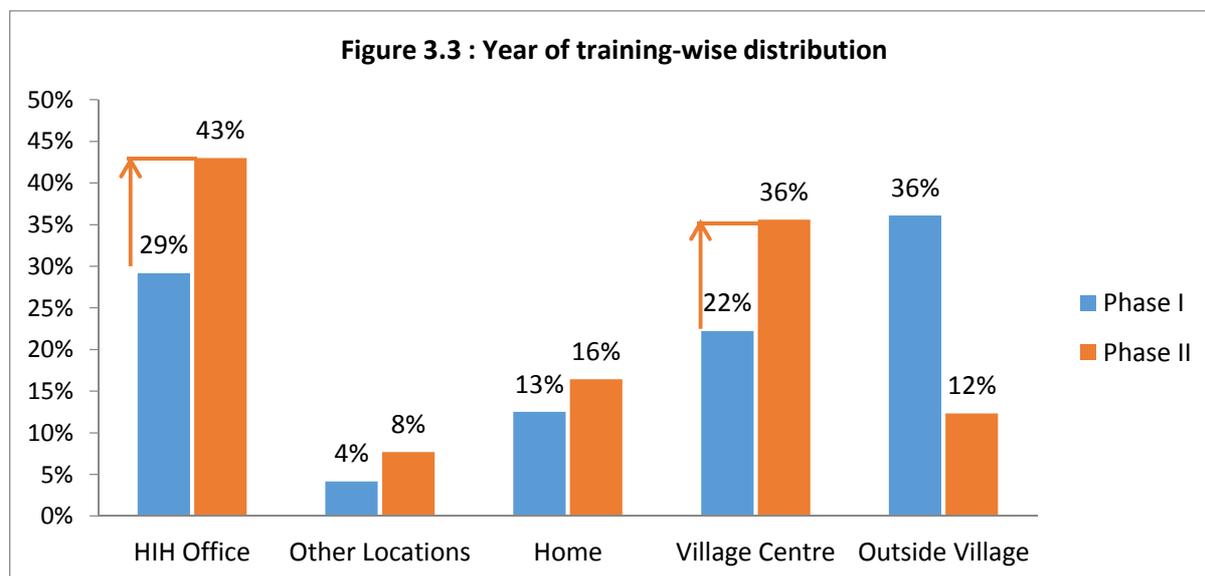


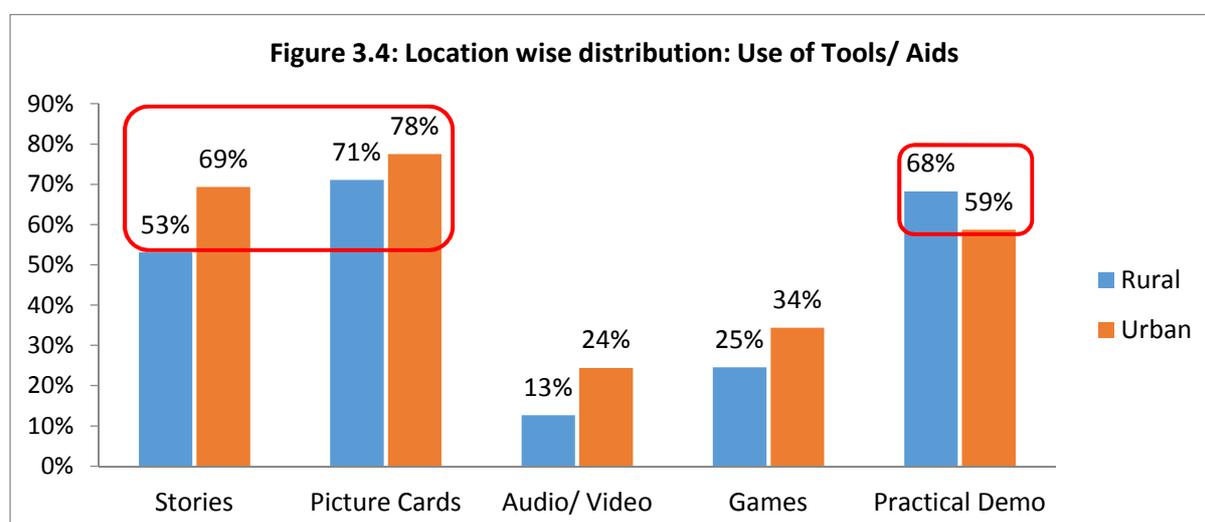
Figure 3.3 shows the phase-wise depiction of the total respondents who have received training at different locations. A trend was noticed that there has been a significant increase in the number of respondents trained at the HIH office and village centre as compared to other locations.



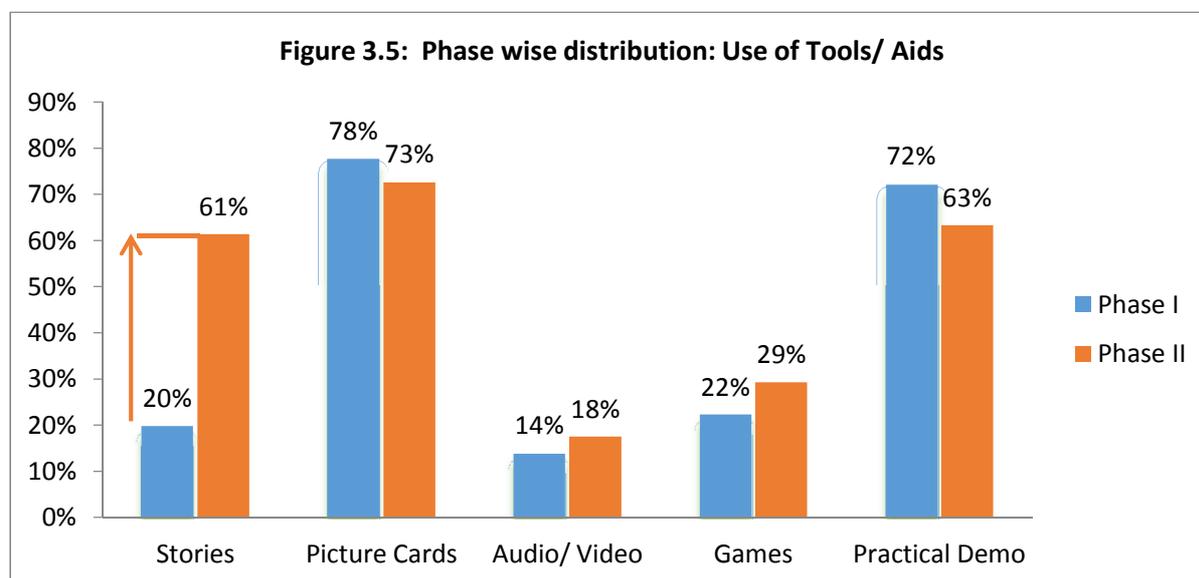
3.2.2 Tools/ Aid used

HIH included a variety of tools/aids like stories, picture cards, audio/ videos and games to make their training programmes interactive and refreshing for the participants. These tools played an important role in increasing the visual appeal of the learning material and helped in quick grasping of lessons by the participants. This approach was also adopted with the aim to prolong the retention of lessons by the participants and was expected that with day-to-day use of the lessons the overall awareness level will increase.

Around 22% of the respondents recalled that only one kind of tool/aid was used in the training session which was either stories or picture cards. **Figure 3.4** makes a comparison between rural and urban respondents with respect to the various means used to conduct the training sessions. **Majority of the respondents pointed out that picture cards, stories and practical demonstrations were the top three tools/ aids used as compared to games and audio/ video.**



Stories, pictures, audio/ videos and games were used more frequently in case of urban as compared to rural participants. **Figure 3.5** aptly demonstrates the change in use of tools/aids in the two training phases. An interesting trend to be noticed is that there has been a sharp increase in the use of stories (*a jump of 40%*) in Phase II as compared to Phase I. Similarly, games and audio/ videos are being used more in Phase II which makes the sessions more engaging for the participants.



3.2.3 Convenience (of training on Modules 1 to 3 & bookkeeping)

Almost all the respondents admitted that the timing and location of the training session was quite convenient. In very few cases, it came out that the location was situated at a far off distance. 98.9% of the participants also stressed that they were able to understand the content discussed in the training session. In a few cases, the respondents felt that the content was discussed at a fast pace and therefore they were unable to retain everything.

3.3 Effectiveness of training delivery

This section presents the analysis of the awareness level of the respondents on (pre-selected) key lessons from each training module. The hypothesis here was that the training methodology adopted by HIH was effective if the respondents were able to understand the lessons and also retain it over a long period of time. In this context, the last training (under Phase II) was undertaken in December 2011 and since then the time gap of around 1.5 years is long enough to test the awareness level. The degree of awareness on key lessons was analysed on the basis of three parameters:

- *Knows*: respondent is aware of a key lesson
- *Don't know*: respondent is completely unaware or unable to recollect a key lesson
- *Partially*: respondent was able to recollect the key lesson to some extent

3.3.1 Module 1: Group Strengthening

More than 77% of the total respondents are well aware of the various benefits of being in an SHG such as unity, group strength, increase in confidence etc. It was observed during the survey that over 77% of Phase I and 89% of Phase II participants (87.2% of overall) were able to recall the different roles of animators, representatives and members. Approximately 85% of the total participants were

aware of the fact that the number of members can be 10-20 in an SHG group. **Box 3.1** shows a snapshot of the retention capacity of the participants across different Phases and location.

Box 3.1: Highlights of Group Strengthening module

- ✓ The level of retention is **higher** in case of respondents who received their training in Phase II (Nov. 2009 – Dec. 2011) as compared to Phase I (Mar. 2008 – May 2009). One reason is that Phase II is more recent as compared to that of Phase I. Moreover, the increase in use of stories, audio/videos and games in Phase II as compared to Phase I (as shown in **Figure 3.5**) has also played a role in improving the retention level of Phase II respondents. Hence, it can be reasoned that games, videos etc. are more participatory and involving as compared to classroom teachings.
- ✓ Urban respondents have a **better level of retention** of the lessons as compared to rural participants.
- ✓ **Less than 1.5%** of the total respondents are completely unaware of the different aspects of this module.
- ✓ Only **61% - 64%** of the total respondents who received their training in Phase I as well as Phase II were able to recall how exactly the group meetings are conducted. Every 3 or 4 out of 10 respondents were only partially aware of the exact protocol of group meetings.

Awareness level on other key lessons in Module 1 are discussed below.

‘Membership criteria’ (such as age, marriage, same village etc.) was the only aspect of Module I apart from ‘the benefits of being in an SHG’ which Phase I participants were able to recall more as compared those who received their training during Phase II – shown in **Table 3.1** alongside.

Table 3.1: Membership criteria

Membership Criteria	Knows	Partially Knows	Does Not Know
Phase I	76.4%	22.2%	1.4%
Phase II	72.1%	24.4%	3.6%
Rural	73.6%	24.2%	2.2%
Urban	71.3%	23.8%	5.0%

More than 99% of the total respondents either knew or were partially aware of ‘cash handling’, ‘hierarchy in the group’ and knowledge regarding ‘books of accounts’. It was observed that more than 86% of the total participants were aware of ‘cash handling’ related aspects. The break-up has been shown in **Table 3.2**. All the Phase I participants were aware about ‘cash handling’ as well as who maintains the books of accounts. Approximately 80% and above participants were able to recall that the animator is primarily responsible to maintain the account books with the representative handling the same responsibility in the animator’s presence.

Table 3.2: Cash handling

Cash Handling	Knows	Partially Knows
Phase I	72.2%	27.8%
Phase II	88.0%	10.7%
Rural	84.1%	15.5%
Urban	89.4%	10.0%

Hierarchy was the only aspect where the knowledge and retention of all the participants was high irrespective of their location or training phase. Around 92.4% of the total respondents knew that all the members are equal in a group and there is no hierarchy.

3.3.2 Module 2: Financial Management

Box 3.2 below highlights the observation on awareness level of the respondents on the key lessons in Module 2.

Box 3.2: Highlights of financial management module

- ✓ More than 40% of the total sample were either partially aware or unaware about the importance of delegation and why tasks are rotated and divided among all the members.
- ✓ There is **no significant difference** when it comes to knowledge about financial management between rural and urban respondents.
- ✓ As compared to Module I, a higher percentage of respondents are partially aware of the various aspects of Module II such as SHG savings methods, importance of repayment, subscription charges etc.
- ✓ Over 80% of the total respondents are well aware of the importance of timely repayments, savings, subscription charges, internal lending and its terms and conditions.

Approximately, 87.4% of the total respondents were aware of the importance of savings - why it is essential to identify wasteful expenditure so that the saved money could be used for future use such as purchase of assets and house repair. Just 1.3% of the total respondents were unaware of the savings aspect.

Table 3.3 analyses awareness on importance of savings. Phase I participants were able to recollect the importance of savings better as compared to Phase II participants. Most of the rural as well as urban participants have also been able to explain succinctly why savings is important.

More than 40% of the respondents were either unaware or just partially aware of fixed and optional SHG savings methods as shown in **Table 3.4**. Phase II participants were however, able to retain better as compared to that of Phase I that fixed SHG savings method was based on group consensus and the optional one was based on individual capacity.

At least 77% of the total respondents are well aware of the terms and conditions for internal loans, importance of repayment and subscription charges. Less than 3% are unaware of the same. Those who are partially aware are somewhere between 9% - 22%.

Table 3.3: Importance of savings

Importance of Savings	Knows	Partially Knows
Phase I	97.2%	2.8%
Phase II	85.5%	12.9%
Rural	89.2%	10.5%
Urban	84.4%	12.5%

Table 3.4. Phase II participants were however, able

Table 3.4: SHG savings methods

SHG Savings Methods	Knows	Does not know	Partially Knows
Phase I	48.6%	8.3%	43.1%
Phase II	55.1%	9.9%	35.1%
Rural	52%	9.4%	38.6%
Urban	57.5%	10%	32.5%

Respondents were unable to clearly recollect how they should select members for internal loans.

Table 3.5 provides a percentage break-up of the participants according to the responses received. It was observed during the discussions that about one-third of the total respondents were only able to partially recollect the process of how to select members for internal loan purposes. Less than 70% were able to retain all the key details such as the need for >90% attendance, regular savings, genuine purpose, funds availability, group decision etc.

Table 3.5: Selecting members of internal loans

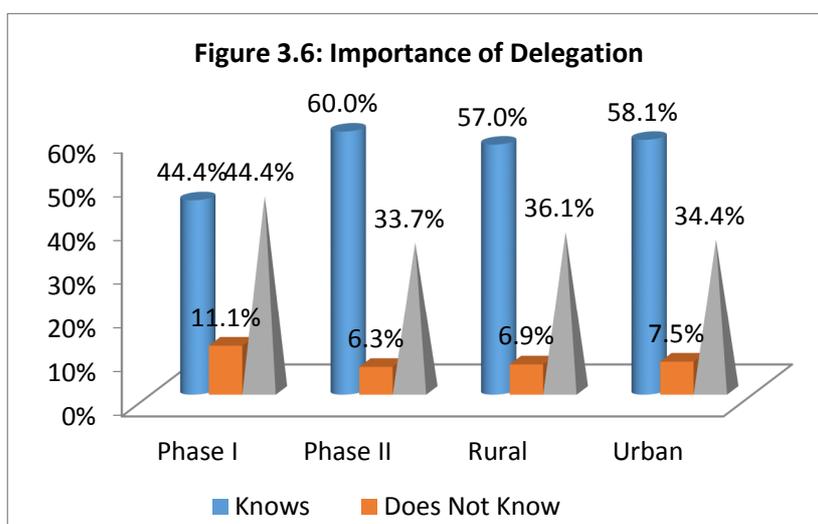
Selecting members for internal loans	Knows	Does not know	Partially Knows
Phase I	69.4%	1.4%	29.2%
Phase II	64.1%	2.2%	33.4%
Rural	63.5%	2.5%	33.6%
Urban	67.5%	1.3%	31.3%

Delegation of responsibility

was the only aspect of Module 2 in which the awareness level of respondents appeared low in comparison to other lessons. Less than two-third of the total respondents were able to clearly point out why it is important to delegate responsibility, how tasks should be rotated and divided among members etc.

Figure 3.6 reveals the degree of information which the respondents were able to retain.

It was found that more than 33% of the participants were unclear about the allocation of work uniformly so that no one member can start dominating the others. The retention capacity of Phase I respondents were less than 45% which is much less as compared to that of Phase II respondents.



3.3.3 Module 3: Enterprise Promotion

Box 3.3 below highlights the observation on awareness level of the respondents on the key lessons in Module 3.

Box 3.3: Highlights of financial management module

- ✓ Less than two third of the total respondents were able to correctly recall the importance of group advantage and qualities of a good entrepreneur.
- ✓ More than 85% of the total respondents understand the importance of commencing an enterprise.
- ✓ Approximately 55% of the respondents were able to recall how to analyse aspects such as 'choosing a business idea', 'business feasibility' and 'customer analysis'
- ✓ At least 80% of the total respondents who have received book keeping training are aware of how and where financial transactions are recorded as well as importance of audit.

A very high proportion of the respondents ($\geq 85\%$ of total sample) were able to recall why starting an enterprise is important. This is mainly because all the respondents have received different sorts of skill training and 21% of the total sample have taken more than one skill training. **Table 3.6** shows the distribution of the retention capacity of respondents on different sub-concepts such as advantages of working together in an SHG group, how to choose a business idea, how to analyse business feasibility etc.

Table 3.6: Enterprise promotion

Module 3	Knows	Does not know	Partially Knows
Group Advantage	66.1%	3.2%	30.7%
Entrepreneurial Qualities	58.8%	7.6%	33.6%
Choosing a Business Idea	54.2%	8.9%	36.8%
Customer Analysis	49.4%	12.8%	37.8%
Business Feasibility	50.6%	6.9%	42.6%

Around 48.6% of Phase I respondents knew about how to choose a business idea as well as entrepreneurial qualities compared to 55-61% of Phase II respondents. The distribution among rural and urban was around 51-60% for both the aspects. Roughly equal proportions of responses were obtained when it came to the advantages of working together in a group irrespective of Phases or location.

Customer analysis and business feasibility were two such aspects which Phase II respondents were able to recollect from their memories to a much greater degree as compared to Phase I respondents. Customer analysis encompassed information on nearby markets, target customer segment to whom the product can be sold and other potential products that these customers interested in. Business feasibility was meant to analyse whether the respondents were able to recall what is required to run their businesses and where the business would come from.

About 54.2% of Phase I respondents were partially aware of both these concepts as compared to just 34-40% of Phase II respondents. **Table 3.7** shows the awareness level on customer analysis and business feasibility.

Table 3.7: Awareness on customer analysis & business feasibility concepts

	Knows	Does not know	Partially Knows	Knows	Does not know	Partially Knows
	Customer satisfaction			Business Feasibility		
Phase I	30.6%	15.3%	54.2%	33.3%	12.5%	54.2%
Phase II	53.2%	12.3%	34.5%	54%	5.8%	40.3%
Rural	46.2%	15.5%	38.3%	48.7%	8.7%	42.6%
Urban	55%	8.1%	36.9%	53.8%	3.8%	42.5%

3.3.4 Book keeping training

Book keeping training is only provided to animators or representatives and not to all the members of an SHG group. About 57% of the total sample had received book keeping training. There were also some current SHG members who have received book keeping training in the past. This is because they were either animators or representatives in the past. **Table 3.8** shows the retention capacity of respondents across the three aspects outlines below:

- When/ where is recording of financial transactions done (*On the day it is conducted and during group meetings*)
- In which account books are the transactions recorded? (*General ledger, cash book, minutes book etc.*)
- Importance of checking accounting entries and audit

Table 3.8: Book keeping

	Recording of transactions		Which books of accounts?		Audit	
	<i>Knows</i>	<i>Partially Knows</i>	<i>Knows</i>	<i>Partially Knows</i>	<i>Knows</i>	<i>Partially Knows</i>
Phase I	↑ Increase 97.4%	2.6%	↑ Increase 92.3%	5.1%	↑ Increase 97.4%	2.6%
Phase II	91.1%	7.1%	84.6%	14.2%	87.6%	11.2%
Before 2008*	83.3%	14.3%	57.1%	38.1%	81.0%	16.7%

* Before 2008, training was undertaken under other projects

- The retention level of the Phase I and Phase II respondents was very high as compared those who received their training before 2008.
- The highest proportion of respondents who were unable to retain any information about the procedure of recoding transactions, audit and books of accounts were trained ‘before 2008’ category. Therefore, it can be inferred that the knowledge regarding book keeping is still fresh in the minds of those respondents who have received the training recently as compared to others.
- All the urban respondents were either aware or at least partially ware of all the aspects of book keeping training.

3.3.5 Vocational/ Skill Training

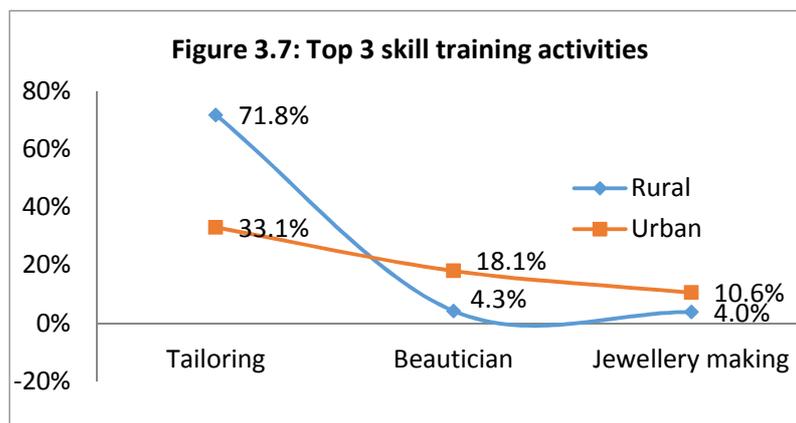
Respondents have received skill trainings in 32 different activities such as tailoring, embroidery, book binding, beautician, bridal make up, flower design, stone work and glass painting. About 22% of the total respondents received more than 2 skill trainings. **Table 3.9** shows the distribution of respondents across urban, rural areas, Phase I and Phase II who have received one or more skill trainings. A higher proportion of Phase II respondents received 2 skill trainings as compared to that of Phase I respondents. Overall, 90.2% of these respondents had received the skill training during Phase II.

Table 3.9: Skill trainings received

	Received one skill training	Received two skill trainings	Total		Received one skill training	Received two skill trainings	Total
Rural	79.1%	20.9%	63.4%	Phase I	91.7%	8.3%	16.5%
Urban	76.3%	23.8%	36.6%	Phase II	75.3%	24.7%	83.5%
Total	78.0%	22.0%	100%	Total	78.0%	22.0%	100.0%

More than 70% of the rural respondents received skill training on tailoring as compared to 33% of urban respondents. ‘Beautician’ and ‘jewellery making’ were the other two popular skill trainings provided to the respondents. **Figure 3.7** depicts the top three skill trainings provided to the respondents as per urban and rural location.

A fee of Rs250 was usually charged to the respondents as fee for skill training on tailoring. Satisfaction on the skills attained as well as confidence level in terms of starting and running an enterprise in case of the top three skill training activities was observed to be high or very high among the respondents. No fee was charged from any of the



respondents for training in jewellery making. The duration of tailoring training was usually 60-90 days. The training duration was an average of 35 days in case of beautician and 3 days in case of jewellery making.

Respondents who received one vocational / skill training:

Around 70% of the respondents have started new enterprises. It is to be noted that only 2.3% of the total respondents mentioned that they are not interested to start an enterprise. This shows that a very high proportion of the respondents indeed appreciate the need of starting their own business after the completion of such training activities. This information also supports the observation made in Module 3 that 85% of the total respondents were aware of the significance of commencing an enterprise. Less than 3% of the total respondents have closed down their new or existing enterprises.

Respondents who received the second vocational / skill training:

Nearly 43.7% of these respondents were inclined to start an enterprise based on the 2nd training. About one-fourth of such respondents said that their enterprise as still at the planning stage. The distribution of these respondents across urban and rural location was not found to be significant.

The satisfaction and confidence level among 95% of total respondents was found to be high and above, irrespective of the number of skill trainings received. Fees charged for most of the trainings was in the range of Rs250. No fees was charged from those respondents who underwent the second skill training. Market information on market access specific to skill training was generally provided in 80% of the cases.

Extent of training was usually 60 days in case of the first skill training and 3 days in case of the second skill training. **Table 3.10** shows the distribution of respondents across urban and rural location with respect to the duration of training period.

Table 3.10: Training duration

Duration	1 st Skill Training				2 nd Skill Training	
	60 days	3 days	30 days	90 days	3 days	30 days
Urban	49.5%	15.9%	7.9%	11.2%	50.9%	15.8%
Rural	27.5%	36.9%	18.8%	3.1%	50.0%	10.5%
Total	41.4%	23.6%	11.9%	8.2%	50.5%	13.7%

Location of skill training programmes

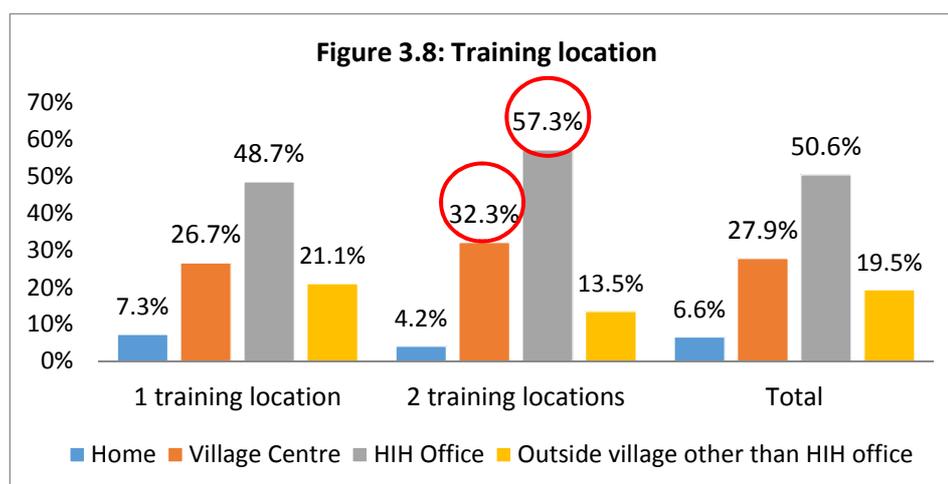
Phase I respondents were usually trained in locations outside their village other than HIH office as compared to Phase II respondents who got their training at HIH office and village centres. **Table 3.11** shows the distribution of respondents across three training locations.

Table 3.11: Training locations

	Home	Village Centre	HIH Office	Other locations outside Village
Location Rural	6.1%	39.0%	35.4%	24.5%
Urban	7.5%	8.8%	76.9%	0.6%
Phase Phase I	4.2%	9.7%	41.7%	45.8%
Phase II	7.1%	31.5%	52.3%	14.2%
Total	6.6%	27.9%	50.6%	19.5%

Figure 3.8 shows the breakup of respondents who attended trainings at one and more locations such as home, village centre, HIH office and locations outside village other than HIH office. It was observed that the skill trainings were usually organised at the HIH offices and the village centres as compared to home and other locations.

About 8% of the total participants have received trainings at multiple locations with the top two being HIH office and village centre followed by locations outside their village other than HIH office and homes. A higher proportion of urban respondents



received their training at HIH offices compared to rural respondents who mostly received their trainings at village centres and locations outside their village other than HIH office such as schools, SHG building, village temples etc.

Convenience (of skill training programmes)

The timing, location and fee were found to be convenient for more than about 99% of the respondents irrespective of their location and Phase when they received their skill trainings. However, at least 11% of the total respondents expressed dissatisfaction that training duration was not sufficient. Of these, more than 85% had received their training in Phase II and mostly **on tailoring**.

Table 3.12 highlights the strengths and weaknesses as identified during discussion with HIH management with respect to the SMA – LM programme:

Table 3.12: Management Inputs

Strengths	Weaknesses
Delivery of base training through community trainers have reached SHGs well as vernacular language is used for trainings.	Legal and statutory compliances of enterprises are not covered in the training modules
Training methodology including participatory and visual aid such as games, visuals and stories is more effective	Trade specific EDPs are not offered (our EDP is general one.)
The trainings are delivered on-site which reduces the travel of women to far-off places. This has increased the participation levels	Soft skills trainings have not been included which is essential for successful entrepreneurs.
	Skill trainings are not taken up by many SHG members as the literacy levels is less. Functional literacy training can be included in subsequent phases.
	Financial literacy of members is required for scaled up enterprises which has not been included in the modules yet.

Chapter 4

Outcomes of the training programmes

The outcomes of the training programmes have been evaluated at four levels

- (i) Skill trainings resulting in establishment of related enterprises and other skills obtained (on financial management and entrepreneurship) in the sustainable operations the enterprises
- (ii) Changes at the household level - household income levels and asset building
- (iii) Behavioural change among the respondents who have undergone the training programmes in savings habit, the way credit is accessed and risk/shocks are covered
- (iv) Gender differentiated empowerment of the respondents at the household level as well as village level as reflected by their contribution in decision making and participation.

The survey had collected information from all respondents on their present status as well as past status (before they had obtained the training under SMA-LA programme) to analyse the impact of the training programme. In the absence of baseline, the past status of the respondents was collected using the recall method, which has its limitations in terms data accuracy but provided a fair idea on the outcomes which could be largely attributed to the SMA-LA training programme.

4.1 Enterprise creation and sustenance

As discussed in Section 3.3.5, the respondents of the survey had obtained at least one skill training. Overall skill training was provided on 32 different vocations. **Table 4.1** analyses the creation of enterprises by the respondents after obtaining the skill training.

Table 4.1: Results of skill training of the respondents

	Undergone 1 skill training	Undergone 2 skill trainings	Total
Started new enterprise	268	114	382
Expanded existing enterprise	29	15	44
Still at planning stage	32	26	58
Started new enterprise but closed down	6	13	19
Closed existing enterprise	1	0	1
Not interested to start	6	22	28
Total	342	190	532
Total no. of respondents	342	95	437

Out of the 437 respondents covered by the training around 78% received training on one vocation while 22% had received training on two different vocations. The following are the main observations on the post training action by the respondents.

- Around 78.4% of those who had obtained training on one vocation started their new enterprise while 60.0% of those who had obtained two trainings started new enterprise. Overall, 72% of the skill trainings (382 out of 532) resulted in establishment of a new enterprise (by 74.4% of the respondents, 325 out of 437).
- The trainings programmes has also enabled expansion of existing enterprises of the respondents. Overall around 8.3% of the trainings resulted in expansion of enterprises and there was no significant difference among the respondents who had undergone one or two training programmes. This represented 8.4% of the respondents.

- A large number of respondents (around 10.3% of overall) are at the planning stage and may soon establish a new enterprises.
- About 2.9% of the respondents started their enterprise but had to close it down, but just one of the existing enterprise had to be shut down after obtaining skill training on related vocation.
- Around 3.9% of the respondents were not keen to start an enterprise.

In terms of new enterprises created it was observed that a higher proportion (77%) of Phase 1 trainings translated into enterprise establishment in comparison to Phase 2 (71%) but there was no significant difference across rural/urban locations. Similarly a higher proportion of enterprise expansions happened as a result of Phase 1 training. This could be because around 12% of the cases in Phase 2 are still at the planning stage while in Phase 1 the respondents have made their final decisions to establish/expand enterprises.

4.1.1 Active enterprises of the respondents

Among the 437 respondents covered during the study, more than 93% had at least one active enterprise. **Figure 4.1** alongside shows the proportion of respondents with none, one or multiple active enterprises.

Overall, 521 active enterprises are being managed by 407 respondents. Of these, 82% of the enterprises (382 new enterprise and 44 expansion of existing enterprises) were impacted through the skill training which the respondents underwent. **Table 4.2** below presents a matrix of respondents with single or multiple active enterprises vis-à-vis new enterprises or expansion enterprises inspired by the skill training programmes.

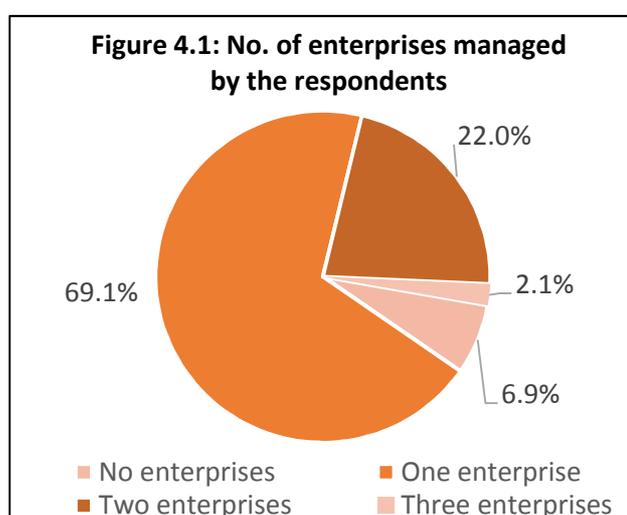


Table 4.2: Active enterprises of respondents inspired/supported by skill training

	No. of active enterprises			Total
	One	Two	Three	
No. of respondents	302	96	9	407
No. of enterprises	302	192	27	521
Enterprises supported by skill training				
New enterprises established	251	116	15	382
Existing enterprises expanded	34	9	1	44
Total enterprise supported	285	125	16	426
% of active enterprises supported	94.4%	65.1%	59.3%	81.8%

About 6.9% of the total respondents (30 out of 437) did not have any active enterprises. Most of them are housewives and have received only 1 skill training (*top three being tailoring, saree stone work and jewellery making*) during Phase II at village centre and /or HIH office. Analysis of their responses indicates that about 54% are still planning to start an enterprise, 26% had started but could not sustain the business and had to shut down, 3% had to close down their existing enterprise

and 17% were not at all interested in establishing their enterprise. Some highlights of the active enterprises is presented in **Box 4.1**.

Box 4.1: Highlights of active enterprises of the respondents

- ✓ **More than two third of the total respondents** are themselves responsible for managing their own enterprises.
- ✓ Around **70% of the total respondents have about 1-3 years of experience** and the seasonality of businesses are mostly annual.
- ✓ In more than 95% of the cases, **the respondent is the only one managing the business** (irrespective of group-led or individually-led) entirely without any support from other family members.
- ✓ Active enterprises were observed to be seasonal when respondents were involved in activities such as bridal makeup, bangle making, flower making etc. The revenue generated from such activities is the highest especially during marriage seasons and festive occasions.

The top five active enterprises of the respondents were found to be:

(i) Tailoring (60.9%): For every single urban respondent, 3 rural respondents involved in this enterprise. (ii) Beautician (9.1%), (iii) Jewellery making (5.4%), (iv) Bridal Makeup (4.4%), (v) Glass painting (4.2%)

The percentage mentioned above beside each active enterprise denotes the share of total respondents involved in that particular business. Respondents were also involved in a host of other enterprises such as paper bag making, pickle making, fast food joints and flower making. It was also observed that while most of the enterprises were individually/household managed, there were some group enterprises as well. The total number of active individual enterprise were 455 (87.3%) and the number of group base enterprises were 66 (12.7%).

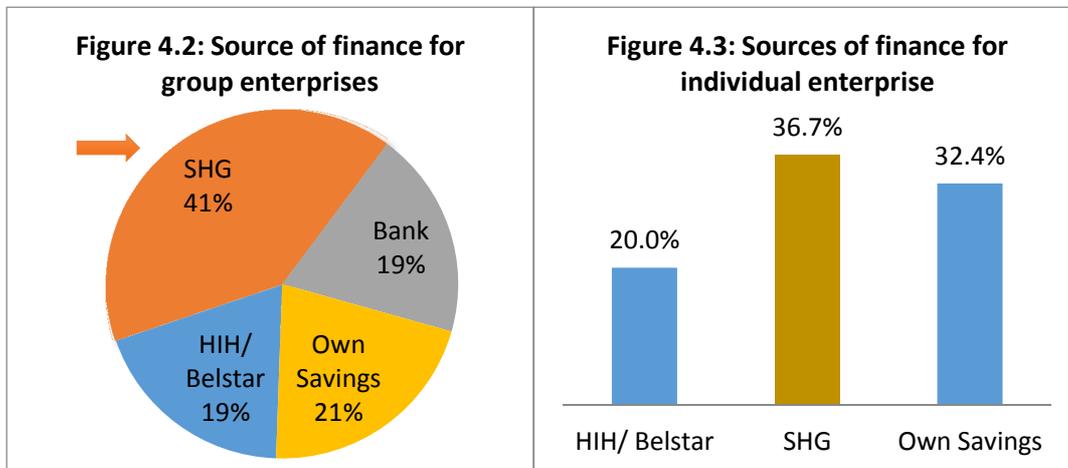
Group managed enterprises

In such enterprises, the respondents were mostly involved in activities such as glass painting, fast food joints, beautician and manufacturing simple chemical products. Around 90% of group enterprises were newly established after obtaining the skill training. Over 76% of these respondents got the idea to open their respective enterprises from HIH itself. On an average, 5 fellow SHG members were involved in such group-led enterprises. In more than half of the cases, the respondent were usually playing the role of a manager or a producer and managing the business herself.

Individual/household managed enterprises

At least 70% of the total respondents pointed out that their active enterprise is individual-led and newly established. Skill training has also been provided to almost all these respondents. More than 68% of these respondents are involved in tailoring followed by beautician, jewellery making and bridal make-up. It is to be noted that the respondent herself is engaged in most of the individual-led active enterprises. Only 7% of family members engaged in individual-led active enterprises are male. However, no male members are engaged in group-led enterprises. In less than 1% of the active enterprises, outsiders have been engaged for business purpose.

Figures 4.2 and 4.3 show the distribution of the main source of finance in case of respondents having active enterprises. It can be seen that group as well as individual enterprises are mostly financed by the SHG groups followed by the own savings of the respondents. There is significant contribution of HIH/Belstar as well in financing these endeavours.



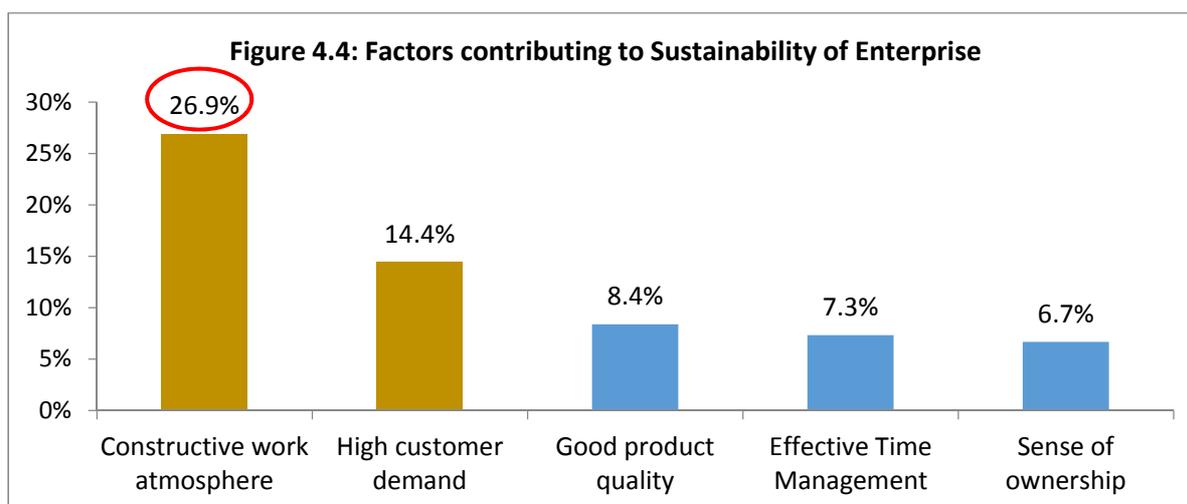
4.1.2 Factors contributing to sustainability of the enterprises

It is clear from the above analysis that most of the enterprises run by the respondents are active and sustainable. During the survey the respondents were asked to provide their feedback on the main factors which has ensured the smooth running of their businesses. While one fourth of the total respondents were unable to provide any response regarding this, responses from others are indicated that there were eight major factors - listed below in **Box 4.2**.

Box 4.2: Factors contributing to sustainability of enterprises

1. Good product quality: Respondents have been able to produce high quality of products post training from their active enterprises
2. High customer demand: There is a high demand for the products of the respondents among the customers. This plays a crucial role in increasing the business revenue.
3. Constructive work atmosphere: Respondents pointed out that they are comfortable with the tasks and appreciate the effort they put to produce better output.
4. Good customer relationship: Respondents are able to manage customer expectations effectively which results in repeat customer and increase of customer loyalty.
5. High confidence and honesty: The confidence and self-belief of the respondents have increased post training.
6. Effective time management: Respondents are able to manage the time devoted to their enterprises effectively with respect to their other responsibilities.
7. Sense of ownership: Respondents feel a sense of pride and attach their identity to the enterprise which motivates them to work hard and get better results.
8. Effective investment: The initial and /or regular (if any) investment required for business purpose.

Figure 4.4 shows the top five factors from the above identified factors. The comfort factor of the respondents with respect to task performance and an increasing demand of their products from customers play a far more important role as compared to other aspects.



Inference on impact of training on enterprise creation: On the basis of the results of skill training programme, it can be safely inferred that these trainings have led to enterprise promotion or expansion of existing businesses of majority of the respondents. The sustainability of the enterprises are also high as most of these enterprises are still active and only a small proportion had to be closed down.

4.2 Impact at the household level

The impact of household level of the respondents has been analysed under three different categories:

- Additional earning sources (if any) for the households of the respondents
- The changes in the household income of respondent's post training
- Changes in asset holding pre-and post-training

4.2.1 Changes in the sources of earning of the households

The survey captured the various types of income sources of the respondents' households – both existing as well as before training – to analyse any changes that could be attributed to the training programmes. For the purpose of analysis the source of income have been classified into seven different categories as outlined below

- Agriculture refers to activities related to producing crops or vegetables on land either owned or leased.
- Allied activities/animal husbandry refers to raising livestock to be used in an income generating activity work load (like agriculture, carrying material, transportation etc.), producing food products or raw material (like meat, eggs, milk, wool etc.), or even for further sale.
- Industry refers to manufacturing activities in which value addition is done to raw material to product a finished product like jewellery making, weaving and paper bag making.
- Services referred to providing a facility or service for a fee like tailoring, tea shop, beauty parlour and fabric painting.
- Trading refers to activities which involve buying and selling at a margin like grocery shop, vegetable shop and readymade garments shop.

- Labour comprises of casual labour (like working as construction labourers, or as agricultural labourers on land owned by others) and skilled labour (work that requires substantial proficiency either through experience or training such as handicrafts & masonry).
- Salaried refers to occupations which provide a fixed pre-decided remuneration at the end of every month.

Analysis of pre and post training source of income indicates that there has been a clear change in the numbers as well as types of activities that support household income. The comparison of sources of incomes in **Figure 4.5** indicates that there has been a major shift in the service based activities as the income source. Pre-training, service based activities was a source of income for around 27% of the households which has exponentially increased to 84% at present. This can be directly attributed to the vocational training programmes as most of the courses were focussed on enhancing skills like tailoring, beautician, driving, stone work and book binding. In addition to increase of service based activities as additional source of income there is a visible change in industry/manufacturing as well as trading activities as well. The traditional activities like agriculture and allied activities which the households used to practice before training has remained similar post-training as well but the dependence on such activities has reduced substantially as the household have been able to diversify their source of income.

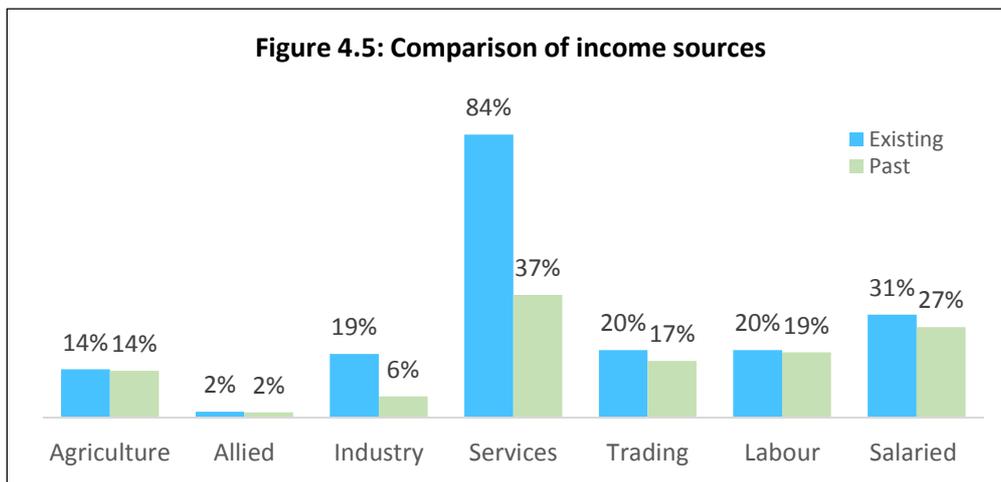


Table 4.3 presents the number of sources of income for households. It can be seen that pre-training around 63.6% of the households has single income source while 25.2% had two different income sources and just 5.5% had more than two income sources. There were about 5.5% of the household who reported that they did not have any reliable source of income in the pre-training period. Post-training, the scenario has changed and now a high majority of the households (92.5%) have multiple sources of income. Therefore, the training programme and the post-training financial support through HH/Belstar and bank linkage facility has helped the households in having additional sources of income.

Table 4.3: No. of income sources of the households

No. of income sources	Pre-training		Post-training	
	No. of HHs	%	No. of HHs	%
Zero	24	5.5	0	0.0
One	278	63.6	33	7.6
Two	111	25.4	262	60.0
More than two	24	5.5	142	32.5
Total	437		437	

4.2.2 Changes in household income level

The creation of enterprises and diversification of income sources as discussed in the previous sections have resulted in an increase in the household income level. Analysis indicates that the average household income of the 437 respondents has increased by more than 60% from Rs8,374 p.m. in the pre-training period to Rs13,447 p.m. at present.

Figure 4.6 shows the increase in average income levels of the households by various activities. There has been an increase in the level of income in all activities except for manufacturing which has showed a decline of -21%. This could be mainly because of highly strenuous nature of activities which involves variety of critical tasks like obtaining orders, procurement of raw materials & managing production activity meeting the quality aspects. Moreover, manufacturing activities at a micro-scale are not considered very remunerative in comparison to trading and service based activities that have more reliability in terms of income stream. Though the number of respondents pursuing manufacturing activities have also increased during the study period, the general preference of the respondents seem to tilt towards service and trading based activities. **Table 4.4** shows the changes in the average income of households pursuing different types of activities.

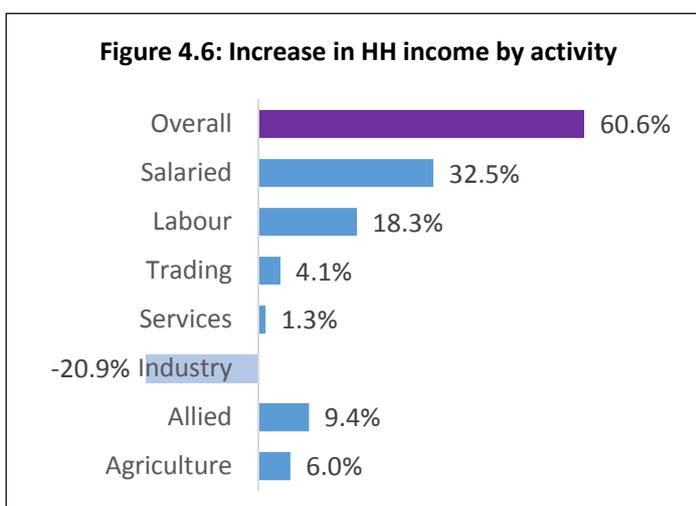


Table 4.4: Average income of households by source

Income sources	Pre-training		At present		Trend
	No. of HHs	Av. income p.m. (Rs)	No. of HHs	Av. income p.m. (Rs)	
Agriculture	61	4,779	63	5,063	↻
Allied	7	2,971	8	3,250	↻
Industry	28	4,489	83	3,552	⬇
Services	160	5,336	368	5,407	↻
Trading	74	9,441	88	9,824	↻
Labour	85	5,429	88	6,423	↻
Salaried job	118	10,233	134	13,560	↻
Overall	437	8,374	437	13,447	↻

4.2.3 Changes in asset holding

The changes in the asset holding by the respondent households was analysed for the following category of assets – house, agricultural land, vehicles, productive assets and household appliances. The analysis is based on the present asset profile of the household in comparison to what they had at the time of attending the training programmes. While it will be incorrect to attribute to all the changes to the training programmes as there are other factors also which may have led to increase in asset holding. Some of the obvious ones like TV was not captured in the asset profile as the government of Tamil Nadu had distributed TVs to all households as a promotional scheme.

Residence

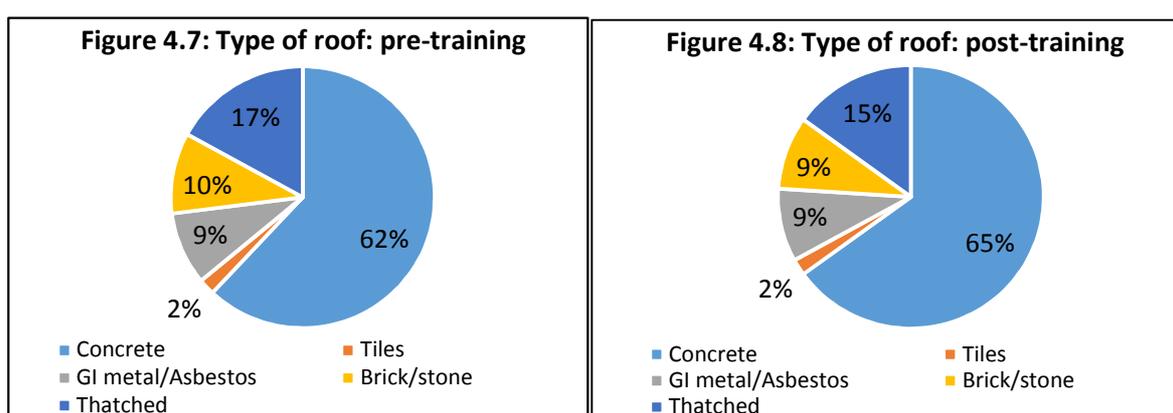
There has been no major variation in the ownership of residence after the SMA-LM training programme. **Table 4.5** shows that about three fourths of the respondents had owned houses before the SMA-LM training intervention. About 85% of the respondents of the rural areas had owned houses in comparison to only nearly 61%. This is because the many urban respondents were migrants. There has been very slight increase (1.9%) in the ownership of residence among respondents in urban areas while it remained same for rural respondents. About 80% of the respondents from Phase I had owned houses before training which increased marginally (2.1%) after training. Similarly the increase in Phase II was only 0.5%.

Table 4.5: Residence

Residence	Geographical location		Phase of training		Overall
	Rural	Urban	Phase I	Phase II	
Pre-training					
<i>Owned</i>	84.1%	60.6%	79.2%	74.8%	76.4%
<i>Rented</i>	15.9%	39.4%	20.8%	25.2%	23.6%
Post-training					
<i>Owned</i>	84.5%	62.5%	81.9%	75.3%	75.5%
<i>Rented</i>	15.5%	37.5%	18.1%	24.7%	24.5%

The average number of rooms/household of respondents from rural households was 2.5 while the urban counterparts had 2.3 rooms per household. No change was observed in this regard.

Figure 4.7 and 4.8 show that more than 60% of the respondents had houses with concrete roofs, 17% had thatched roofs, 10% brick/stone and 9% asbestos or GI metal. Only 2% of the respondents' households used tiles for their roofs. About 70% of the urban respondents and 62% of the rural households had concrete houses whereas the percentage of members having thatched houses for urban and rural respondents was nearly the same. There has been slight change as 65% of the respondents now have concrete roof post SMA-LM training and enterprise formation.

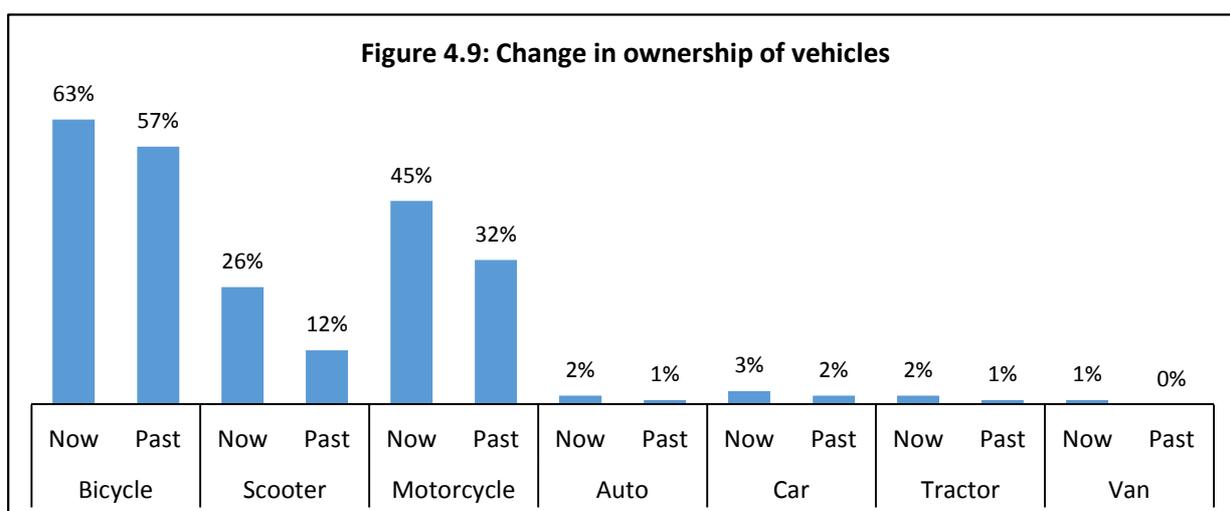


Agriculture land

There has been no change in the land owning by the respondents post the training programme except for one member from rural household acquiring land post training. Overall, about three fourth of the respondents from the urban SHGs had owned land which is more than 40% for the rural members.

Vehicles

Figure 4.9 shows that the respondents had an increased use of bicycles, scooters and motorcycles after receiving the training programme. The highest shift was seen in the increase in ownership of motorcycles (32% in past compared to 45% at present) and scooters (12% in past to 26% at present) post-training. There was a marginal increase in the ownership of auto rickshaws, cars, tractors and vans.



Productive assets

There has been a significant post-training increase in the productive asset purchase related to the activity in which the respondent members were involved in.

The highest increase was observed in procurement of sewing machines. About 23% of the respondents used sewing machines prior the training programme which increased to 56% post-training. This can be attributed to the fact that about 60% of the respondents received training in tailoring and were also involved in the activity.

There was a 2% increase observed in the purchase of milch cattle and weaving machines. The increase in milch cattle was 20% among the rural respondents compared to 11% of their urban counterparts. This was in contrast to the purchase of weaving machines. There was an increase of 80% among rural respondents' households however the acquisition increased 3.5 times among urban members. This result indicates that weaving has a better demand in urban localities and milch cattle is reared with ease in rural areas.

The acquisition of ox and poultry increased by 1 percentage point with 20 respondents being involved in poultry activity as compared to only 7 having ox for agriculture.

Household appliances

Table 4.6 analyses the ownership of household appliances among the respondents post-training. It was observed that the most significant increase was in the ownership of gas stove, mobile phone, refrigerator and DVD player. A moderate increase was also seen for music systems, washing machine, cooker and sofa.

Table 4.6: Changes in ownership of HH appliances

HH appliances	Geographical locations		Phase of training	
	Rural	Urban	Phase I	Phase II
Gas	↑	↑	↑	↑
<i>Post-training</i>	92%	93%	92%	93%
<i>Pre-training</i>	74%	80%	71%	77%
DVD player	↑	↑	↑	↑
<i>Post-training</i>	39%	46%	35%	43%
<i>Pre-training</i>	22%	33%	21%	27%
Music system	↑	↑	↑	↑
<i>Post-training</i>	21%	31%	19%	26%
<i>Pre-training</i>	17%	23%	14%	20%
Air conditioner	↑	↑	↔	↑
<i>Post-training</i>	3%	5%	0%	4%
<i>Pre-training</i>	1%	1%	0%	1%
Cooler	↑	↑	↔	↑
<i>Post-training</i>	2%	4%	0%	3%
<i>Pre-training</i>	1%	2%	0%	1%
Refrigerator	↑	↑	↑	↑
<i>Post-training</i>	43%	55%	33%	50%
<i>Pre-training</i>	21%	34%	14%	28%
Washing machine	↑	↑	↑	↑
<i>Post-training</i>	11%	28%	7%	19%
<i>Pre-training</i>	5%	14%	1%	10%
Cooker	↑	↑	↑	↑
<i>Post-training</i>	83%	91%	83%	86%
<i>Pre-training</i>	71%	83%	76%	75%
Water purifier	↑	↑	↔	↑
<i>Post-training</i>	6%	7%	3%	7%
<i>Pre-training</i>	3%	4%	3%	3%
Mobile phone	↑	↑	↑	↑
<i>Post-training</i>	94%	98%	90%	96%
<i>Pre-training</i>	71%	79%	74%	74%
Computer	↑	↑	↑	↑
<i>Post-training</i>	11%	22%	6%	17%
<i>Pre-training</i>	4%	11%	4%	7%
Sofa	↑	↑	↑	↑
<i>Post-training</i>	16%	21%	13%	19%
<i>Pre-training</i>	8%	15%	4%	12%
Significant increase	Moderate increase		Marginal increase	

- Gas stoves are owned by more than 90% of the rural and urban respondents post-training. This has increased from 74% in rural areas and 80% in urban localities.

- The ownership of refrigerators increased by higher percentage points in the rural areas (22 percentage points) than in the urban areas (21 percentage points).
- About 94% of the rural members have mobile phones post-training in comparison to 98% of the urban members. This increased from 71% and 79% respectively. Thus the use of mobile phones has been more in the urban areas both before and after the training.
- The increase in purchase of phones was higher among the respondents of rural SHGs. The set up and expansion of enterprises after skill training is one of the reasons.
- There is a marginal increase of respondents owning air conditioner and cooler. However it is interesting that the increase in rural and urban areas were by similar percentage points.
- None of the respondents of Phase I had an air conditioner or cooler either before or after the SMA-LM training.
- The number of respondents having a computer increased in the rural areas by 7 percentage points. The comparative increase for the urban counterparts was 11 percentage points.

Inference on impact of training at the household level: The skill training and other support provided by HIH has resulted in enterprise creation. This provided supplementary sources of incomes for the household in addition to the traditional/other activities in which the households were engaged in. The household incomes have been positively impacted and the study shows that the overall average household income level has substantially increased by more than 60% post training delivery. As a result of the increased income levels, the household have also been able to strengthen the asset base.

4.3 Behavioural changes

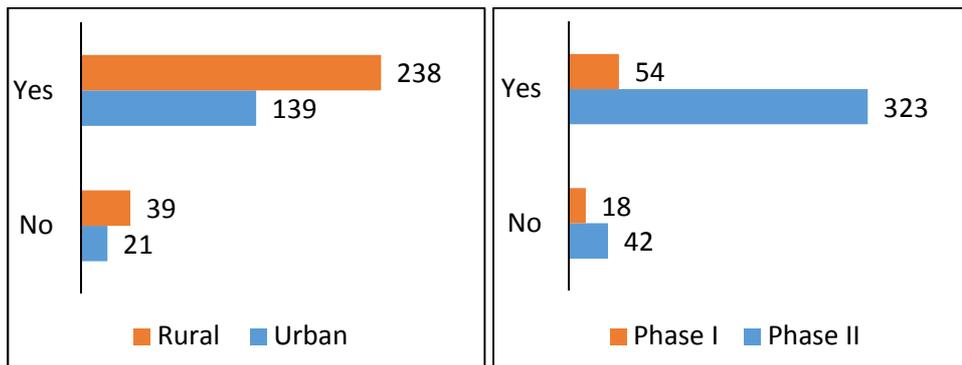
The training programmes conducted by HIH were not only focussed creating enterprises but also a inculcate a basic level of habit/awareness on savings, understanding the finer details to be seen while accessing credit and secure household human resources and assets through insurance. The programmes also aimed to influence the confidence of the entrepreneurs in setting up & managing the specific enterprise and in dealing with various stakeholder. This sub-section analyses the changes in the behavioural pattern of the respondents in these aspects.

4.3.1 Savings habits

In order to assess the changes in respondent behaviour with respect to saving habit the research tried to understand where do they currently save, how much do they save and how has this helped in increase the overall savings of the household.

Majority of the respondents (86%) responded affirmatively on the question on whether they save regularly every month. This percentage was similar for both the rural and urban members as shown in **Figure 4.10**. However the percentage of members saving regularly every month was less for the respondents trained during the Phase I of the programme (75%) in comparison to Phase II (88%).

Figure 4.10: Do you save regularly- monthly?



On analysing the responses of the sampled respondents on various saving options, it was broadly observed that around 47% of the respondents saved with SHGs both pre-training which increased to nearly 86% post-training. This is primarily because the target participants were SHG members and found it easier to save with the group than individually. This is also due to the fact that trainings strengthened the groups and increased mutual trust between the members. **Table 4.7** analyses the changes in the savings habits across geographical location and training phase.

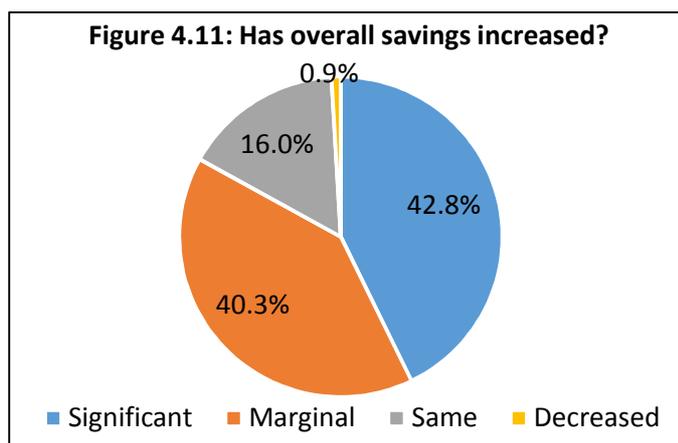
- There has been no decline in the saving habit of the respondents post training
- There has been a sharp increase in saving in SHGs as number of rural members who started to save after training doubled and a 70% increase was observed for the urban respondents.
- The increase in members saving in SHGs has been moderate among Phase I respondents in comparison to Phase II – may be because the trainings were provided four years ago and some re-orientation is required.
- Hundred rural respondents started saving in Banks post training and the number of urban members saving in banks increased more than twice as compared to pre training. Saving in banks as seen in Phase II respondents was appreciably high with an increase of about 160%.
- Saving at home also increased despite training on various saving options.
- Rural members (increase of 153% post-training) preferred saving in Post office more than urban members (47% increase)
- There has been a marginal increase in the number of members saving in cooperatives and also some save in chit funds.

Table 4.7: Changes in saving /accumulation habit

Saving/Accumulation	Geographical location		Phase of training	
	Rural	Urban	Phase I	Phase II
Home	↑	↑	↑	↑
<i>Post-training</i>	121	71	35	157
<i>Pre-training</i>	88	42	28	102
SHG	↑	↑	↑	↑
<i>Post-training</i>	249	128	67	310
<i>Pre-training</i>	130	75	41	164
Bank	↑	↑	↑	↑
<i>Post-training</i>	158	95	33	220
<i>Pre-training</i>	58	43	16	85
Post Office	↑	↑	↑	↑
<i>Post-training</i>	43	22	11	54
<i>Pre-training</i>	17	15	7	25

Cooperative	↑	↑	↑	↑
<i>Post-training</i>	4	5	1	8
<i>Pre-training</i>	0	1	0	1
Chit fund	↑	↑	↑	↑
<i>Post-training</i>	24	19	3	40
<i>Pre-training</i>	7	9	1	15
Share market	↔	↑	↔	↑
<i>Post-training</i>	0	1	0	1
<i>Pre-training</i>	0	0	0	0
Significant increase	Moderate increase		Marginal increase	

The training programme sensitized the members about the need of savings and various saving options and this has resulted in a behavioural change as observed in the survey. Majority members started saving monthly which has led to increase in overall savings of the respondents. **Figure 4.11** shows that majority of the respondents (83%) said they have increased savings which is comparable to the percentage of respondents saving monthly as in **Figure 4.10** shown above.



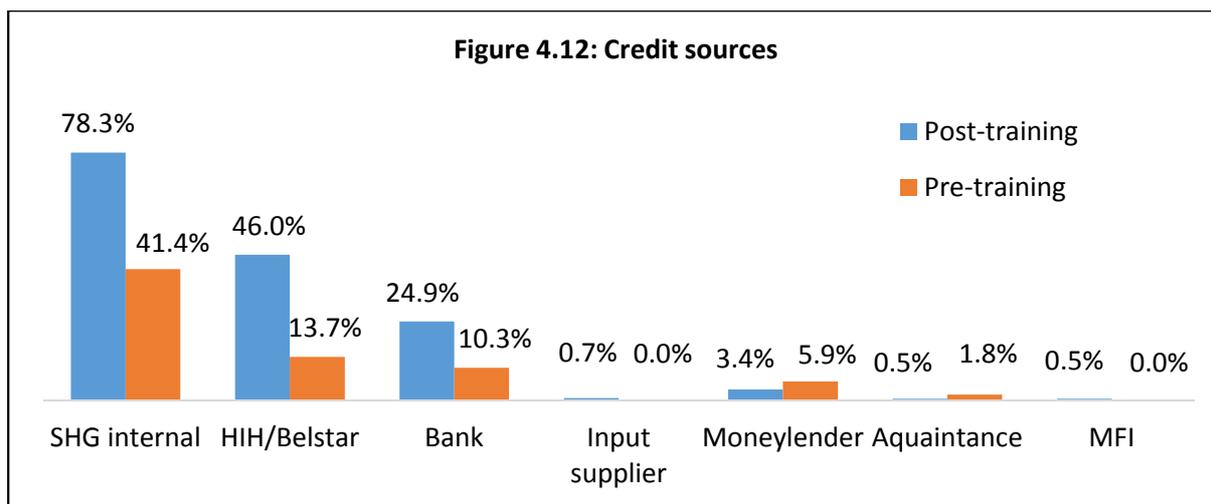
It is also evident that there has been a significant increase in overall savings for about 43% of the total respondents and the increase has been moderate for nearly 40%. About 16% however feel their savings has remained the same and only 0.9% respondents said their overall saving amount decreased after training.

4.3.2 How credit is accessed and risks are covered

Figure 4.12 depicts the various credit sources used by the respondents and the comparison with pre-training period and post-training period. Here it can be inferred that SHG has been the major credit source for most of the respondents with more than three fourth of the sample respondents obtaining loans post-training and which increased from 40% of the respondents pre-training.

Many of the respondents (46%) were HIH/Belstar loan clients as well which increased from 13.7% in the pre-training period. This shows that the HIH had increased visibility during providing the trainings resulting in increased loan disbursement.

The percentage of members availing credit from banks also increased by about 14.6%. However the programme did not discourage members from going to the moneylenders which also increased marginally. A very slight increase was also observed in loans from Input suppliers and MFIs and a slight decrease in number of members availing loans from acquaintances.

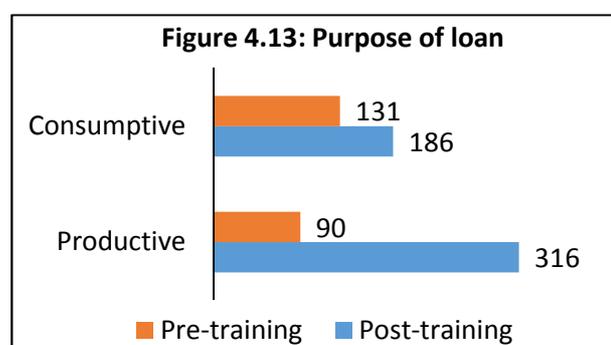


There was a behaviour change observed in the respondents on the factors they considered while availing a loan. Most of the respondents considered interest rate (38%) and loan amount (32%) in the pre-training period while after attending the training modules they have started making prudent decisions considering repayment, repayment frequency and instalment as important factors. The overall behaviour of respondents towards credit has improved as shown in **Table 4.8**. However very few respondents avail loans based on ease of access (18%) and repayment frequency (25%).

Table 4.8: Factors considered by respondents while availing loans- comparative analysis

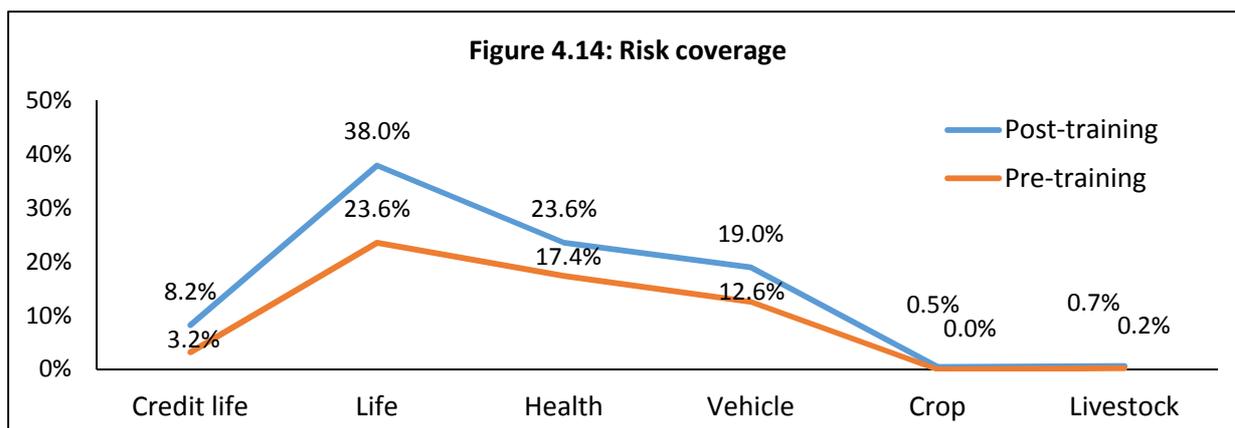
	Repayment	Ease of access	Loan amount	Instalment	Repayment frequency	Loan tenure	Interest rate
Post-training	39%	18%	63%	43%	25%	47%	76%
Pre-training	11%	5%	32%	17%	11%	19%	38%

The purpose for which loans are availed by the respondents has seen considerable increase in the number of respondents availing loans for productive activities as shown in **Figure 4.13**. However there is also a comparative increase for consumption loans. This is due to the fact that respondents have availed more loans after the training programme as they are sensitized towards various credit options.



Insurance and risk coverage

The awareness of the respondents on risk coverage seems low as depicted in **Figure 4.14**. However, the awareness level of the respondents on life insurance showed an increase with around 38% of the respondents being aware post-training in comparison to 23.6% in the pre-training period. About one fourth were aware of Health and 19% of vehicle insurance which increased from 17.4% and 12.6% respectively. Vehicle insurance product is known as all members having a vehicle in their households must have an insurance. Similarly health and life insurance products are well advertised in markets. Overall the awareness level for risk coverage is weak with moderate increase post-training.



4.3.3 Changes in quality of life

The research also measured the changes in respondents' ability to manage expenses that have direct impact in the quality of life – including investment in child education particularly girls, food consumption/clothing, health care and recreational activities (like family functions, festivals and holidays). Majority of the respondents reported that their quality of life has improved at least reasonably if not significantly post training in terms of ability to manage various expenses. **Table 4.9** analyses the responses.

Table 4.5: Ability to manage expenses post training

	Investment in child Education			Expenditure in clothing and food consumption		
	<i>Significant Increase</i>	<i>Reasonable Increase</i>	<i>Same</i>	<i>Significant Increase</i>	<i>Reasonable Increase</i>	<i>Same</i>
<i>Rural</i>	38%	35%	23%	28%	53%	19%
<i>Urban</i>	30%	39%	24%	31%	43%	24%
<i>Phase I</i>	28%	49%	19%	26%	56%	18%
<i>Phase II</i>	36%	35%	24%	30%	48%	21%
Total	35%	37%	23%	29%	49%	21%
	Health care expenditure			Expenses on family functions, festivals and recreation		
	<i>Significant Increase</i>	<i>Reasonable Increase</i>	<i>Same</i>	<i>Significant Increase</i>	<i>Reasonable Increase</i>	<i>Same</i>
<i>Rural</i>	24%	49%	25%	33%	42%	25%
<i>Urban</i>	23%	36%	37%	28%	39%	33%
<i>Phase I</i>	25%	53%	22%	26%	51%	22%
<i>Phase II</i>	23%	43%	31%	32%	39%	28%
Total	24%	44%	29%	31%	41%	27%

4.4 Gender Differentiated empowerment

Analysis of gender differentiated empowerment pertains to factors that have helped the respondents to improve their household as well as village level standing. These includes (i) contribution to the household income, (ii) mobility outside the confines of house, (iii) control over

usage of funds, (iv) participation in village level bodies and (v) confidence in dealing with various stakeholders.

Contribution to household income and mobility

More than 80% of the total respondents admitted that their contribution towards household income and mobility outside their homes has increased post training. Most of such respondents received training during Phase II. At least 40% of the total respondents admitted that there has been a reasonable increase when it comes to managing the utilization of funds for activities such as purchase of groceries, assets, investment in enterprises, obtaining loan and its utilisation.

Thus, it can be inferred that there has been an increase of purchasing power among the respondents which is being utilised for business as well as household expenses.

Involvement at village level bodies

About 50% of the total respondents informed that they have not been involved with any village level bodies in the past or present. The remaining respondents felt that there has been a significant increase of their participation in Village Panchayat but a reasonable increase in village level bodies such Village level federation; Cluster level federation; Parent teachers' association and Good governance committee.

Confidence in dealing with stakeholders

Respondents felt that their confidence has significantly improved while dealing with bank/MFI/insurance officials post training as compared to reasonable improvement in confidence while dealing with Government officials, input suppliers, market players and micro-enterprise customers. Less than 1% of the respondents felt that their confidence has reduced post training. *This shows that the training provided to the respondents has indeed played a positive role towards increase their income level, mobility, participation in village bodies and overall confidence.*

Roughly, almost twice the number of rural respondents pointed out a reasonable increase in household and social status as compared to that of urban respondents. Compared to Phase I, a higher proportion of Phase II respondents feel that they have experienced an increase in social and well-being status post training. This is also because the proportion of Phase II respondents is more than 83% of the total sample.

Chapter 5

Conclusions and suggestions

This chapter highlights the key findings of the survey i.e. the extent of effectiveness of the SMA LM programme towards increasing the awareness and retention level of SHG members on various aspects related to SHG functioning, entrepreneurship and formation of active sustainable enterprises.

Hypothesis 1: *The training tools and aids were effective in increasing the level of awareness of the trainees on various aspects of SHG functioning, financial management, inculcating entrepreneurship skills and bookkeeping.*

The survey conducted by M-CRIL shows that the SMA LM training programme provided to the respondents has greatly increased the level of awareness of group strengthening (Module I), financial management (Module II) and enterprise promotion (Module III).

The increased use of stories, audio and games for training purpose has resulted in better retention capacity among the Phase II participants as compared to that of Phase I. This is especially because audios, games and stories made the sessions more interactive and refreshing for the participants to retain the information for a longer period of time. Retention level of Module I (>77% of the total sample) and Module II was observed to be the higher as compared to Module III.

However, the retention level was found to be less in case of only few aspects such as delegation of responsibility (*Module II – approximately 57-58% retention level*), customer analysis and business feasibility (*Module III-55% retention level*). Thus, the study validates the first hypothesis and concludes that the effective use of different tools and aids has played a key role in increasing the retention level of the clients regarding the objective and functioning of SHGs post training.

Hypotheses 2: *SHG members expected the vocational training to be helpful in providing them options for increasing the household income and they wilfully participated in such these programmes.*

The study included only those respondents who had attended at least one training programme. So the sample had a high degree of skew and due to lack of any control group to directly attribute changes to the training programme. Analysis shows that the respondents who received the training had willingly participated and some even paid fee to attend it. This indicates that the respondents expected the skill training to provide them other options to increase the household incomes.

Hypotheses 3: *The SHG members who underwent the training found it useful and were able to start a new enterprise or expand their existing enterprise. The enterprises are active and sustainable.*

Out of the 437 respondents covered by the training around 78% received training on one vocation while 22% had received training on two different vocations. It was observed that around 78.4% of those who had obtained training on one vocation started their new enterprise while 60.0% of those who had obtained two trainings started new enterprise. Overall, 72% of the skill trainings (382 out of 532) resulted in establishment of a new enterprise (by 74.4% of the respondents, 325 out of 437).

The trainings programmes has also enabled expansion of existing enterprises of the respondents. Overall around 8.3% of the trainings resulted in expansion of enterprises. In terms of sustainability, only about 2.9% of the respondents who started their enterprise had to close it down and just one of the existing enterprise had to be shut down after obtaining skill training on related vocation.

Thus the research study validates that fact that a high proportion of the respondents have indeed been able to apply the learning's of their skill training towards enterprise formation.

Hypotheses 4: *The trainings and enterprise formation have resulted in increased household income and asset holding. The SHG members have started to save regularly. Their ability to understand the credit terms and conditions and assess their repayment capacity before obtaining credit has also improved.*

Analysis of pre and post training source of income indicates that there has been a clear change in the numbers as well as types of activities that support household income. There has been a major shift in the service based activities as the income source. Pre-training, service based activities was a source of income for around 27% of the households which has exponentially increased to 84% at present. In addition to increase of service based activities as additional source of income there is a visible change in industry/manufacturing as well as trading activities as well. The traditional activities like agriculture and allied activities which the households used to practice before training has remained similar post-training.

The creation of enterprises and diversification of income sources have resulted in an increase in the household income level. Analysis indicates that the average household income of the 437 respondents has increased by more than 60% from Rs8,374 p.m. in the pre-training period to Rs13,447 p.m. at present.

There was not much of a change in residence, agricultural land holdings of the respondents. A moderate to high increase was seen in case of vehicles, productive assets and household appliances.

More than 85% of the total respondents admitted that they have been saving regularly especially in SHGs. Respondents have become more aware of credit terms and conditions and important aspects such as repayment, ease of access, interest rate etc. post training.

Therefore, the study validates the hypothesis that training has impacted the household incomes positively and resulted in asset creation for the household.

Hypotheses 5: *The confidence level of the SHG members who have undergone the training programme has increased in interacting with various officials and stakeholders. Their participation in various activities at family/village level has also increased.*

More than 80% of the total respondents admitted that their contribution towards household income and mobility outside their homes has increased post training.

About 50% of the total respondents informed that they have not been involved with any village level bodies in the past or present. The remaining respondents felt that there has been a significant increase of their participation in Village Panchayat but a reasonable increase in village level bodies such Village level federation; Cluster level federation; Parent teachers' association and Good governance committee.

Respondents felt that their confidence has significantly improved while dealing with bank/MFI/insurance officials post training as compared to reasonable improvement in confidence while dealing with Government officials, input suppliers, market players and micro-enterprise customers. Less than 1% of the respondents felt that their confidence has reduced post training.

Therefore, the study accepts the hypothesis that the training provided to the respondents has played a positive role towards increase in the respondents' contribution to family income, mobility, participation in village bodies and overall confidence.

On the basis of the acceptance of the sub-hypothesis discussed above, the overall conclusion of the research team is that the **SMA LM programme has been effective** in making the SHG members aware of aspects related to functioning and strengthening of group, financial management, enterprise management skills and bookkeeping. A majority of respondents were able to start /expand their own enterprises and as a result improve their household income levels and wellbeing.

With the conclusion of the Phase II (SMA – LM Programme), HIH management provided their views on the lessons learnt as noted below:

1. The training on SHG book-keeping meant for SHG leaders was not covered during Phase I. It was incorporated in Phase II as HIH management realised the importance of this module.
2. Factors such as age and literacy of the SHG groups limit the activities for which skill training are offered.
3. Availability of resource persons for different kind of activities was ensured by creation of a panel of resource persons selected by a committee of senior management.
4. It was observed that the optimum age for training programme was 35 despite the fact that participants aged 20 – 35 acquire the skills faster. This was because they could take the training programme along with enterprise creation as they are matured and their kids are grown-ups, leaving enough time for conducting entrepreneurial activities.
5. It was observed that about 10 – 15% of the SHG women start the enterprises immediately after training. However in most cases the availability of affordable credit push the conversion. Hence ensuring credit access & handholding support in the post-training period is crucial.
6. The schedules of trainings should be planned according to their suitability to participants' needs. Therefore, training schedules need to be suitably planned to complete the targets.
7. A rising demand has been observed for computer trainings for the children of SHG members. The Phase IV can be planned to be more inclusive covering SHG members children.
8. Provision of business development services like branding, pricing and packaging and market access continues to be a limitation. Thus the concept of hubs was introduced in Phase III, which has many challenges as HIH needs to tackle the market forces.

Annex: Survey Questionnaire

Do not prompt for answers. Ask the question and **encircle or fill** the answer code selected by the respondent. For open ended questions, **fill** in the appropriate details/feedback. Note **observations** wherever possible. Introduce yourself as a **representative of HIH** and indicate that the purpose of this survey is to assess the usefulness of training inputs given by HIH for their households. Request them to be forthright in their responses as it will be used by HIH for internal purposes only, for further improvement of services provided to them.

1 Respondent details

Name	Age (years)	BPL status (have card)	
		Yellow	1
		Green	2
		Don't know	3

Marital status		Caste		Religion		Education	
Never married	1	Schedule tribe	1	Hindu	1	None	1
Married	2	Schedule caste	2	Muslim	2	Neo literate (read & write)	2
Separated	3	BC	3	Christian	3	Primary (1 to 5)	3
Divorced	4	MBC	4	Other (specify)	4	Secondary (6 to 12)	4
Widowed	5	General	5			Higher (undergraduate & above)	5

2 Locational details and SHG establishment and/or strengthening

Name of SHG	Formation date	Membership	Your association since	Position in the group #	Location^	1	2
		- at formation			District		
		- no. of current members			Block		
		- no. of dropout members			Village/town		
					HIH Branch		
					SB A/c No.		
					Bank branch		

^ 1-Rural, 2-Urban; Semi-urban location to be classified as urban

1-Representative, 2-Animator, 3-Member

3 Respondent's household details (present)

No. of adults (18 years & above)		No. of children (<18 years)		No. of working/earning members	
Men	Women	Boys	Girls	Men	Women

Members of a family include those who live in the same household and whose incomes and expenses are commonly used for running the household. If the son is earning & living in another town with his family he should not be counted as a family member and similarly if the daughter is married and living separately she should not be counted as a family member.

4 Training methodology and effectiveness

4.1 Modules 1 to 3 & Bookkeeping

When did you receive the training on the following modules?							
M1: Group strengthening		M2: Financial management		M3: Enterprise promotion		Book keeping (only for group leader/animator)	
1	2	1	2	1	2	1	2

^ When: 1-March 2008 to May 2009; 2-November 2009 to December 2011

Feedback on training methodology			
Location		Tools/aids used	
At home	1	Stories	1
At village centre	2	Picture cards	2
Hand in Hand Office	3	Audio/video	3
Outside village other than HIH office	4	Games	4
Other (specify)	5	Practical demo	5
		Other (specify)	6
Convenience	If no, provide reasons		
Was timing convenient?	Y	N	
Was location convenient?	Y	N	
Were you able to understand the content?	Y	N	

Note: Multiple answers may be given and recorded accordingly.

Retention of learning			
Module 1: Group strengthening	Knows	Don't know	Partially
a. What are the benefits of being in a SHG? <i>Unity, strength, knowledge & problem solving skills, confidence, prosperity</i>	1	2	3
b. What are the different roles of the SHG members/support staff? <i>Of animator, representatives and members</i>	1	2	3
c. Characteristics of SHG			
c1. Is there any hierarchy within the group <i>No, all members are equal</i>	1	2	3
c2. How many members can be there in a group <i>10-20</i>	1	2	3
c3. What is the membership criteria <i>Age, marriage, same village, economic status/vulnerability, 1 household 1 member</i>	1	2	3
c4. Who can handle cash and how is it deposited in bank <i>Representatives on rotational basis, Staff cannot handle cash, No member can hold cash</i>	1	2	3
c5. How are group meetings conducted? Who leads? <i>Representative welcomes, moderator of meeting is selected every week, prayer, oath, attendance by animator, discussion on previous meeting tasks and agenda for this meeting, financial transactions – savings, subscriptions, repayments, bookkeeping, internal lending, selecting person for depositing money in bank, approval signatures, fixing next meeting</i>	1	2	3
c6. Who should maintain books of accounts <i>Animator, representative helps and carries out animator's role in her absence</i>	1	2	3
Module 2: Financial management	Knows	Don't know	Partially
a. What is the importance of savings <i>Understanding the HH income & expenditure pattern, identify wasteful expenditure so as to save money for future use (specific purpose like asset purchase, house repairs etc.)</i>	1	2	3
b. Types/methods of savings in SHG <i>Fixed (based on group consensus), optional (variable based on individual capacity)</i>	1	2	3
c. Importance of internal lending & its purpose <i>Using savings for productive use so that money can grow</i>	1	2	3
d. How do you select members to whom internal loans should be given? <i>Attendance >90%, regular savings, genuine purpose, capacity to repay, repayment status of previous loan, participation in group activities, urgency, funds availability, group decision</i>	1	2	3
e. What are the terms and conditions for internal loans? <i>Interest rate (floating/fixed), loan purpose, repayment tenure & frequency</i>	1	2	3
f. Why is repayment important? <i>Only timely repayments will ensure that group savings is recycled, grows by interest earnings and can be used by other members</i>	1	2	3
g. Why is subscription charges important <i>To meet regular expenses like transport to bank, buying registers, tea/snacks for meeting</i>	1	2	3
h. Why is delegation of responsibility important? <i>So that tasks are rotates & divided among all & no individual member can assume all the importance and start dominating</i>	1	2	3

Module 3: Enterprise promotion	Knows	Don't know	Partially
a. Need for starting an enterprise <i>Realising future goals through a regular income source – can be expanded to increase earning.</i>	1	2	3
b. What are the advantages of working together in a group <i>Sharing of skills, time & resources, easier external assistance (like training), division of risk</i>	1	2	3
c. Qualities of a good entrepreneur <i>Ability to influence others, persistent, sensitive towards others, honesty and integrity, foresightedness, tolerant, responsive to suggestions, committed, manages time, updated, customer friendly, trust worth, creative, profit oriented, self-confident</i>	1	2	3
d. How to choose a business idea for starting an enterprise <i>What individual members need, what members can do, what community needs, what resources and available in the locality, crossing our impractical ideas, choose top 3 ideas</i>	1	2	3
e. What is customer analysis <i>Who are the people the group intends to sell, is the product suitable for their needs, what other products may interest them, how many customers are there, are they sufficient to sustain business, are there other markets nearby</i>	1	2	3
f. How to analyse business feasibility <i>What is needed to run business (material, labour, skills, legal, equipment), where will it come from, how much will it cost, how much people will be prepared to pay, source of financing</i>	1	2	3
Book keeping (specific for representatives/animators)	Knows	Don't know	Partially
a. When/where is recording of financial transactions done? <i>Should be done on the day transaction is made and during group meetings</i>	1	2	3
b. In which books of accounts transactions need to be recorded <i>General ledger, cash book, savings and loan ledger, individual pass books, minutes book</i>	1	2	3
c. Importance of checking accounting entries and audit <i>For data accuracy cross check by other member, bank reconciliation and yearly audit by a CA</i>	1	2	3

Note: For questions 'b' onwards of Module 3 if respondent provides 3-4 answers, record it as "knows".

4.2 Vocational/skill training

Specify vocational/skill training	When[^]	Duration (days)	Fee (Rs) if any	Market information*	Satisfaction level[#]	Confidence level[@]
1.						
2.						

[^] When: 1-March 2008 to May 2009; 2-November 2009 to December 2011

* Info provided on market access specific to skill training: 1-Yes; 2-No

Satisfaction level on the skill training & its practical usefulness: 1-Very high; 2-High; 3-Low; 4-Very low

@ Post training confidence level in setting up & managing the specific enterprise: 1-Very high; 2-High; 3-Low; 4-Very low

Feedback on skill training methodology						
Where was the training organised						
Home	Village centre	HIH Office	Outside village other than HIH office		Other (specify)	
1	2	3	4		5	
Convenience			If no, reasons			
Was timing (10 am to 3 pm every day) convenient?			Y	N		
Was the training duration sufficient?			Y	N		
Was location convenient?			Y	N		
Was the fee charged reasonable?			Y	N		
Were you able to understand the content?			Y	N		

5 Start-up of new enterprises or expansion of existing enterprises by the respondents

After training Vocational/skill training	Started new enterprise	Expanded existing enterprise	Still at planning stage	Started new enterprise but closed down	Closed existing enterprise	Not interested to start
1.						
2.						

Note: Tick cells as based on the responses; for vocational training use the same content as in Q4.2.

Enter details for **all active enterprises** in which the respondent is engaged (including those on which no training was received)

Active enterprises	1	2	3
Name activity			
New or existing [§]			
Type of activity [@]			
How did you get the idea [^]			
Sector [*]			
No. of years of engagement			
Seasonality ^Σ			
If group,			
no. of fellow SHG members involved			
Your role in the enterprise [®]			
If individual/HH enterprise			
Who manages [£]			
No. of family members engaged, including respondent			
Men			
Women			
No. of outsiders engaged			
Men			
Women			
Main source of finance for enterprise ^{**}			

[§] 1-New; 2-Existing

[@] Type: 1-Group; 2-Individual

[^] How started: 1-Traditional; 2-Self initiated; 3-Undergone vocational training; 4-Suggested by HIH; 5-Suggested by others (specify)

^{*} Sector: 1-Agriculture; 2-Animal Husbandry; 3-Manufacturing; 4-Service; 5-Trading; 6-Other (specify)

^Σ Seasonality: 1-Annual; 2-Seasonal

[®] Role: 1-Manager, 2-Production, 3-Marketing, 4-Accounts, 5-Procurement, 6-Other (specify)

[£] Who manages: 1-Self; 2-Spouse.; 3-Self & spouse; 4-Working children (>18 years); 5-In-laws; 6-Other (specify)

^{**} 1-HIH/Belstar, 2-SHG, 3-Bank, 4-Other MFI, 5-Input supplier, 6-Moneylender, 7-Acquaintance (relative/friend), 8-Own savings
9-Other (specify)

6 Impact of training and the resulting enterprise creation

6.1 Changes in household income level

Estimate existing income from all possible sources (including those in above table). Verify, which of these income sources were there prior to training as well and estimate the past income (based on recall from respondents) from those sources at that time. For recording income, convert into Rs/month – note that some incomes may be regular/monthly while other incomes may be seasonal in nature.

Sources of income [#]	Describe activity	Earning member in the family [^]	Existing Income (Rs/month)	Past Income (Rs/month)

[#] Income sources: 1-Agriculture; 2-Allied.; 3-Industry; 4-Services; 5-Business & trading; 6-Labour, 7-Salaried job, 8-Other (specify)

[^]Earning member: 1-Self; 2-Spouse.; 3-Self & spouse; 4-Working children (>18 years); 5-In-laws; 6-Other (specify)

6.2 Changes in asset holding

Encircle only the correct responses. **Now** means 'at present' and **past** means 'before the training'. Like if the respondent has an air conditioner n/ow but not before training option '4' gets encircled in the column under now. If respondent had cooker before the training as well as now option '8' gets encircled under both now and past columns.

Residence	Now	Past	Vehicles	Now	Past	HH appliances	Now	Past
Owned	1	1	Bicycle	1	1	Gas	1	1
Rented	2	2	Scooter	2	2	DVD player	2	2
No. of rooms			Motorcycle	3	3	Music system	3	3
Type (by roof)			Auto rickshaw	4	4	Air conditioner	4	4
Concrete	1	1	Car	5	5	Cooler	5	5
Tiles	2	2	Tractor	6	6	Refrigerator	6	6
GI metal/Asbtos.	3	3	Other (specify)	7	7	Washing machine	7	7
Brick/stone	4	4	Prod. assets			Cooker	8	8
Thatched	5	5	Milch cattle	1	1	Water purifier	9	9
Other (specify)	6	6	Ox	2	2	Mobile phone	10	10
Agriculture land			Poultry	3	3	Computer	11	11
Nil	1	1	Sewing machine	4	4	Sofa	12	12
Owned	2	2	Other (specify)	5	5	Other (specify)	13	13
Leased	3	3						

6.3 Changes in savings habit/accumulation

Where?	Home	SHG	Bank	PO	Coop.	MFI	Chit fund	Other (specify)
Now	1	2	3	4	5	6	7	
Past	1	2	3	4	5	6	7	
Do you save regularly monthly?			Has overall savings increased?			Do you have an enterprise account?		
Y			Significant	1		Y		
			Marginal	2				
N			Same	3		N		
			Decreased	4				

6.4 Changes in the way credit is accessed, used and how risks/shocks are covered

Your sources of credit?	Now	Past	What would you like to know while taking a loan?	Now	Past	Use of Insurance	Now	Past
SHG internal	1	1	Repayment capacity	1	1	Credit life	1	1
HH/Belstar	2	2	Ease of access	2	2	Life	2	2
Bank	3	3	Loan amount	3	3	Health	3	3
Input supplier	4	4	Instalment amount	4	4	Vehicle	4	4
Moneylender	5	5	Repayment freq.	5	5	Crop	5	5
Acquaintance	6	6	Loan tenure	6	6	Livestock	6	6
Other MFI (specify)	7	7	Interest rate	7	7	Other (specify)	7	7
Purpose for which you have obtained loans? If time permits capture exact purpose/s below.								
Productive		What?	Consumptive		What?	Both		What?
Now	1		Now	2		Now	3	
Past	1		Past	2		Past	3	

6.5 Gender Differentiated empowerment and well-being indicators (tick wherever appropriate)

6.51 HH & Social status (post training)	Significant increase	Reasonable increase	Same	Moderately reduced	Significantly reduced	NA
Contribution to HH income						
Mobility (outside the confines of house)						
Control over the usage of funds in						
- purchase of groceries/clothes						
- purchase of assets						
- investment in enterprises						
- Obtaining loan & it's utilisation						
Participation in village level bodies						
- Village Panchayat						
- Village level federation						
- Cluster level federation						
- Parent teachers' association						
- Good governance committee						
Confidence in dealing with						
- Bank/MFI/insurance officials						
- Government officials						
- Input suppliers, market players						
- Micro-enterprise customers						

Note: **Do not tick** if there has been no involvement at present or in the past (say in village panchayat). If there is no village panchayat (like in a municipal town) tick NA.

6.52 Quality of life (post training) In terms of ability to manage	Significant increase	Reasonable increase	Same	Moderately reduced	Significantly reduced
Investment in child education, particularly girls					
Expenditure in clothing/food consumption					
Health care expenditure					
Expenses on family functions, festivals and recreation					

7 Factors that have contributed to sustainability of enterprise

Discuss with the respondent and note down the factors pointed out by them that has helped in sustainability of their enterprise/s

8 Suggestions on training module and future training requirements

Any improvement in module	Any other aspect you would like to be trained on