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TECHNOLOGY: A TOOL FOR ACHIEVING INCLUSIVE AND SUSTAINABLE GROWTH THROUGH FINANCIAL INCLUSION

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ABSTRACT

It is an established fact that financial inclusion is a very important driver of economic growth which benefits the poor directly while raising the GDP and the quality of life for people in a particular country. India currently has a working population of more than 540 million at any given time. Of these, 6% serve in organized and public / private sectors. The rest serve in the unorganized sector. Technology-based solutions can be used by formal financial institutions to provide a range of financial services to the poor and support the drive for financial inclusion. The effective use of technology can help standardize processes in banking and micro-finance as well as reduce the cost of operations. This study conducted in two districts of Karnataka focusses on the extent of financial exclusion; need for financial inclusion; and how technology could bridge the gap and make financial inclusion penetrate rural masses and be effective.

KEYWORDS

financial inclusion; banking technology, smart card; handheld device.

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1. INTRODUCTION

In October 2007 Finance Minister Mr. Chidambaram at a Conference on Microfinance proposed two new funds for microfinance. In a statement he said "Given the potential microfinance holds to lift the lives of the rural poor, two funds would be set up to extend loans to the needy and provide them access to technology. We have decided to set up two funds, Financial Inclusion Fund and Financial Inclusion Technology Fund of Rs. 500 crores each". This statement set the ball rolling on the need for using technology to reach the rural poor.

At the Conference on "Financial Inclusion for Sustainable Development", to supplement this statement of the Finance Minister, in his inaugural Address on "Financial Inclusion: Some Key Issues" Dr. C. Rangarajan, Member of Parliament, Rajya Sabha on 15th September 2008 in an address to the Federation of Indian Chambers of Commerce and Industry, New Delhi spoke of the Role of Technology in Financial Inclusion thus "In the task of making banking services available to everyone, technology has an important role to play. The required outreach into interiors with low operational costs is only possible with the use of appropriate technology. Technology has to be leveraged to create channels beyond branch network to reach the unbanked and to extend to them banking services similar to those dispensed from branches.

In short, technology has to enable the branch to go to the customer instead of the other way round. The RBI has set up an Advisory Group for IT enabled financial inclusion to facilitate development of information technology solutions for delivery of banking services. It is understood that the Group will prescribe certain minimum parameters and standards that are essential for setting up robust technology solutions. The essential ingredients of all the models under consideration include: (a) the issue of a smart card to the client in the village on which all the transactions are recorded; (b) a hand-held terminal with the business correspondent at the village level; and (c) a Central Processor Unit (CPU) linking the smart cards and BC terminals with the banks.

It is necessary to ensure that every transaction made is accompanied by a print-out being provided to the farmers or other clients. The operating costs of these models are expected to be minimal and can be easily absorbed by banks. As the transaction increases in volume it will become easier to absorb the incremental operating costs. More importantly, the costs of the technology solutions will be substantially lowered if the infrastructure is shared.

2. STATEMENT OF THE PROBLEM

Financial inclusion has been defined in terms of exclusion — exclusion from the payments system and exclusion from formal credit markets (Thorat, 2007). Exclusion from the payments system is measured in terms of not having access to a bank account while exclusion from formal credit markets is measured in terms of number of loan accounts. Financial inclusion is the process of ensuring access to appropriate financial products and services needed by weaker sections and low-income groups at an affordable cost by mainstream institutional players.

It is an established fact that financial inclusion is a very important driver of economic growth which benefits the poor directly while raising the GDP and the quality of life for people in a particular country. India currently has a working population of more than 540 million at any given time. Of these, 6% serve in organized and public / private sectors. The rest serve in the unorganized sector. This sector comprises the owners of over 35 million micro, small and medium enterprises, farmers and landless laborers. The organized sector is well served by banking, but the unorganized sector has fewer touch points to banking. India has an urgent need to drive financial inclusion if it is to sustain its growth rate over the coming decade. This gap between the banked and unbanked population is not narrowing at the pace it needs to. The fact is that banking in India is severely underpenetrated with only 54% adults having a bank account and less than 10% of Indian villages, numbering about 650000 have a bank branch. Even in urban India, less than 35% of the working population with annual earnings of under than Rs.50000 per year has a bank account. The Government of India has identified this need and is making huge efforts to address it through multiple initiatives of no frills bank accounts, UID (Aadhar), etc. In contrast, India's mobile subscriber base stands at over 851.70 million, witnessing a growth of almost 50% since a year. If India has to achieve its target of 'One Bank Account per Indian' by 2020 then mobile telephony must be the biggest catalysts to get there. Mobile based banking and payments are being viewed as the most effective solution for 100% financial inclusion.

In 2012, the number of no-frills or zero-balance accounts have more than doubled to 10.32 crore in 2012 from 4.93 crore in 2010. The number of no-frills savings account with an overdraft facility has increased from 13,000 in 2010 to 15.20 lakh in 2012, according to a presentation made by Dr. K. C. Charkrabarty, Deputy Governor, Reserve Bank of India, at a recent summit. As part of the financial inclusion process, banks have opened 3,171 rural branches in the last two years. To encourage banks to open branches in the rural areas, they are permitted to freely open branches in tier III to tier IV centres, subject to reporting to the RBI. To increase the reach of banking services, the number of business correspondents (BCs) or BC agents deployed by banks jumped nearly threefold to 96828 in 2012 from 33042 in 2010. The number of electronic beneficiary transfer (EBT) accounts opened through BCs rose from 74.8 lakh in 2010 to 2.17 Crore in 2012. Banks

are opening EBT accounts so that social benefits can be transferred electronically to the bank account of the beneficiary. As on March 2012, banks had outlets in 74,199 villages. (Source Business Line dated 13.6.2011).

Given the potential microfinance holds to lift the lives of the rural poor, and in the task of making banking services available to everyone, technology has an important role to play. The required outreach into interiors with low operational costs is only possible with the use of appropriate technology. Technology has to be leveraged to create channels beyond branch network to reach the unbanked and to extend to them banking services similar to those dispensed from branches. In short, technology has to enable the branch to go to the customer instead of the other way round. It is necessary to ensure that every transaction made is accompanied by a printout being provided to the farmers or other clients by use of technology. The operating costs of these models are expected to be minimal and can be easily absorbed by banks. As the transaction increases in volume it will become easier to absorb the incremental operating costs. More importantly, the costs of the technology solutions will be substantially lowered if the infrastructure is shared.

3. OBJECTIVES OF THE STUDY

The objectives of this study were:

- (a) To study the extent of financial inclusion in select districts of Karnataka.
- (b) To ascertain the effectiveness of the Government Schemes and other initiatives towards Financial Inclusion.

4. METHODOLOGY

The Study is based on Primary data collected through Opinionnaire, personal interview and group interview with various SHGs; banks, NGOs and Questionnaire administered in the select districts of Chamrajnagara and Mysore and Secondary data collected from the internet -published articles; Books; papers presented; and data from NGOs archives.

5. FINDINGS OF THE STUDY

5.1 CHAMARAJANAGAR AND MUSURU DISTRICTS

The socio-economic profile of the household of the SHG members was taken up for study in the three districts Chamrajnagara, Mysuru, and Gulbarga of Karnataka. The study revealed that there is a mixture of SHG members belonging to most of the castes, a sizeable proportion belong to the Schedule Tribes (STs) and Schedule Castes (SCs), around 50% of the population belong to the age group of 31-40 & 95% belong to the age group 20-50 years. Major percentage of the members is from the Private NGOs. Around 93% of the members are associated with the SHGs for the past 11-20 years. The daily income of 50% of the household is around Rs.51-100 in both the districts and a small percentage earns more than Rs.200.

Children are in the age group above 14 years and Over 75% of the children are in the age group of 6-14 years. There is a high percentage of illiteracy amongst the members of the household i.e., over 20%. Almost 70% of the population is below 10th grade.

Majority of the members are agricultural labourers followed by Coolies, Construction workers being the cause for low earnings of the members. Half of the respondents and the rest have very small land holdings. Majority live in Kaccha house built in mud and with tiled roofs. Firewood seems to be the main source of energy with 65% members using the same in the two districts. Few continue to use cow dung cakes in Mysore. Interestingly television sets are found in over 80% of the household. Mobile phone in use at Mysore is 64% and in Chamrajnagara is 49.52% and Computer owned by the members is negligible.

The mindset of the members is revealed in their prioritising the emergency financial needs for cost of burials; replacement costs after floods etc., Sickness, crop failure, unforeseen emergencies, disaster due to fires; floods, cyclones and bulldozing of dwelling due to unauthorised construction etc., are also observed. Awareness of the 16-point code of principles for SHGs is also high amongst the members in both the districts. Following the four principles of Grameen bank in all walks of life; small family concept; keeping the environment clean; use of pit latrines; providing nutritious food to the family and improving their standard of living is manifested in the study.

Under the study "Constraints faced by SHG-Bank Linkage Programme" it is found that 'Members making prompt remittances towards loans' is not statistically significant.

By joining the SHGs eradication of poverty by achieving the Millennium Development Goals are statistically significant amongst members. Similarly, the NGOs have also reported their involvement 100% in achieving these Millennium Development Goals. In the area of their expertise on the skill development apart from agriculture purpose, priority sector advances has significant contribution to skill development. Providing better social status to the rural household by the NGO is the only significant factor when compared to the promotion of women entrepreneurs and providing better living conditions to its members.

Awareness of non-subsidised lending is high by State Bank of Mysore with 72.72%. Funds for skill development spent by the bank are high in the case of State Bank of Mysore amounting to Rs.128.33 lacs compared to Cauvery Kalpatharu Grameen Bank amounting to Rs.35.94 lacs.

NGOs have immensely contributed to make the members self-sustained especially in Chamrajnagara district. This is related to their skills and employment of the members. There is a sharp decline in the deaths in the family due to hunger and malnutrition in both the districts under study. The most important three items for life cycle needs are Food, Health, and schooling which are statistically significant.

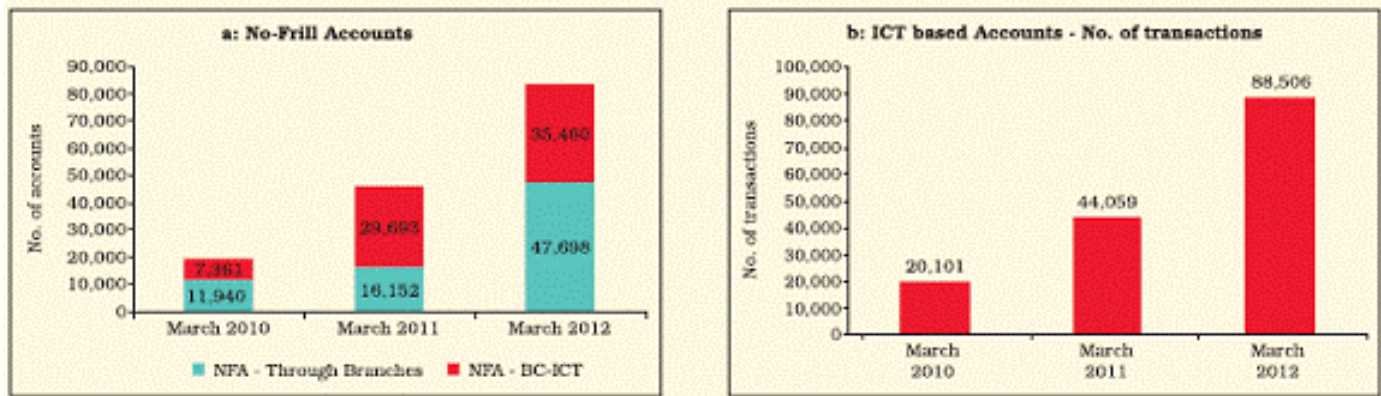
Drinking water is obtained from tube wells but in Chamrajnagar only 6 percent and in Mysore around 40 percent are boil water before drinking.

The State Bank of Mysore branches in comparison with the Cauvery Kalpatharu Grameen Bank is better in helping the families from escaping the vicious circle of poverty.

The above information clearly replicates the outcome of the study undertaken. The daily income is just around a dollar with over 50% accounting for them. Illiteracy is around 20% with nearly 49% having education between 7th and 10th standard. Agricultural labourers are the highest in both the districts. NGOs have been making the SHG members self-sustained through their efforts. The SHG members have confirmed through their response that NGOs help them to become self-sustained. Majority (62.74%) in both the districts are landless labourers. The house the SHG members have is Kaccha house – Mud house with tiled roof. Firewood happens to be the source of energy. Television and mobile phones are owned by the household. Non-productive financial needs dominate the financial list of the members. NGOs have made it mandatory for the SHG members to be aware of the 16-point code of principles. Members making remittances towards loans have no significance to the constraints faced by SHG-Bank linkage programme. Eradication of poverty through SHG involvement in achieving the Millennium Development Goals is found significant. Except skill development for agricultural purpose the other ways and means of skill development is statistically significant. Employment opportunities aimed at providing better social status to the rural household is found significant. The banks are familiar with formal institutions with non-subsidised lending to the poor and are found significant to the study. State Bank of Mysore spends higher amount towards skill development. Over 99% of the members have report that there are no deaths in the family due to Hunger and malnutrition. Substantial efforts put in by the banks have enabled families to escape from the vicious circle of poverty.

Going by the available data on the number of savings bank accounts and assuming that one person has only one account, we find that on an all India basis 41 per cent of the adult population is *unbanked*. In rural areas the coverage is 61 per cent as against 40 per cent in urban areas. The all India ratio of the number of loan accounts to adult population (2005) constituted only 14 per cent. Regional differences in the number of loan accounts are significant; while the figure is 25 per cent for the southern region, it is as low as 7, 8 and 9 per cent respectively for the North Eastern, Eastern and the Central region. 2 The RBI Annual Policy Statement of April 2005 first highlighted the issue by stating that "banking policies tended to exclude rather than attract vast sections of the population" (RBI Circular, 2005). In her recent speech, Thorat spoke on why financial inclusion is important to India: Limited access to affordable financial services such as savings, loan, remittance and insurance services by the vast majority of the population in the rural areas and unorganized sector is believed to be acting as a constraint to the growth impetus [in the primary and SME sector]. Access to affordable financial services — especially credit and insurance — enlarges livelihood opportunities and empowers the poor to take charge of their lives. Such empowerment aids social and political stability. Apart from these benefits, financial inclusion imparts formal identity, provides access to the payments system and to savings safety net like deposit insurance. Hence financial inclusion is considered to be critical for achieving inclusive growth; which itself is required for ensuring overall sustainable growth in the country (Thorat, 2007).

Chart 1: Progress in Villages Covered under Outreach Programme



In 2012, the number of no-frills or zero-balance accounts have more than doubled to 10.32 crore in 2012 from 4.93 crore in 2010. The number of no-frills savings account with an overdraft facility has increased from 13,000 in 2010 to 15.20 lakh in 2012, according to a presentation made by Dr. K.C.Charkrabarty, Deputy Governor, Reserve Bank of India, at a recent summit. As part of the financial inclusion process, banks have opened 3,171 rural branches in the last two years. To encourage banks to open branches in the rural areas, they are permitted to freely open branches in tier III to tier IV centres, subject to reporting to the RBI. To increase the reach of banking services, the number of business correspondents (BCs) or BC agents deployed by banks jumped nearly three fold to 96828 in 2012 from 33042 in 2010. The number of electronic beneficiary transfer (EBT) accounts opened through BCs rose from 74.8 lakh in 2010 to 2.17 Crore in 2012. Banks are opening EBT accounts so that social benefits can be transferred electronically to the bank account of the beneficiary. As on March 2012, banks had outlets in 74,199 villages. (Source Business Line dated 13.6.2011). The State Bank of Mysore which is a registrar for the Unique Identity Programme (UID) for the two districts of Mysore and Tumkur, has already commenced financial inclusion programme which involves issuance of smart card and the BC (Business Correspondent) model in one district, Chamaraajnagar, which also happens to their lead district

5.2 GULBARGA DISTRICT

One of the main findings of this study was that the financial inclusion drive was more successful when coupled with MGNREGP. The MGNREGP participants seemed to be more aware of the financial inclusion drive and had opened accounts because it was a channel for wage disbursement. The village Panchayat was responsible for opening the accounts and information dissemination. The savings account utilization was observed to be higher among MGNREGP workers as compared to others in the district who were equally poor but not enrolled in the MGNREGP.

Cases on the Use of Biometric cards by various Corporates: Biometric cards in rural and semi-rural areas are used for the following purposes: group health insurance schemes to get hospital treatment without making any advance cash payment; for rural policyholders to pay premiums as it provides connectivity and infrastructure barriers and provides real time solutions to policyholders in rural areas; Amongst those who are using Biometric cards are Union Bank of India, Mumbai; Janalakshmi Social Services, Bangalore; KAS, Orissa KAS is an MFI working primarily in Orissa. The FINO platform provided them with advanced banking and front-end technologies such as smart cards, biometric Point of Sale (POS) terminals and a core banking solution (CBS) that connects all its offices. This reduced the chances of fraud and transaction costs. Technology for Government Services FINO issued smart cards for the District Administration of Cuddalore. The FINO smart card services would be used by the Administration along with Indian Bank for disbursement of funds under various central and state level schemes, such as the National Rural Employment Guarantee Act (NREGA) and Old Age Pensions. *Aam Admi Bima Yojna* The central government is using biometric cards for the recently launched insurance scheme „*Aam Admi Bima Yojna*“ with LIC. SKS Microfinance Launched Technology Initiative to Accelerate Financial Inclusion SKS Microfinance introduced end-to-end IT solution for the MFI industry. It ties up with Compulink, HCL, Microsoft, Tulip IT and Wipro Infotech to strengthen IT backbone. SKS currently operates in 15 states and has disbursed more than Rs.1200 Crore in credit as well as life and health insurance products to poor households in nearly 20,000 villages and slums. It plans to disburse an additional Rs. 5,200 Crore to clients in nearly 40,000 villages and slums in FY 2008-09. SKS also plans to add new financial services, ranging from other micro-insurance products to remittances. It is currently adding 50 new branches and 1.5 lakh new clients per month.

5.3 GENERAL FINDINGS

It is an established fact that financial inclusion is a very important driver of economic growth which benefits the poor directly while raising the GDP and the quality of life for people in a particular country. India currently has a working population of more than 540 million at any given time. Of these, 6% serve in organized and public / private sectors. The rest serve in the unorganized sector. This sector comprises the owners of over 35 million micro, small and medium enterprises, farmers and landless laborers. The organized sector is well served by banking, but the unorganized sector has fewer touch points to banking. India has an urgent need to drive financial inclusion if it is to sustain its growth rate over the coming decade. This gap between the banked and unbanked population is not narrowing at the pace it needs to. The fact is that banking in India is severely underpenetrated with only 54% adults having a bank account and less than 10% of Indian villages, numbering about 650000 have a bank branch. Even in urban India, less than 35% of the working population with annual earnings of under than Rs 50000 per year has a bank account. The Government of India has identified this need and is making huge efforts to address it through multiple initiatives of no-frills bank accounts, UID (Aadhar), etc. In contrast, India's mobile subscriber base stands at over 851.70 million, witnessing a growth of almost 50% since a year. If India has to achieve its target of 'One Bank Account per Indian' by 2020 then mobile telephony must be the biggest catalysts to get there. Mobile based banking and payments are being viewed as the most effective solution for 100% financial inclusion.

While inaugurating the Financial Inclusion Resource Centre (FIRC) at the RBI Regional Office at Bangalore, the RBI Governor, Dr. D. Subbarao, called upon the banks to see financial inclusion as an opportunity to extend business and not as an obligation.

5.3.1 Use of technology for financial inclusion

Technology-based solutions can be used by formal financial institutions to provide a range of financial services to the poor and support the drive for financial inclusion. The effective use of technology can help standardize processes in banking and microfinance as well as reduce the cost of operations. Through technology, banks have the potential to reach out to millions of poor and unbanked' people through the use of automated teller machines (ATM) and Point-of-Sale (POS) networks. According to Ivatury: Technology appears to be a promising solution to the problem of access. ATM transaction costs are as much as 5 times less expensive than those of a bank teller.... And inexpensive POS devices which read debit and credit cards can now be used without constant telecommunications and electricity connections (2007, p.38).

A worthy international technology-based initiative is the National no frills Bank Accounts (NBA) initiative implemented in South Africa for its unbanked populations. These are known as Mzansi accounts and are a card-based initiative that uses the existing networks of banks (branch outlets and ATMs), government (such as post offices) and other bodies (such as merchant POS devices). The card is available at an affordable price and provides vital services such as savings and money transfers between South African banks and post offices. The use of technology has lowered transaction costs significantly and made too-costly-to-serve populations and regions — attractive propositions (Thorat, 2006). The RBI, in a policy statement, also promotes the use of technology by the banks to manage the — reputational, legal and operational risks especially when they are working in collaboration with business correspondents (RBI Circular, 2006).

5.3.2 Use of Technology for Government Schemes and Other Public-Private Partnerships around the World.

In the 11th Five Year Plan of India, the government affirmed that it would make use of modern technology and its applications for achieving governance and delivery efficiency, especially for government-run programs such as the Public Distribution System (PDS) and MGNREGP (Planning Commission Report, 2006). The

Multi-Application Smart Card (MASCs) is one technology application that is being promoted in India. Setting up the entire system that enables MASCs to work involves much more than just issuing the electronic card to potential beneficiaries. It also involves the setting up of a comprehensive system that consists of a front-end module that includes the point of delivery; the middle offices that update the card periodically and transfer the information from the front-end to the back-end and vice versa; and the back-end module which contains the computerized records and manages the database. Some recent government initiatives that have adopted this technology include a national level driver's license known as the Smart Card Operating System for Transport Application (SCOSTA) and smart ration cards in Kerala. According to the Planning Commission report: The concept of a unique national level citizens' identity number was developed from these initiatives as well as aspirations for a Pan-India e-governance system. This could also form the basis of a public-private-partnership wherein unique ID-based data can be outsourced to other users, who would, in turn build their smart card-based applications (2006, p.2). In the United States people without bank accounts use pre-paid cards that can be loaded with money and be used as debit cards. These are multi-purpose cards that can store electronic deposits from employers, pay bills and withdraw cash from machines. It is envisaged that in the future these cards will contain features such as loan advances and build credit histories. In China, the government has started to replace national identification (ID) cards with electronic identity cards that contain an identification number, personal details and information on all government services that the person receives. Similar cards have been issued in other countries, such as Malaysia and Philippines. France has pioneered issuing smart cards for a health insurance system known as Sesam Vitale. It is an innovative dual card system where one card is given to the patient and the other to health care professionals and thus links people with public hospitals, specialist doctors and other health care resources.

6. CONCLUSION

Knowledge and Use of technology is very poor in the country. Computer literacy and browsing the internet is not known by a vast majority. Mobiles are used only to make and receive calls without knowing the other functions and to send SMS. Use of vernacular messaging in mobiles is for the purpose of communicating with the customers. Use of smart cards and biometric identification is also poor. Amongst those customers who use mobile phones they use it for remittances; money transfer and payments. Less than 25% of the members use the banks for their transactions. 97% of the members do not use ATMs at all. 99% do not use internet banking. Call center banking is unheard of. On an average the banks have found technology useful to increase volumes; reduce per unit value of transactions; maintaining high level of service efficiency; and reducing interest rate on loans due to lower operational costs. The banks on their part have admitted that they have not provided electronic banking based on internet; Banking correspondent and facilitators; SMS text processors; Customer service points (CSPs). However, there is a semblance of having provided the following: ATMs; mobile banking; biometric teller machines; Point of Sale Machines; Handheld devices; Online and Offline processors; Internet based connectivity to bank server; mobile based connectivity to mobile operator's server and onwards to bank server. Banks admit to use GPRS based mobile technology (GPRS, or General Packet Radio Service technology, is a steppingstone to third-generation mobile networks that allows higher data transmission rates).

The focus of this article on the use of Technology and conclusions derived show that the Banks, NGOs, and SHGs are all aiming at achieving social inclusion cum financial inclusion to ensure growth and development. Millennium Development Goals are being achieved through financial inclusion as majority of the members of the Self-Help Groups are having bank accounts and also beneficiaries of the credit system in the economy. The Government of India had made financial inclusion mandatory by 2015, and this is being achieved through use of Business Correspondents and Facilitators as permitted by the RBI. Use of technology to minimise the transaction cost and to ensure efficiency to make the branch go to the customer instead of the other way round is also observed.

7. SUGGESTIONS

The use of Technology Mobile telephone and IT enabled services has emerged as the best solution for greater financial inclusion. Short Message Service (SMS); Unstructured Supplementary Services Delivery (USSD); Wireless Application Protocol (WAP); General packet radio service (GPRS); Phone-based applications such as Java2 Micro Edition (J2ME)/Binary Runtime Environment for Wireless (BREW); Subscriber Identity Module (SIM); - based application and Near Field Communication (NFC) are the various technology applications available, which can help improve the level of financial inclusion. Technology and telecommunication penetration in rural areas enhances the banking reach and affordability. Banking services through Mobile phones provides branchless banking and bank access with lower investment. Computerization of primary agricultural cooperative societies (PACS) to improve governance and credit delivery system; IT enabled Kiosks i.e., small and self-operated IT-enabled centers that provide customers with banking features such as cheque or cash deposit; internet banking; non-cash ATM transaction and teller enquiries; Mobile phone transactions may include the use of network airtime or e-currencies for deposit, transfer of funds or credits, and payment of services enables outreach for financial inclusion. Mobile banking and payments via a mobile device helps eliminate an intermediary. Use of new technology Automated Teller Machines (ATM) devices such as Biometric ATMs, Mobile ATMs and Micro ATMs to enable the illiterate and semi-literate customers to scan their thumb to access their account and mobile ATMs on a van provides ATM facilities to customers in unbanked areas. Micro ATMs provide low cost ATM alternative with basic features such as cash withdrawal and balance enquiry located at petrol pumps and markets where rural people visit frequently. Business Correspondents could use Biometric hand-held devices having thumb impression scanning or retina detection for user identification and provide audio confirmations of transactions and issue receipts. These devices have wireless connectivity, bio-metric readers for beneficiary authentication and micro-printers. Smart Cards and Point of Sale Terminals (POS) wherein smart cards help store customer information including photographs and finger prints and can be used for deposit or withdrawals by swiping it at a point-of-service (POS) terminal and save transaction information by uploading on the bank's main servers.

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THE ROLE OF ENVIRONMENTAL ACCOUNTING IN RISK MANAGEMENT RESULTING FROM ENVIRONMENTAL POLLUTION AND DISCLOSURE

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ABSTRACT

Accounting as a profession is a duty to elevate the internal view of any economic unit and to develop information that clarifies its role within its environment and its contribution to providing appropriate information for decision making, which is the optimum utilization of resources and the preservation of the environment and the prevention of danger. The researcher was interested in this subject researchers and their various medical, engineering, biological and legal, each in accordance with his competence and his point of view. Accounting was not immune to this problem, as long as it is its duty to analyze the data and provide information and develop systems for reports and work plans for different units. Therefore, taking environmental accounts into account, especially environmental costs, will make the accounting profession able to provide more relevant and relevant information to the administrative decision makers, especially productivity where the problem lies in the lack of information resulting in the adoption of incorrect decisions that contributed to the deterioration of the state of the environment rather than addressing it. The management profession in general and accounting in particular must accept an effective role in this field and try to identify and categorize all risks arising from the activities of the unit and make decisions to reduce and address them and work to adopt clean and sound environmental measures on the road. Unity and in line with international requirements for the protection of the environment and society.

KEYWORDS

environmental accounting, risk management, environmental pollution.

JEL CODES

Q50, Q52, Q53.

INTRODUCTION

Accounting as a profession is a duty to elevate the internal view of any economic unit and to develop information that clarifies its role within its environment and its contribution to providing appropriate information for decision making, which is the optimum utilization of resources and the preservation of the environment and the prevention of danger.

The current interest in preserving the environment and avoiding the causes of pollution and the restoration and restoration of the environment has become of great importance to various groups of society. The trend towards protecting the environment and trying to prevent the environmental degradation caused by pollution has become the focus of the concern of the man who is beginning to worry about the future of his life. And efforts are being made to try to reduce its effects, reduce its dangers and eliminate its causes by spreading environmental awareness among all segments of the society, where it has become a social responsibility and a part of business ethics and in our dear country, the environment and its disasters have become one of the biggest threats faced by the community. Which has become the control of this field is completely absent and this is reflected in the large number of epidemics and diseases suffered by members of society in addition to the obvious damage to the natural and the destruction that ensues, all this is the result of the numerous wars and the siege and the effects in various fields this to Besides the causes of other pollution, such as the use of pesticides harmful and excessive, the subject has been interested in this subject researchers and their various medical, engineering, biological and legal, each according to his competence and his point of view was not accounting away from this problem as long as it is its duty to analyze data and provide information and status Organize reports and work plans for different units and follow up the level of compliance with them.

The management profession in general and accounting in particular to accept the receipt of an effective role in this area and try to identify and categorize all the risks arising from the activities of the unit and take decisions to reduce and address them and work to adopt environmental clean and sound.

RESEARCH PROBLEM

Environmental pollution is one of the most important problems facing the world today because of its health impact on workers and their performance on the one hand, society on the other hand, and nature on the other hand, even those who define the unit's objectives to increase profits in the short term realize that the society's image affects its profits and its ability to generate revenue (Marlin, 1973: 41). Therefore, taking environmental accounts into consideration, especially environmental costs, will make the accounting profession able to provide more relevant and relevant information to decision makers, especially in productivity where the problem lies in the lack of information resulting in the adoption of improper decisions that contributed to the deterioration of the state of the environment rather than treating it.

RESEARCH IMPORTANCE

- The importance of research is highlighted by the following:
- The adoption of environmental accounting will contribute to the creation of accounting information that is essential for decision makers.
- Disclosure of environmental information is an urgent need for the community in general and for the company in particular.
- Statement of the extent to which the company's position is consistent with the legal principle of "polluter pays".
- To highlight the role of the company in reducing the risks of pollution.

THE GOAL OF THE RESEARCH

The research aims to show the following:

- The possibility of preparing accounting information reflecting environmental responsibility.
- The role of economic unity in reducing the risks of environmental pollution for employees, members of society and the environment.
- The effectiveness of environmental information, especially accounting, in decision-making that works to prevent or treat the danger by providing the necessary economic and accounting information.

RESEARCH HYPOTHESIS

The research is based on several hypotheses:

- Economic unity can affect environmental protection through accounting disclosure of environmental pollution data.
- Managers' interest in risk management reduces risks to employees and the community.
- The use of a range of methods to account for the environment highlights the contribution of the economic unit to its responsibilities to society.

RESEARCH FINDINGS**THE THEORETICAL BASIS OF RESEARCH****THE CONCEPT OF RISK MANAGEMENT**

The researchers did not agree to define a uniform definition of risk. It is a puzzling concept with many interpretations. These interpretations stem from knowledge branches that may use such a concept and danger in language. Risk is the probability that a direct or indirect threat will prevent the achievement of goals (Pritsker & Sigal, 1983: 352). Malians view risk as a deviation from expectations (Amiri, 1995: 176). In management, Ensuring the continuation of a particular work and the possibility of different outcomes than planned or disappointing (Moorheud, 1995: 238).

Risk management refers to processes that involve identifying, identifying and analyzing risks, proposing activities to reduce them, and the main objective of risk management is to prevent the occurrence of danger in one form or another. This requires all actions required to avoid danger, protection,

And in accordance with the principle of reservation, which does not make the accountant does not recognize revenue until the moment of occurrence. The expected income is not taken into account, but in terms of obligations are taken into account and therefore works reserves and allocations and so long as the risk is an unexpected event and expected to occur and must be calculated for As long as the activities carried out by the unit are environmentally polluting, under the law the unit expects that it will incur additional costs in the future, either to eliminate or reduce the effects of pollution. This increases the financial burden of economic unity.

THE CONCEPT OF ENVIRONMENTAL ACCOUNTING

The accountants' attention to the environment began a few years ago, and the negative aspects of the exploitation of the environment and work on the disclosure of these aspects or describing their effects as a result of the human exploitation of the environment or the exercise of its activities have emerged.

- A) Green Accounting.
- B) Environmental Accounting for Sustainable Development.
- C) Environmental and economic accounting.

Whatever the term, it means the integration and integration of accounting and economic measurement and disclosure of activities and programs that affect the environment and are exercised by economic units to meet the needs of different parties in society. Others elaborate on the concept of environmental accounting Veron as "identifying and measuring the costs of environmental activities and using that information in decision making Environmental management with a view to reducing the negative environmental impacts of environmental activities and regulations and removing them under the principle of polluter pays " (Al-Tikriti et al., 1999: 34).

THE ROLE OF ACCOUNTING IN THE FIELD OF THE ENVIRONMENT IN THE LIGHT OF INTERNATIONAL LAWS AND LEGISLATION

Accounting as a profession is the task of developing information that highlights the role of the unit and its contribution to the society represented in the optimal utilization of resources and the preservation of the environment and the fair distribution of profit, that the problems resulting from the exclusion of accounting when studying the environment is no longer a new problem has written many accountants about that relationship as organized National Association of Accountants and the American Association of Accountants have held several meetings to conduct research in environmental accounting between 1970-1975 (AAA, 1975-53-89). The current interest in accounting for the environment and the restoration of the environment has created a new case for the accounting profession to accept the delivery of an effective role in the cost of pollution. The essence of applying traditional accounting to production costs is based on the assumption that the cost of reducing the damage to the environment is only the cost of production, Costs incurred in relation to production activities must be treated as such. Costs incurred to reduce future environmental pollution should be sent and carried over to future productive activities. Costs associated with the environmental damage remediation process Moustafa that occurred in the past is considered to be special for the previous period and is corrected by income of the previous period.

This issue was received after the accumulation of burdens placed on the society with the attention of international bodies, humanitarian organizations, global societies and environmental protection groups. At the United Nations Conference on Environment and Development held in 1993, paragraph (64) of the Agenda (Al-Arafi, 1997: 1) National economy, economic activities and environmental accounts, including all cash and material flows, which ensure the interrelationships between economic activity and the environment.

In addition to the above, there are several factors that contributed to the attention to this aspect: (Nur, 1999: 30)

1. Changing the prevailing trend towards the view that the unit should bear the cost of preserving the environment after it was treated as social costs not borne by the unit and thus are processed through the accounting function.
2. The need to include reports and financial statements on environmental activities, which will lead to confidence in the accounting data in addition to meeting the needs of the community of information on environmental activities.
3. Contribute to the preparation of reports on the costs of environmental pollution at the national level, which helps in obtaining indicators to enable the monitoring of pollution resulting from various activities of units and conduct the necessary studies.

Finally, individuals have a greater role to play in managing the threat posed by the activities of the Unit and to address them by understanding all possible positive and negative aspects of all factors affecting economic unity.

MANAGING RISK AS PART OF THE CULTURE OF ECONOMIC UNITY

Risk management is an essential part of the strategic management of any economic unit. The procedures of these units are structured to address the risks associated with their activities. In order to achieve the benefits of each activity, the primary focus of risk management is to identify these risks and to find appropriate solutions to address them. For all unit activities.

Risk management helps to understand the possible positive and negative aspects of all factors that may affect the unit. It increases the probability of success and reduces the probability of failure and uncertainty about achieving the overall objectives of the unit. Therefore, risk management activities should be continuous and continuous. In a systematic manner with all the risks that surround the activities of the unit at all times and circumstances. In addition, risk management must be integrated with the culture of unity through an effective policy and program managed by the senior management after responsibilities are defined within the unit for each manager and officer responsible for Wara risk as part of the job description for their work in order to determine responsibility and performance evaluation and the granting of bonuses, which enhances the effectiveness of the work between all administrative levels.

A few years ago, the attention of administrators and accountants began to study the negative aspects of the activities of economic units and try to disclose them or describe their effects. Most studies have dealt with the relationship of environmental variables to accounting.

1. **STUDYING SCOVILL (ABDEL SALAM, 1999:6)**
This study dealt with the problems of assessing environmental obligations in addition to the accounting disclosure about the environmental performance costs of some companies.
2. **STUDY OF LINOWES (LINOWES, 1973: 32-40)**
This study is based on providing information about the impact of the activities of the unit on the society and all the parties that need it. This model consists of three sections, each section related to one of the cost areas that have the effect:
 - A. Staff Area.
 - B. Environment.
 - C. Product area.
3. **STUDYING ESTES (ESTES, 1976: 91-107)**

This study is based on the society's view as a basis for preparing the model it proposed, which lacks the information provided by traditional accounting in terms of its preparation from the economic point of view. The costs resulting from the negative effects of the Unit's activity according to the Estes view reflect the sacrifice and damage caused by the unit to society.

ACCOUNTING DISCLOSURE FOR ACCOUNTING INFORMATION RELATED TO THE ENVIRONMENT

ACCOUNTING DISCLOSURE OF ACCOUNTING INFORMATION RELATED TO THE ENVIRONMENT

Disclosure is one of the main and important pillars on which accounting thinking is based. The concept of disclosure generally refers to showing something so that it is clear and known (Chetkovich, 1960: 86).

The main objective of the disclosure is to provide information that benefit the different communities in making decisions and to keep pace with the accounting development in all branches of knowledge should not be limited to the traditional disclosure of the economic activity of the unit, but extends to include the effects of the activity of the unit on society and give a clear picture so that These studies assess the effects of unity on society as well as its economic performance. Most of the research has indicated that the published reports should include information about the activities of the unit towards society as this information falls within the business ethics of economic unity. Increased attention in the global media environment and the preservation and held so special international conferences led to the emergence of an important area accompanied by a major interest in the units together with the unit and its impact on the activities of community managers. Research has shown an increase in the disclosure of cost data arising from environmental and community-based activities carried out by economic units in recent years. The main objective of most of these researches was to assess the extent to which these units are committed to society. (Mobley, 1970: 762). The studies and research on the responsibility of units towards society were subsequently followed. Most of these studies confirm that this development is needed and the units should be encouraged to include data on the environmental activities of their units in their published annual reports For the analysts, the community or the management itself, the reasons for interest in the disclosure of data on environmental activities are as follows: (Benjamin, 1978: 24)

1. Most of the data resulting from the environmental activities of the economic unit is of a quantitative and financial nature, thus affecting the assets, expenses and obligations of the unit.
2. Accounting as an organized body has the responsibility to maintain the internal view of economic unity and to provide information that clarifies its role and contribution to society and should lead to decisions that enable the efficient use of resources and environmental protection and load the unit costs. (Muhhammad, 1984: 217)
3. As is well known, accounting is one of the social sciences and in order to evolve, it is required to meet the needs of the new society, information about the effects of its activities towards society.
4. As a result of the broad interest in the environment and the impact of the activities of the units on the environment, accountants are required to contribute to the provision of information that helps officials to identify these effects and ways to address them.
5. To ask the scientific societies and bodies of the economic units to disclose data on environmental activities to meet the objectives of the society and its new needs.

In addition, despite the increasing number of economic units that disclose information about their environmental activities in developed countries, there is a much lower awareness in developing countries in this regard, which reduces the disclosure of such costs in reports published in such countries As these units are not aware of the importance of the need for such disclosure on the one hand, and of the lack of strict laws requiring the units to do so, even though they recognize the negative effects of their units on society.

THE FACTORS THAT AFFECT THE DEGREE OF DISCLOSURE

There are a group of the factors that affect the degree of disclosure of information implications for the activities of environmental unit economic, and are these factors in the following: (a Turkish, 1985: 27-30)

1. Environmental factors: vary published reports from state to state for economic reasons, social, political, and other factors due need beneficiaries to further the additional information about environmental changes impact of the units of economic it with a view to the comparison between economic units by the aim of the comparison between economic units between economic units with each and liability arising from its activities.
2. Factors related to the information: affected by the degree of disclosure in financial reporting the information that is disclosed and the availability of a number of attributes to judge the efficiency of the most important of these qualities are:
 - A. Be the information appropriate decisions which will be taking most of the beneficiaries of them. By.
 - B. To be confident in this information when you take advantage of them.
 - C. The possibility to verify or to check and comparison in this respect raised panel accounting standards of America, but the information contained financial reporting is not only tool like any tool Not like any tool ends utility when finished the benefit of it
3. Factors related to the unit economic: this group of factors Associated with the unit economic, such as the size of the unit the nature of the activity practiced. The effect that leave it on the environment. Types of products produced by.

The number of shareholders, to the other factors. Finally, we say that disclosure of information resulting in environmental activities unit of economic and increased. In recent times despite the instability it concept resistance faced by the owners of companies However, the overall impression is a need for attention to this side and formulas specific her and the accountant that contribute to the because this data affect the activity unit economic.

TRENDS AND DISCLOSURE OF INFORMATION IMPLICATIONS FOR THE ACTIVITIES OF ENVIRONMENT

Found by studies in this particular that there are three trends and disclosure for data implications for the activities of environmental the unit is.

1. The first trend or direction: separate reports and financial reports, environmental, "how to chapter":
2. Does this trend on the basis of separation between financial information, information and environmental as to their respective achieve goals for different therefore must disclose environmental information in a separate report for financial reports can tab images which represent this trend in the three groups are:

A. DESCRIPTIVE REPORTS

This type of report is the simplest and easiest to enumerate. It includes a descriptive account of the activities carried out by the economic unit. This kind of report is based on the following:

1. This type of report is of limited interest.
2. Difficulty tracking the internal performance of the unit.
3. It cannot be used to make comparisons between different units.

B. REPORTS THAT REVEAL ACTIVITIES THAT HAVE A BEARING ON SOCIETY

This group discloses activities affecting the community and there are several suggested models for this type of report, such as the Estes model. The pioneers of this trend believe that such reports should be prepared periodically and in line with the financial statements prepared by the economic unit, which they need to demonstrate how well the unit is responsible for the environment and society.

This set of reports is characterized by the following:

1. The possibility of determining the total cost of environmental impact.
2. The possibility of making comparisons between units that operate in the same economic activity and for the same period.

C. REPORTS THAT DISCLOSE ONLY ENVIRONMENTAL COSTS

This collection of more analytical reports from its predecessor reflects environmental activities that include environmental costs only. This set of reports is characterized by the following:

1. This collection provides a complete picture of environmental activities.
2. The possibility of determining net surplus or environmental deficit as a result of comparing the total costs incurred by the community with those activities and the benefits achieved by the unit to society as a result of the activities of the unit.

DISCLOSURE OF FINANCIAL INFORMATION AND INFORMATION ARISING FROM ENVIRONMENTAL ACTIVITIES IN ONE REPORT "METHOD OF INTEGRATION"

This trend is based on the disclosure of financial and environmental information in a single report so that environmental impact information becomes part of the financial information and represents the model proposed by Dr. Mohamed Mahmoud Abdel Meguid, the financial and social profit and loss account, and the social financial status list are one of the models in this direction (Abdel Majid, 1986: 97-98).

This type of report is characterized by the following:

1. The possibility of disclosing information on economic activities and environmental activities in a single list, thus providing a greater scope for comparison between these activities and thus evaluating the performance of the unit properly.
2. This trend helps to integrate financial information and environmental information without the need to make a fundamental adjustment to the traditional accounting system as the environmental activities of the unit affect economic activities and therefore should be reflected in the financial statements.

ENVIRONMENTAL INFORMATION DISCLOSURE ONLY

See the Pioneers of this trend the need to disclose information responsibility for the environment within lists a private went better to the third-party requested by only because the disclosure by the financial statements may generate pressure great on economic unity, which may make it interested in these aspects at the expense of economic aspects of the other this, which may not contribute in the development of resources economic unity. From defects this trend the chances to maximize the profit is no longer ultimate goal who seeks to economic unity at the expense of responsibilities to the community and damage that let go to the environment or employees or on the community in general. Finally, says the disclosure of information various environmental and any image was useful in the following (Bedouin, 2000: 150).

1. To improve the production processes.
2. The negotiation and resolve conflicts with institutions.
3. Effect on the makers decisions.
4. Re-evaluated strategy accounting management practices.

PROBLEMS OF DISCLOSURE OF ACCOUNTING INFORMATION RELATED TO THE ENVIRONMENT

The disclosure process is accompanied by some problems that affect in some way the behavior of the decision makers. These problems can be divided into the following:

PROBLEMS RELATED TO INFORMATION DISCLOSED

Reports and financial statements are the main tool for transferring and informing beneficiaries of the information provided by the accountant to assess performance and make decisions and to identify the ability of the unit to achieve its objectives and to meet the needs of these parties for information requires the following:

- A. That such information is appropriate.
- B. Be understood by the beneficiaries.

Given the different objectives and needs of each of the Parties, it is normal for the data to be different for each of them. Some have divided these parties into the following:

• INTERNAL PARTIES

These parties are as follows:

- A. Administration.
- B. Employees.

• EXTERNAL PARTIES

- A. Share Holders.
- B. Customers.
- C. Investors.
- D. Trade unions.
- E. Government agencies.
- F. Society.

From the foregoing, it is clear that all parties need information and to meet these needs.

The information needs of different agencies require that these data be understood.

Accurate and comprehensive of the activities of the Unit. Some believe that these data should cover the following aspects: (N-A-A, 1974: 40-41)

1. Human resources activities.
2. Activities related to natural resources and environmental contributions.
3. Product-specific activities.
4. Community activities.

Problems related to disclosure criteria for environmental liability information

There is no agreement among writers on reliable accounting standards when accounting for the effects of the economic activities of the economic unit

Most attempts were made to provide a sound basis for the provision of data and information

(A-A-1976: 49) The American Association of Accountants considers these criteria as follows:

A. BASIC CRITERIA:

1. Appropriate.
2. Distance from bias.
3. Understandability.

B. SECONDARY STANDARDS:

1. Proper timing.
2. Viability.
3. Independent exchange.
4. Perfect.
5. Comparability.
6. Briefness.

C. ADDITIONAL CONSIDERATIONS

1. Significance of data.
2. Centralization.
3. Be careful.
4. Acceptance.
5. Right of Objection.
6. Stability.
7. Quantification.
8. Cash measurement.
9. Permanent examination.
10. Ability to evaluate.

CONCLUSIONS

1. Intellectual and practical contributions to environmental accounting and risk management are still few compared to the magnitude of the challenge and the impacts associated with environmental pollution.
2. The behavior of the decision-maker with the threats to workers, economic unity and society is one of the important factors for the success of economic unity and its role in protecting the environment.
3. The increase in the number of people working in the economic unit of a particular group of diseases is indicative of high pollution levels.
4. The weak participation of economic units in the protection of the environment in terms of their financial capabilities and administrative expertise owned by these units. This is due to weak supervision on the one hand and the absence of laws and regulations that regulate the work of the units on the other hand.
5. The separation between the economic activities of the unit and environmental activities and their disclosure leads to the improvement of decisions taken by the Department.
6. The existence of an environmental accounting system that helps to provide the management and regulatory bodies with reports and information indicating the extent of damages and environmental contributions to the economic unit and identifying weaknesses in environmental performance.

RECOMMENDATIONS

1. Protecting and developing the assets of the unit in a manner consistent with the requirements of preserving the environment, workers and society.
2. Develop decision-making, planning and prioritization through a comprehensive and systematic understanding of the Unit's activities.
3. Issuing laws, regulations and instructions that oblige economic units to comply with international standards related to the protection of the environment and society from pollution.
4. The Department seeks to prevent the danger caused by the activities of the economic unit and to take measures to reduce them in order to comply with the international requirements for the protection of the environment and society.
5. Teaching risk management and modern trends within the curriculum of postgraduate studies in the departments of administration and accounting

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SELF-HELP GROUP AS A MICRO FINANCE INSTITUTION IN PROMOTING FINANCIAL INCLUSION: A CASE STUDY OF SANTIPARA AREA, ASSAM

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ABSTRACT

The role of SHG as a micro finance institution has been emerging in the rural areas of the country in recent time. It became the important sources of finance for organized and unorganized sector in both rural and urban areas. A self- help group (SHG) is a registered or unregistered group of micro entrepreneurs with homogenous social and economic background voluntarily coming together with an average size of 15 people. They are encouraged to make voluntary thrift on a regular basis. They use these pooled resources to make smaller interest bearing loans to their members. This process helps them imbibe the essentials of financial intermediation and to take part in the effort of inclusive financing. The SHG-Bank linkage scheme has proved its efficacy as a main stream programme to cater to the neglected group of society such as woman, poor and deprived sections for availing formal financial services. With a view to evolving supplementary credit strategies for reaching the unreached rural poor in the rural areas SHGs plays innovative role in giving hope to the poor through providing credit thus furthering rural development in the society.

KEYWORDS

SHG bank linkage, microfinance, financial inclusion, self help group, microcredit.

JEL CODES

G20, G21.

INTRODUCTION

India is one of the developing nations which promote institutions for providing micro finance to the rural poor under various poverty alleviation programmes. The schemes like Drought Prone Areas Programme (DPAP), National Rural Employment Programme (NREP), Programmes under Small Farmers Development Agencies (SFDA), Marginal Farmers and Agricultural Labourer Agencies (MFAL), Food for Work Programme (FWP) and Jawahar Rozgar Yojana (JRY) are some of the intended programmes directly targeting different segments of the poor people.

Women in the Indian society are considered as a neglected section deprived of the benefit of socio-economic development. This is more so in the rural societies of India. Despite of having tremendous potential for growth, they lack socio-economic opportunities for becoming self-dependent and self-reliant. Thus some of the national socio-economic programmes are targeted towards women empowerment. The goals of poverty eradication and empowerment of women can be effectively achieved if poor women could organize into groups for community participation as well as for ascertaining their rights in various services related to their economic and social welfare.

The World Bank report 1991 implies that "Women are central to the success of poverty alleviation efforts in the short and medium as in the long run." The effective management and development of women's resources are of paramount importance for the mobilization and development of human resources.

The major approach to deliver microfinance from financial institutions for undertaking self employment activities particularly among the rural poor is of two types viz. - with individual entity and in group mode. The individual approach to micro finance self employment activities could not yield the expected results due to the relatively high transaction costs and procedural delay involved in it.

A Self-Help group is defined as a "Self governed, peer controlled informal group of people with similar socio-economic background and having a desire to collectively perform common purpose".

The SHG is considered as a viable organization of the rural poor particularly women for delivering micro credit in order to undertake entrepreneurial activities. Some of SHGs managed by the rural poor women successfully demonstrated how to mobilize and manage thrift activities, appraise credit needs that enforce financial disciplines, maintain credit linkages with banks and effectively undertake income generating activities. The functions of SHGs showed that the poor as a group are quite credit worthy and repayment of loan is quite satisfactory. The joint liability of the group enables the poor to overcome the problem of collateral security and also has in-built mechanism of peer monitoring leading to better loan recoveries and productive credit utilization.

OBJECTIVES OF THE STUDY

The Present research work is designed and preceded on the basis of the following objectives:

1. To study the role of all women Self Help Group in promoting micro finance activities in the study area.
2. To assess the role of women as a micro financial promoter within and outside group association and as spinner of social welfare.

METHODOLOGY

For the present study data has been collected from both primary and secondary sources. Collection of primary data was made by personal interview with the president, Secretary and the individual members of Ashirbad Self Help group which is an all women self-help group. The secondary information was collected from a number of associations involved in promoting micro financial activities of the self-help group such as NABARD, DRDA, Banks, and NGOs etc. Some of the data and information pertaining to this work are collected from various Journal, Articles etc.

SAMPLING TECHNIQUE

There are around 15 self-help groups functioning in the study area. It will be great cumbersome to study the whole SHGs in the Study area. As such one of the Self-Help Groups viz. Ashirbad Self Help Group has been selected at random for detail and inclusive study. The detail fact and figures of the sample SHG for the last four years from 2008 to 2011 has been considered and compiled for the present study.

DISCUSSION

BRIEF INTRODUCTION OF THE SAMPLE SHG

The sample SHG, i.e-Ashirbad Self-Help Group (ASHG) is an all women Self-Help Group (SHG) under the Dhekiajuli Community Development Block in Sonitpur district of Assam. It was set up on the 28th June 2004. Initially the total members of this SHG were 20, but later it was reduced to 19 following the death of a member. This SHG is composed of house wives and social workers. The supervisory services to ASHG are provided by a local NGO called the Agragami NGO, Dangabosti Branch. The president and secretary of the sample SHG are Smt. Beena Das and Smt. Tapati Roy respectively. The SHG was started with the main objectives of providing economic self-dependency to its members. The members were charged Rs. 50.00 as entry membership fees during the initial period. The SHG fixed a Share Money of Rs.20.00, and additional contribution of Rs.2.00, per month for its members. Later on, the contribution was enhanced to two slabs-

Share - to Rs.30.00 and subsequently to Rs.50.00 per member. In the same way the additional contribution was also raised to Rs.3.00 per month. The collected money has been deposited in the local SBI Branch against Account No. 01170071147.

Micro financial character of ASHG

1. ASHG generates common fund where each member contributes her savings on a regular basis.
2. Regular meetings are conducted by the president and secretary of the group once in a week for lending money to the needy members out of the consolidated fund mainly to encourage the member to pursue economic activity.
3. Borrowers are selected by consensus of the members of ASHG.
4. The quantum of loan is quite low attracting a very low interest around 3%.
5. ASHG also avail loans from Banks to meet fund requirements. Such fund is utilized to carry out individual and group activities of mutual benefit.

The sources and application of fund of Ashirbad SHG is presented in Table-1.

TABLE 1: SOURCES AND UTILISATION OF FUND OF ASHG (Amount in Rs.)

Sl. No	Name of Member	Sources of fund			Acquired Loan amount	Loan ment	Repay-	Standing balance under individual account
		Share Contribution	Entry Contribution	Interest Received				
01	Smt. Ranu Das	17653	88	6617	36500	27600	8900	
02	Smt. Tapati Roy	17653	88	13058	60000	39200	20800	
03	Smt. Hironi Borman	17653	88	17165	69500	39600	29900	
04	Smt. Nilima Kar	17653	88	5249	114800	78800	36000	
05	Smt. Dipa Dey	17653	88	2156	23500	14200	9300	
06	Smt. Sima Dutta	17653	88	13576	45400	25900	19500	
07	Smt. Basonti Dey	17653	88	26398	31300	20500	10800	
08	Smt. Sandha Das	17653	88	7828	22500	10300	12200	
09	Smt. G. Paul	17653	88	3558	38600	27400	11200	
10	Smt. Suparna Saha	17653	88	21337	72900	29100	43800	
11	Smt. Bina Das	17653	88	4144	20800	20000	800	
12	Smt. M. Chakrabarty	17653	88	3436	33900	25900	8000	
13	Smt. Arunima Dutta	17653	88	4945	42900	33100	9800	
14	Smt. Sarothi Barman	17653	88	10380	57000	39300	17700	
15	Smt. Kamala Saha	17653	88	5171	23600	11500	12100	
16	Smt. Barnali Das	17653	88	9420	98700	54800	43900	
17	Smt. Mamoni Paul	17653	88	11362	53800	28300	25500	
18	Smt. Chumki Ghosh	17653	88	12342	17900	8400	9500	
19	Smt. Mina Roy	17653	88	8637	109300	84500	24800	
	Total -	335407	1672	186779	972900	618400	354500	

Source: Compiled from field survey.

From Table-1 it is observed that the Ashirbad Self-Help Group has mobilized total fund of Rs.3, 37,079.00 over a period of around 4 years (01-01-2008 to 31-08-2011) including share contribution (Rs.335407) and additional contribution (Rs.1672). The fund is utilized for granting loans and advances to its members for various economic activities. It is found that the group earned Rs. 1, 86,779.00 as interest from the loan and advances sanctioned to its members. The recovery of the loan is also found to be encouraging as 64 percent of the total loan amount of Rs. 9, 72,900.00 disbursed has been recovered so far. No default in loan repayment is noticed. The study shows that the sample self-help group is playing an important role as a microfinance institution in its area of operation creating a co-operative mind set for mutual growth.

The Table given below provides the economic and social welfare activities of the studied SHG:

TABLE 2: ECONOMIC AND SOCIAL WELFARE ACTIVITIES UNDERTAKEN BY ASHG (Amount in Rs.)

SI No	Beneficiaries	Loan amount acquired	Activity undertaken	Contribution to Social welfare		
				Employment	Standard of living	Other welfare Activities
01	Smt. Ranu Das	36500	Grocery	1 Person	NA	
02	Smt. Tapati Roy	60000	Poultry Farm	2 Person	Purchase one CTV.	
03	Smt. Hironi Borman	69500	Beauty parlour	1 Person	NA	
04	Smt. Nilima Kar	114800	Grocery	3 Person	Purchase One Bike	
05	Smt. Dipa Dey	23500	Goatery	2 Person	NA	
06	Smt. Sima Dutta	45400	Piggery	3 Person	NA	Donate to One Poor Family for marriage
07	Smt. Basonti Dey	31300	Cultivation	4 Person	NA	
08	Smt. Sandha Das	22500	Beauty parlour	2 Person	NA	
09	Smt. G. Paul	38600	Goatery	2 Person	NA	
10	Smt. Suparna Saha	72900	Fishery	5 Person	Purchase One Dining Set	
11	Smt. Bina Das	20800	Cultivation	1 Person	NA	
12	Smt. M. Chakrabarty	33900	Business	1 Person	NA	
13	Smt. Arunima Dutta	42900	Grocery	2 Person	NA	
14	Smt. Sarothi Barman	57000	Poultry Farm	2 Person	Construct pucca House	
15	Smt. Kamala Saha	23600	Cultivation	1 Person	NA	
16	Smt. Barnali Das	98700	Piggery	6 Person	NA	Donate for construction of a temple
17	Smt. Mamoni Paul	53800	Goatery	2 Person	Purchase One Bike	
18	Smt. Chumki Ghosh	17900	Fishery	1 Person	NA	
19	Smt. Mina Roy	109300	Fishery	5 Person	Construct pucca House	
	Total	972900		46		

Source: Compiled from field survey.

It is reflected in the Table that the Ashirbad SHG actively participates in promoting socio-economic welfare of the area. The Group sanctions and disburses an amount of Rs. 9, 72,900.00, to its member beneficiaries for undertaking different economic activities like grocery shops, goatery, fishery, small business activities, etc. It is also reflected that 46 persons are being employed in these business activities who are non-members. Many member beneficiaries are able to enhance their standard of living by improving their living condition, acquisition of durable goods for household uses such as colour television, refrigerator, electronic gadgets etc. Some of them could also extend financial support to the needy section of the society.

MAJOR FINDINGS

1. The capital base and financial position of the ASHG has found to be growing strong acquiring more and more micro financial character.
2. The group is using the fund in a very effective way by providing loan to the group members itself. The total loan amount is Rs. 972900 from 01-01-2008 to 31-08-2011. This shows that the SHG is growing as a microfinance institution rapidly keeping parity with the prime objective of creating SHGs.
3. The group is collected substantial fund in the form of interest both from the member and the bank. The total interest received between 01-01-2008 to 31-08-2011 is Rs.186779 which is very praiseworthy in the sense that such earnings promote economic standard of the economically deprived women folk.
4. The group has distributed Rs.95.000 as dividend to its members up to 31-08-2011. Each member receives Rs.5000 as part of dividend. This dividend money became helpful for upgrading the economic status of the individual members.
5. With the help of loans received from the SHG, the group members have started various business operations like beauty parlour, grocery shop, piggery, goatery, fishery etc.; which are at par the objectives of the SHG formation.
6. The study shows that the group members are motivated to social welfare activities alongside their personal economic benefit, which is linked with community mobilization through micro financial growth.
7. It is noticeable that the group has been able to provide employment opportunities to 46 persons from the community at large who are non-members of the SHG excluding the member.

CONCLUSION

The role of women SHG in socio- economic empowerment and capacity building of the poorest and the under privileged women-folk cannot be undermined. The healthy growth and rapid development of the women SHGs can be achieved through a strong partnership with banks, NABARD and NGOs. Provision of systematic skill training for women, financial help through internal lending, experience sharing through federation of SHGs and sustainability through participatory approach will act as a catalyst for the popularity of women SHGs throughout the world. The development of proper mechanism for evaluating the performance of women SHGs is needed to identify the reasons for non-performing or less performing groups and to take appropriate action to improve their functioning. ASHG is found to be an exemplary self-help group in promoting micro-finance institution and their raising socio-economic and political status of women apart from creating social leadership.

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DEBRE MARKOS

ABSTRACT

The study has been designed with an objective of assessing the socio economic attributes of group loan borrowers of ACSI in east gojjam zone. In this study questionnaire and interview has been used to collect data from the respondents. The data was collected from six woredas. The survey result indicated that group loan is an important tool to improve the education level and purchasing power of the household members; however, it is not helping them in improving their health care service. In addition, the study results showed that group loan borrowers are not able to start self-financing operation and they will stay for a long period client to their lender.

KEYWORDS

ACSI, East Gojjam, group loan, micro finance, socioeconomic attribute.

JEL CODES

D10, D14.

1. INTRODUCTION

In the recent periods so many mechanisms are implemented by microfinance institutions to reduce poverty. One of the tools experienced from different arena of the world is loans extended to poor's. Microcredit program is the way adapted by micro finances to reach poor's and escape them from poverty (Mark M. Pitt, 2002). One of the mechanisms used by ACSI to extend loan to poor's is group lending program.

The explosion of group lending programs around the world is a recent phenomenon. While a few group loan institutions were operating in the 1970's, a production of such programs occurred in the 1980's and continues to accelerate in the 1990's. Nearly all of the programs are NGO sponsored credit-first approaches. Interest in the utilization of groups originated from an increased knowledge of informal financial arrangements using groups.

Group lending is a type of micro credit that was pioneered in Bangladesh by Grameen Bank. It has been said to be one of the most powerful tools in third world development making credit available to people who lack the access to formal financial markets.

Group lending in ACSI is a type of loan extended to urban and rural poor's in group which contains three up to five members. In this study the researchers were consider only the rural poor's.

In September 2000, building upon a decade of major United Nations conferences and summits, world leaders came together at United Nations Headquarters in New York to adopt the United Nations Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets, with a deadline of 2015, that have become known as the Millennium Development Goals. The first of these goals (MDG 1) states that the proportion of people with an income of less than \$1 a day shall be halved relative to what it was in 1990. Between 1990 and 2001 the headcount ratio of poverty for all Least Developed Countries (LDCs) fell from 27.9% to 21.1%, but the ratio for Africa actually increased from 44.6% to 46.4% (Ravallion and Chen, 2004). Against this background, it is not surprising that several recent papers argue that most African countries will not achieve the target of reducing poverty by half by 2015 [UNDP (2003); Naschold (2004)] as cited by (Sefa Kwami Awaworyi & Jeffery Korankye Danso 2010).

To understand poverty, poverty has to be defined, measured, and studied -- and even experienced. As poverty has many dimensions, it has to be looked at through a variety of indicators -- levels of income and consumption, social indicators, and indicators of vulnerability to risks and of socio/political access (Sefa Kwami Awaworyi & Jeffery Korankye Danso, 2010).

The Scottish Poverty Information Unit says Poverty generally is defined relative to the standards of living in a society at a specific time. People live in poverty when they are denied an income sufficient for their material needs and these circumstances exclude them from taking part in activities which are accepted parts of daily life in that society (Scottish Poverty Information Unit, 2007).

The World Bank Organization asserts that "The most commonly used way to measure poverty is based on incomes. A person is considered poor if his or her income level falls below some minimum level necessary to meet basic needs. This minimum level is usually called the "poverty line". What is necessary to satisfy basic needs varies across time and societies. Therefore, poverty lines vary in time and place, and each country uses lines which are appropriate to its level of development, societal norms and values."

At individual level, poverty is manifested by lack of stable income, insufficient amount of land, insufficient food supply and lack of education. At household level, poverty is manifested by the inability to take family members to clinics, the inability to provide children with food, schooling, and clothes, the inability to participate in local associations and *kebele* meetings. At community level, poverty is manifested by lack of infrastructure, lack of safe drinking water, climatic instability and insufficient education opportunity (Maru Shete, 2004).

Group lending program is the way used by microfinance institutions to reduce poverty. If an organization serves one person per household, however, then the household level rate is relevant. For example, if a microfinance organization serves only one person in a household, then it might prefer to report household-level poverty rates. This use of household-level rates reflects the belief that they are the relevant measure for most pro-poor organizations (A Simple Poverty Scorecard for Ethiopia⁷ Mark Schreiner and Shiyuan Chen, 10 April 2009). Thus, this paper considers poverty at household level.

So poverty is the focus of the current governments around the world specially African countries, with the help of their developmental partners; and the paper will investigate the success of those supporting programs (Group-lending program) in escaping poor's from poverty.

2. REVIEW OF LITERATURE

There are two bodies of literatures in the analysis of poverty. One is the literature on the concepts and measurements of poverty, and the second is on the analysis of determinants of poverty.

CONCEPTS OF POVERTY AND SOCIO ECONOMIC WELL-BEING

Poverty is a repetitive object of research that can be defined in several ways. It affects many aspects of human conditions like economic, social, physical, moral, psychological etc. As a result, there are different approaches in the conceptualization of poverty. One pair of approach comprises the "Welfarist" and the "Non-Welfarist" approach. While the former aims at defining the concept of wellbeing on the basis of the link that exists between income and utility or standard of living, the later approach focuses little on utility (Sen, 1976). Following either of the two, different individuals defined poverty differently. For instance, Townsend (1985) defined poverty not just as a failure to meet minimum nutrition levels but also as a failure to keep up with the standards of living prevailing in a society.

Sen (1987) also relates poverty to entitlement failures to various goods and services. Rowntree (1901) has developed poverty standards on the basis of nutritional and other requirements.

World Bank (1996), on the other hand, sees poverty in very broader terms as being unable to meet "basic needs" including food, health, education, shelter, etc. Economists, however, often prefer to view the concept of well-being in terms of the "Welfarist" approach. That is to say, they take expenditure on goods and services consumed by individuals valued at market prices so as to categorize a person as "poor" or "non-poor". This money metric utility is derived from the neo-classical theory of consumer behavior. Therefore, in this case, poverty is said to exist in a given society when people are unable to obtain the minimum basic requirements necessary to sustain life of individuals.

According to the World Bank (1990), such kind of conceptualization of individual's well-being in terms of standard of living measures seems pragmatic in developing countries, where much emphasis is given on food security and consumption deprivation. But, in developed societies, non-materialist aspects like the right to voting and/or participation could seem more realistic in understanding levels of societal well-being.

Another approach to define poverty is to see societal well-being from the perspective of severity as "chronic" and "transient". Structural (chronic) poverty is defined as persistent or permanent socio-economic deprivations of the population whereas transitory poverty is temporary socio-economic deprivations (Jalan and Ravallion, 1998). The former is linked to a host of factors like lack of skill, lack of productive resources, socio-political and cultural factors, etc. The later, on the other hand, is linked to natural and man-made disasters and is easily reversible. These all imply that there are various approaches towards the conceptualization and definition of poverty and well-being. However, there are essentially three broad categories to the definition of poverty. These are:

ABSOLUTE POVERTY

In the absolute poverty, people are defined as poor when some absolute needs are not sufficiently satisfied. In other words, it is the cost of a bundle of food items that are necessary to ensure the fulfillment of a predetermined energy requirement and other non-food basic requirements. Based on such definitions of the concept of poverty, there are different methods of defining the absolute poverty line.

According to MoFED (2002b), poverty line is a threshold level of per capita income/ consumption or a cut of living standard level below which an individual is considered to be poor. The most common method of constructing the absolute poverty line, according to Rowntree (1901), is the Cost of Basic Needs (CBN) approach, which defines absolute minimum requirements in terms of basic needs such as food, clothing, housing, health care, education, etc. So, poverty means lack of command over the stated basic needs, and the poverty line is the minimum cost of these basic needs. Under the basic needs approach, poverty lines are set by computing the cost of food basket that would enable poor households to meet the nutritional requirements at regional prices, and adding to it an allowance for the non food consumption (Ravallion and Bidani, 1994 and Ravallion and Sen, 1996).

RELATIVE POVERTY

In relative poverty definition, a person is said to be poor if she/he has less than what others have. In the definition of the relative poverty line, the fraction of mean or median income or percentiles of income distribution technique is employed. It is set either at one-half, one-third or two-third of the mean or median income or percentile of the income distribution. The percentile of income distribution involves classification of the population into different quartiles depending on the proportion chosen by the researcher. Finally, the researcher decides that the population in the last one or two quartiles to be considered as poor with the corresponding cut off income level as a relative poverty line.

According to Ravallion (1992), the major weakness of this method is that it is not clear whether the method is an indicator of poverty or measurement of income inequality. In addition, it is highly subjective in which the results obtained are localized that makes inter societal comparison difficult.

SUBJECTIVE POVERTY

In the subjective poverty definition, the identification of the poor and the non-poor depends on the subjective judgment of individuals about what constitutes a socially acceptable minimum standard of living in their own societies. Hence, unlike the above approaches, subjective poverty line depends directly on the opinion and feeling of the concerned individuals to determine the minimum level of income for themselves. The result of this approach may sometimes be misleading as it takes purely an account of individuals' or groups' own declaration about their position.

3. SIGNIFICANCE OF THE STUDY

It is important for the management of ACSI (Amhara Credit and Saving Institution) by indicating the weak side of the program and the management team may use it as a base to take corrective actions based on the indications of the study.

To policy makers of the program to know how this program is operated and achieve its objective; so the paper could answer their question by looking on the role of the program in escaping poor's from poverty.

4. STATEMENT OF PROBLEM

Since the last two decades, as part of the global and national initiatives, the government of Ethiopia together with its development partners has been pushing to a development with aim of achieving a broad based and sustained economic growth. In light of the strategy, objective of reducing the depth and extent of chronic poverty over time, a strong system of Monitoring and Evaluation has been put in place to monitor progress in poverty reduction. Consequently, the issue of Welfare Monitoring in the country arose as part of the Economic Reform Program (ERP) (HICES -Household Income and Consumption Expenditure Survey, 2010/11).

According to the 2010/11 HICES, the proportion of poor people (poverty head count index) in the country is estimated to be 29.6% in 2010/11. In 2010/11, while the proportion of the population below the poverty line stood at 30.4% in rural areas, it is estimated to be 25.7% in urban areas. The poverty gap index is estimated to be 7.8% while it is 8.0% for rural areas and 6.9% for urban areas. Similarly, the national level poverty severity index stood at 0.031 with rural poverty severity index (0.032) being slightly higher than that of urban areas (0.027). Between 2004/05 and 2010/11, income (consumption) inequality measured by Gini Coefficient has shown a slight decline from 0.3 in 2004/05 to 0.298 in 2010/11. Inequality as measured by the coefficient has declined in urban areas from 0.44 to 0.37, while rural inequality increased from 0.26 to 0.27 though inequality is still higher in urban than in rural areas. But the poverty level is still high in the rural areas.

The decline in rural poverty can be attributed to the wide-ranging and multi-faceted pro-poor programs that have been implemented in rural areas such as extension of improved agricultural technologies and farming practices, commercialization of smallholder farming agriculture, rural infrastructural development and a range of food security programs (productive safety net programs, provision of credit etc). Despite the substantial declining of poverty over the past five years, poverty remains high at 29.6 percent. So the poverty alleviation is still the challenging area of the country in achieving its MDGs within the specified time. One of the supporting programs implemented in Ethiopia in alleviating poverty is Group-lending program to poor's through microfinance's and its role is summarized in number of studies as follows.

Many advantages to group lending are cited in the literature. An often cited justification for group lending is that it provides financial returns, especially to women who have no other means of exerting their independence. (Berenbach and Guzman (1993), Khandker, Khalily, and Khan (1994), Goldberg and Hunte (1995)) as cited by Julia Anne Paxton (1996). The argument is that group credit gives women self-esteem, mutual trust, empowerment, and other "psychic benefits."

For rural women who have very limited knowledge about the outside world except through family members, participation in group activities may mean information gathering (Khandker, Khalily, and Khan (1994)), as cited by Julia Anne Paxton (1996).

Sefa Kwami Awaworyi & Jeffery Korankye Danso (2010) found that participation in the microfinance program has enabled clients to improve upon their income level as well as their standard of living as compared to the non-clients. The study concluded that microfinance plays an active role in reducing poverty in Ghana. Mark M. Pitt, (2002), also found out that poor women's participation in the group lending program increases consumption.

An evaluation study undertaken by Asian Development Bank (2007), found that participation in microcredit has Consistent mildly positive impacts on per capita total expenditures and per capita food expenditures of poor's. However, the impact on per capita income and expenditures was found to be regressive (i.e., the impact was negative on households with per capita incomes of less than P (pesos) 34, 428, and become positive only for households with per capita incomes above P 56,200). This result is similar to other studies on the provision of microcredit in Bangladesh, India, Indonesia, Sri Lanka, and northeastern Thailand. The finding

suggests that targeting microfinance on the poorest households may not be the most appropriate way to help them escape poverty. The projects selected by the poorest households to finance with microcredit loans did not generate sufficient profit to increase household income.

A similar conclusion was also arrived at by an earlier review in Meyer (2002). Surveying available evidence for Asian countries, he concluded that while there seems to be an overall positive effect on income and education, results differs substantially across countries and programs both in magnitude as well as statistical significance and robustness.

Sefa Kwami Awaworyi & Jeffery Korankye Danso (2010) states Microfinance over the years has been considered to be one of the most effective and flexible strategies in the fight against global poverty. It is said to be sustainable and can be implemented on the massive scale necessary to respond to urgent needs of those living on less than \$1 a day, the World's poorest. GHAMFIN, (2005) it has been seen to be promoting economic growth since loans given are supposedly used in investing in micro business. This statement is not entirely true because funds from microfinance according to Ditcher (2007) as cited by Sefa Kwami Awaworyi & Jeffery Korankye Danso (2010) have been mostly used for consumption rather than business development. This defeat the whole purpose of microfinance which is supposed to help alleviate poverty through granting small loans to those considered as "uncredit-worthy" to better their living standards.

Jean-Marie, Baland Rohini, Somanathan & Zaki Wahhaj (2010) states, the Grameen Bank of Bangladesh first popularized group loans in the 1970s and similar approaches were subsequently adopted by hundreds of organizations across the world. It was believed that joint liability would generate social pressure on borrowers to repay loans and help create a financially sustainable model of lending. In recent years, this strategy has been questioned and individual loan contracts have become an integral part of microfinance.

Group lending has been proposed as a tool for alleviating poverty in developing countries. The success of group lending has been attributed to its ability to mitigate asymmetric information and enforcement problems in the credit market Moh'd Al-Azzam and Sudipta Sarangi (2007).

It is a widely spoken word by the leaders of developing countries and a written statement in the Missions of Micro finance institutions; that MFIs has an objective to alleviate poverty through their lending programs. Based on the empirical studies and theoretical literatures reviewed, the researcher motivated to investigate the success of group lending program in escaping poor's from poverty and improve the socioeconomic attributes of borrowers in East Gojjam Zone by conducting a study on the customers of ACSI.

5. OBJECTIVES OF THE STUDY

The general objective of the study is to investigate the socioeconomic Status of Group Loan Borrowers. To achieve this the following specific objectives are dissected:

1. To identify the socioeconomic attributes of households that participates in the group lending program.
2. To investigate whether group borrowers are able to settle their joint liability and start self financing operation.

6. RESEARCH HYPOTHESES

The hypothesis's to be tested are the following:

H0: Group- lending program is not successful in escaping poor's from poverty.

7. RESEARCH METHODOLOGY

7.1. STUDY DESIGN

Research's can be done through different types of researches' design such as explanatory, exploratory, descriptive and casual. So since the main objective of this paper is to investigate the success of group-lending program in escaping poor's from poverty the research design used is explanatory to explain the role of group lending in poverty reduction. The result discussed both quantitatively and qualitatively, and then the research type is both quantitative and qualitative (mixed).

7.2. DATA SOURCE AND TYPE

The data source was the target population of the study, i.e. the group-lending program customers of ACSI in East Gojjam Zone and annual reports of ACSI. The data type includes both primary and secondary, but the study was mainly relying on primary data.

7.3. DATA COLLECTION TECHNIQUES

The primary data was collected through questionnaire, Interview and group discussion. The questionnaire was distributed to the sample group borrowers and the interview and group discussion was conducted with sample group representatives. Useful secondary data was extracted from annual reports of ACSI.

7.4. SAMPLE AND SAMPLING TECHNIQUES

In East Gojjam zone there are 20 woredas and in these woredas there is one branch/sub branch of ACSI. However, for the purpose of this study the researcher selected six woredas (*Yejobe, Debre Elias, Sinan, Machakil, Enemay and Gozamin*). From the six branches available in each woreda the researcher took 6 sample groups using simple Random sampling; and then in each group there are five members, though there were 30 respondents per branch/ strata. The total sample size was 180 borrowers from six branches. Using probability sampling is reasonable because the population included in the sample is homogeneous and it is very important technique to eliminate bias in sample selection.

7.5. DATA ANALYSIS TECHNIQUES

The data collated through the collection techniques discussed was coded tabulated; then tasted and analyzed through descriptive statistics to identify the socioeconomic attributes of borrowers and to investigate whether they are able to settle their loan and start self financing.

8. RESULTS AND DISCUSSION

8.1. THE SOCIOECONOMIC ATTRIBUTES OF HOUSEHOLDS THAT PARTICIPATES IN THE GROUP LENDING PROGRAM

8.1.1. THE IMPACT OF GROUP LOAN ON THE SOCIO ECONOMIC STATUS OF HOUSEHOLD

Bank of finance is one of the major bottlenecks that constrained the poor from engaging in meaningful and gainful activities. In response to this, the recent shift in development paradigm focused on the provision of microfinance services to the poor in order to protect them from adversities of poverty. The expectation is that access to microfinance provides better chance of involving in farm, non-farm and micro and small enterprises activities. As the result of this households could increase and diversify their income, ensure food security and reduce poverty. At the household level impact may be measured by the net increase in household income, savings, asset accumulation, housing conditions, expenditure, diet, education, health condition and improve decision making capacity(empowerment) (Abebe T, 2006).

Table 1 indicates that the respondents are believe that the loan service provided by micro finances around them helped them to improve the education culture of the family as indicated in the table those respondents who were agreed with this idea accounts 55% of the samples. However significant number (45%) of the respondents responded that the loan does not provide any improvement on the education level of the family. Thus the survey result revealed that the group loan provided to poor's is somehow successful in improving the education level of poor's but still significant number of the respondents were not improved their family education level through the help of the loan.

In case of accessing good health facilities at the time of illness 95% of respondents indicated that they do not have better health care because of the loan. But 5% of the respondents said that they were able to access better health care service in case of illness because of the loan. The survey finding showed that the group loan service does not successful in helping poor's to improve their health care service at the time of illness. In terms of improving purchasing power of the family member 70% of the respondents believed that the loan service helped them. But 30% of the respondents were not able to improve the purchasing power of the family member through the loan facility. 35% of the respondents agreed that they can able to met the expectation of the family members through the loan facilities but 65% of the respondents indicated that they do not use the loan to met the expectation of the family members. The survey data showed that the loan is useful in helping poor's to improve their purchasing power but still a few numbers of respondents does not helped through the loan to improve their purchasing power. Regarding the role of the loan in handling the expectation of the family member the loan is not successful.

Regarding the consumption improvement of the household only 15% of the respondents were believed that the loan helped them to improve their consumption expenditure. The survey result shows that the loan does help poor's to improve their consumption.

Only 5% of the respondents were responded that the loan helped them to increase the saving of the household through the loan service; but the significant number of the respondents (i.e. 95%) their income does not increase through the help of the loan. As the survey data result showed that the loan is not successful in helping poor's to increase their income and saving.

Significant number of the respondents which accounts 85% of sample respondents was agreed that the loan helped them to use modern agriculture inputs; but 15% of sample respondents were said that the loan was not helped them to use modern agriculture inputs in their agricultural activity. Regarding the expansion of cultivable land 45% of the respondents were agreed that the loan was helped them to expand cultivable land; however 55% of the respondents were responded that it does not helped them to increase their cultivable land. The survey data showed that the loan is successful in helping poor's in using modern agriculture inputs but it is not that much important to expand their cultivable land.

In case of the loan as a tool to escape from poverty 85% of the respondents were indicated that the service is the best way to escape from poverty and they added that it will be the best if the loan is utilized wisely but 15% of the respondents were not believe that the loan is not the best way to escape from poverty. The survey data revealed that the group loan borrowers were believed that the group lending program is successful to reduce poverty if the poor's are use the loan economically (insert table 1 here).

8.1.2. IMPACT OF THE LOAN ON THE HOUSE STANDARD AND ASSET OF HOUSEHOLD

Housing is an important or basic asset for households. Ownership of houses and improvements in it improve living standard of the household. The assumption is that households may have better housing ownership and improve their houses after getting the loan. If households have enough capital through loans, they will invest it in income generating activities. It is expected that they will increase their income and have better capacity to improve and build their own houses (Abebe T, 2006).

As indicated in table 2 respondents reported that the loan does not helped them to construct their own dwelling house since 100% of the respondents indicated that they were have their own house before getting the loan. Regarding the construction material they were used only 58.4% of the respondents constructed their house using the standardized construction inputs. Even though the loan is not helped them to have their own house initially it is indicated by the respondents the loan is helping them to improve their house and 87.3% of the respondents reported that the loan was helped them to improve their house. 14% of the respondents who were improve their house through the loan were repair their house; the majority of the respondents who were improved their house were expanded the house, 18% of the respondents who were improved their house were rebuild their house and the remaining respondents (13%) were made other improvements such as constructing cattle house separately & constructing standardized kitchen. Thus the as per the survey data even though the loan is not helped them to have dwelling house initially it plays important role in improving their house.

Table 2 indicated also that the loan was helped borrowers to have oxen/cows; 83.4% of the respondents indicated that they were able to be the owner of oxen/cows through the help of the loan; and the majority of them (53.8%) were purchase oxen/cows to use in the agricultural activity and from them significant number of the respondents (87%) were finally sold the ox/cow to settle their liability and a few number of the respondents (11%) but a very important point indicators were sold their ox/cow to purchase their consumption. Thus the survey finding revealed that the loan helped borrowers to purchase oxen and harvest their land but still they were sold their oxen to settle the liability and purchase their consumption which shows there is still siren light in the life of the borrowers. Only a few numbers of the respondents were indicated that 1.1%, 10%, 5%, 3% & 9.7% the loan was helped them to acquire basic agriculture materials, table, modern bed, table and tape/radio respectively but still large number of the respondents were not own the above assets indicated except basic agricultural materials both before and after the loan. Thus survey data revealed that the loan dose not successful in helping them to acquire the above assets (insert table 2 here).

8.1.3. IMPACT OF THE LOAN ON THE HOUSEHOLD CONSUMPTION EXPENDITURE AND DIET

Group lending program is primarily focused on poor's to improve the living style of them. It obvious that household with higher income has the capacity to expend more for a better life. However, in Ethiopia especially in the rural area households were unable to cover their consumption expenditure. Thus group lending program is designed by micro finance institutions to reduce poverty and escape them from the poverty line. Thus looking on the consumption expenditure and the diet system of rural households before and after the loan is important indicator to conclude whether the loan has an impact on it.

Table 3 showed 78.6% of the respondents' average monthly expenditure of the household before the loan is between 201 and 300 birr and a few number of respondents (12%) average monthly expenditure of the household before the loan is between 301 and 400 birr. Large number of the respondents (63.8%) reported that the average monthly expenditure of the house hold was increased after the loan and the remaining respondents believed that the loan do not make any change on their consumption expenditure. Regarding number of meals in a day most of the respondents (92.2%) indicated that the household had meals three times in a day and a few number of the respondents (7.8%) indicated that the household had meals two times in a day. Large number of the respondents (74.1%) indicated that after the loan their number of meals in a day was improved and from them 96.35% of the respondents believed that the loan helped them to improve their number of meals in a day. The survey results find out that the loan helped the borrower to improve both their consumption expenditure and number of meals in a day (insert table 3 here).

8.2. THE CONSULTATION SERVICE, SUPPORT AND TRAINING TO BORROWER FROM LENDERS

The consultation service, support and training given to borrowers from lenders are one of the important things to help borrowers in the utilization of the loan. Table 4 showed that the respondents do not get any training from the lender. But the respondents respond that they get consultation service from the lender and the consultation services are about loan utilization, producing commercial products, and commercial activity. The above table also showed that about the implementation of the consultation service only 21.7% of the respondents indicated that they were exercise the consultation service they got but large number of the respondents (79.3%) reported that they do not use the consultation service they got. Regarding the follow up from the lenders to borrowers 45% of the respondents respond that there is follow up from the lenders and the remaining respondents believe that there is no follow up from the lender. Only 3% of the respondents respond that the lenders made follow up on the activity of the borrowers only one times in one loan term and 1.7% of the respondents respond that the lenders made follow up on the activity of the borrowers two times in one loan term. However large number of the respondents (95.3%) indicated that the lenders made follow up occasionally. As indicated in the above table 96.6% of the respondents reported that the consultation and follow up service provided by the lender is good and 5.4% said that it is very good. The survey data result revealed that the borrowers do not get any training from the lender but at the time of taking the loan and during the periodic meetings the lenders were providing consultation service to borrowers about loan utilization but according to the respondents themselves still there is the problem of implementing the consultation service they get. The other point that can be understand from the survey result, there is lack of follow up from the lenders to check what is actually done by borrowers by the money took from them (insert table 4).

8.3. THE CAPACITY OF GROUP LOAN BORROWERS TO SETTLE THEIR JOINT LIABILITY AND START SELF FINANCING OPERATION

Debt itself by definition is a way of financing some activity through getting money from other source with interest charge; it may be from formal or informal sources. Such way of financing can have used when there is lack of capital to run an activity trough using own capital and sometime business companies may enter in to debt financing to magnify the earning of shareholders through leverage. But the group lending program is a type of loan provided to the poor who are unable to run their regular activity without such loan. So to investigate whether this program is successful in helping poor's in starting self financing activity the researchers were raised some questions which would answer how the borrowers are capable enough in settling their liability and starting self financing activity.

Table 5 indicated that large numbers of the respondents (72%) were stayed as customer 6 up 8 years and a few number of respondents (25%) were stayed as loan customer for 3 up to 5 years and a very few respondents (3%) stayed more than 8 years as customer. Regarding loan utilization most of the respondents were used the loan to purchase oxen (33%) and goat and sheep (25%) and also 5%, 4%, 11% and 22% of the respondents were use the loan for consumption expenditure, ox fattening, mini trade and other purpose respectively. Regarding paying the loan on time all of the respondents were paid their loan on time and from these 65% of the respondents were paid their loan from the household income directly and the remaining respondents were paid their loan from other sources; of them 5% through selling durable assets, 35% through borrowing at cost, 25% through the help of group members, and 35% through borrowing from relatives. The reason for coming again to take loan for those who are able to pay from household income directly responded that they can't to run the next operation without loan (87.1%), to increase household income through doing mini trade (2.9%) and to sell crop products at good price by financing immediate expenditure through the

loan (10%). Regarding settling the liability and starting self financing operation most of the respondents (67.2%) indicated that they are unable to start self financing operation and they will continue as a loan client of the institution but 32.8% of the respondents were believed that they can start self financing operation. So the survey data resulted showed that group loan borrower are not able to start self financing operation and they will stay as long period client to the institution (insert table 5).

9. RECOMMENDATIONS

Based on the findings of the research, the following suggestions or recommendations are made:

- Regularly provide technical assistance and training to all clients or beneficiaries on how to wisely use the loan services to their advantage is the very important thing that the lender should consider.
- Ensure that whether borrowers are used the money taken to its intended purpose or not.
- Borrowers should utilize their loan properly to escape from poverty.

10. CONCLUSION

The survey result revealed that the group loan provided to poor's is somehow successful in improving the education level of poor's but still significant number of the respondents were not improved their family education level through the help of the loan. The study also finds out that the group loan service does not successful in helping poor's to improve their health care service at the time of illness but the loan is useful in helping poor's to improve their purchasing power however still a few numbers of respondents does not help through the loan to improve their purchasing power and consumption.

The study finds out that the loan is successful in helping poor's in using modern agriculture inputs but it is not that much important to expand their cultivable land. The study revealed that the group loan borrowers were believed that the group lending program is successful to reduce poverty if the poor's are use the loan economically. The survey finding revealed that the loan helped borrowers to purchase oxen and harvest their land but still they were sold their oxen to settle the liability and purchase their consumption which shows there is still siren light in the life of the borrowers. Thus survey data revealed that the loan dose not successful in helping them to acquire the above assets.

The study revealed that the borrowers do not get any training from the lender but at the time of taking the loan and during the periodic meetings the lenders were providing consultation service to borrowers about loan utilization but according to the respondents themselves still there is the problem of implementing the consultation service they get. The other point that can be understand from the survey result, there is lack of follow up from the lenders to check what is actually done by borrowers by the money took from them.

Finally, the study resulted showed that group loan borrowers are not able to start self-financing operation and they will stay as long period client to the institution.

11. SCOPE OF THE STUDY

The study focus on the investigation of the success of group lending program in escaping poor's from poverty on the customers of ACSI at east gojjam zone. To escape poor's from poverty there may be number of developmental mechanisms to implement (such as, improved agricultural technologies and farming practices, commercialization of smallholder farming agriculture, rural infrastructural development and a range of food security programs, provision of specialized credit, etc.), but this study focused on the group lending program implemented by microfinance institutions.

12. ACKNOWLEDGEMENT

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APPENDICES
TABLES

TABLE 1: RESPONSE OF RESPONDENTS ON THE ROLE OF THE LOAN ON THEIR SOCIO ECONOMIC STATUS (N= 180)

No.	Question	Response percentage	
		A*	DA**
1	The loan helps me to improve the education level of the household	55	45
2	The loan facilitated to get better facilities in case illness	5	95
3	Purchasing power increased after getting the loan	70	30
4	Expectations of family members have been met through loan	35	65
5	Consumption has improved by getting loan	15	85
6	Saving has increased after getting the loan	6	94
7	It helps me to use modern agriculture inputs	85	15
8	It helped me to increase the cultivable land	45	55
9	It is the best way to escape from poverty	85	15

Source: 2014 Survey data (*: Agree; **: Disagree)

TABLE 2: RESPONSE OF RESPONDENTS ON THE ROLE OF THE LOAN ON THEIR HOUSE STANDARD AND ASSET OWNERSHIP (N= 180)

Questions	Indicators	Percent of respondents
Do you have your own house before the loan?	Yes	100
	No	
If "yes" for the above question what are the construction inputs	Grass, wood, mud, iron sheet/ tin	42.6
	Wood, mud, iron sheet/corrugate iron	57.4
	Wood, mud, Stone, cement, bricks, iron sheet	1
Do you have made any improvement on the house after the loan?	Yes	87.3
	No	12.7
If "yes" what kind of improvement	Repair/Maintain	14
	Expansion	55
	Rebuild	18
	Other	13
Does the loan help you to have oxen/cows?	Yes	83.4
	No	16.6
If "yes" for what purpose you own oxen/cows	Plough the land/agricultural activity	43
	Fattening & sale	3.2
	Agricultural activity & finally sold	53.8
If "Agricultural activity & finally sold" what is the reason to sale them	To pay the loan on time	87
	Because the ox/cow is too old	2
	To purchase consumption	11
	Other	
Assets	Before loan	After loan
	Percent	Percent
Basic Agricultural Materials	98.9	1.1
Chair		10
Table		5
Modern Bed		3
Radio/Tape	5	9.7

Source: 2014 survey data

TABLE 3: RESPONSE OF RESPONDENTS ON THE ROLE OF THE LOAN ON THEIR CONSUMPTION EXPENDITURE AND DIET (N= 180)

Questions	Indicators	Percent
What was average monthly expenditure of the household before the loan?	Below 100 birr	
	101-200 birr	3
	201-300 birr	78.6
	301-400 birr	12
	401-500 birr	3
	Above 500 birr	3.4
Do you believe that monthly average expenditure of the household increased after the loan?	Yes	63.8
	No	36.2
Number of meals in a day the family had before the loan	1 times	
	2 times	7.8
	3 times	92.2
	More than 3 times	
Number of meals in a day the family had after the loan is improved	Yes	74.1
	No	25.9
If "yes" does the improvement because of the loan	Yes	96.3
	No	3.7

Source: 2014 survey data

TABLE 4: RESPONSE OF RESPONDENTS ON THE CONSULTATION SERVICE, SUPPORT AND TRAINING TO BORROWER FROM LENDERS (N= 180))

Questions	Indicators	Percent
Do you get any training from the lender?	Yes	100
	No	
Do you get any consultation service from the lender?	Yes	100
	No	
If yes what type of consultation	Loan utilization	85
	Producing commercial products	65
	Commercial activity	55
Do you implement the consultation service you get in your activity?	Yes	21.7
	No	78.3
Do you get any follow up from the lender regarding loan utilization?	Yes	45
	No	55
If yes how many times they follow up you in one loan term	1 times	3
	2 times	1.7
	3 times	
	4 times	
	Occasionally	95.3
How do you get the follow-up and consultation service?	Very good	5.4
	Good	96.6
	Satisfactory	
	Bad	

Source: 2014 survey data

TABLE 5: RESPONSE OF RESPONDENTS ON THEIR CAPACITY TO SETTLE THEIR LIABILITY AND START SELF FINANCING OPERATION (N= 180)

Questions	Indicators	Percent
How long you stay as loan client with this institution?	1-2 year	
	3-5 year	25
	6-8 year	72
	More than 8 year	3
For what purpose you take the loan?	Consumption expenditure	5
	Goat & sheep fattening	25
	Plough ox	33
	Ox fattening	4
	Doing mini trade	11
	Other	22
Do you pay your loan on time?	Yes	100
	No	
If you say "yes" how do you pay it?	From household income	65
	From other source	35
If you say "From other source" how?	Selling fixed assets	5
	Borrowing at cost	35
	Through the help of group members	25
	Other (borrowing from relatives)	35
If you say "From household income" why do you come again to take the loan?	I can't to run the next operation without loan	87.1
	To increase household income through doing mini trade	2.9
	Other (to sell crop products at good price)	10
Do you believe that you are able to start self-financing after settling the current loan?	Yes	32.8
	No	67.2

Source: 2014 survey data

A STUDY ON E-TOURISM: AN INNOVATIVE APPROACH FOR HOME STAY TOURISM WITH SPECIAL REFERENCE TO KUMARAKOM PANCHAYATH

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ABSTRACT

The tourism industry in India has been growing tremendously over the year and it is the major sources of economic growth. Home stay tourism is popular in tourism industry which adds socio cultural richness to tourist's experience. Apart from that E- tourism has become a recent trend in tourism industry. This paper focus on the impact of E tourism on home stay business of Kumarakom Panchayath and also various motivational factors influenced for adopting home stay and e tourism. In this study data are collected from home stay operators in Kumarakom Panchayath. The findings of the study will help the tourism sector and home stay operators to realise the importance of e tourism in the tourism sector.

KEYWORDS

e-tourism, home stay, e-booking, e- marketing, e-payment, e- promotion.

JEL CODES

L83, Z30.

1.1 INTRODUCTION

India is one of the few countries in the world blessed with the tremendous variety of tourist source. The tourism industry has taken the state of Kerala to the global map with its branding. The brand name of Kerala, 'God's Own Country' has become popular around the world. Kerala has an active tourism industry which has been accepted as one of the most suited industries for Kerala. The Kerala Tourism Development Corporation (KTDC), a public sector undertaking conducts and regulates the tourism activities. It is one of the most profitable ventures of the Kerala government. There is District Tourism Promotion Council also, which mainly concentrates on tourism promotion activities like marketing products through public/private participation, improvement of quality/standard or evolving procedure for certification of all tourism products, improvement of signage's, sanitation etc. by working through local government, heritage conservation and preservation, coordination of tourism clubs, creation of tourism awareness and preparation of host community, promotion of paying guest scheme information dissemination and local infrastructure projects.

The development processes within the information technology, communications and Internet, have revolutionized the entire tourism industry, creating new business models, changing the structure of distribution channels of the tourism and re-projecting all products of this industry and last but not least, influencing the touristic packages suppliers, destinations and stakeholders.

As long as the home stay operator's can be reached on the Internet, the trend will grow up in their direction, because the Internet is similar to a "playground" in which with a well done web site, the home stay businesses can advertise as professional as their larger competitors

1.2 OBJECTIVES OF THE STUDY

1. To study the impact of e- tourism on home stay business in Kumarakom Panchayath.
2. To examine motivational factors influencing adoption of electronic tourism among home stays in Kumarakom Panchayath.
3. To study the major problems associated with adoption of e tourism in home stays.

1.3 RESEARCH METHODOLOGY

Primary data is collected from respondents in Kumarakom village using questionnaire through email and telephonic interview method. Population of the study consists of home stay operators. 50 samples are collected from home stay operators in Kumarakom Panchayath. Data are analysed through composite indices and Likert Scaling Technique.

2. REVIEW OF LITERATURE

Anupama.K, Koshy C.J (2014), the internet is revolutionizing the distribution of tourism information and sales. The home stay initiative that is booming in tourist location of Kumarakom is a venture of this kind.

S. Anil Radhakrishnan (2013), the tourism industry in Kerala, which is facing severe shortage of hotel rooms during the season. Even though the state has 50000 rooms for accommodation in different categories.

Bhuiyan et al (2012), home stay program enables operators to contribute in various programs for improving the life standards of rural communities because the program gives focus to economic development and social advancement of the operators.

Salaimia, Othaman and Maheran (2011), home stays very different compared to other modes of accommodation such as hotel, motel or bed and breakfast which is normally situated in rural areas where the whole community is still practicing the traditional way of life and embracing strong culture and traditional practices.

Ismail & islam (2011), studies that home stays provide job opportunities for local communities and improve qualities of life of local people.

Cotton & Whitney (2010), home stay program has potential to address many of the economic, environmental and socio cultural challenges that communities face. Increased training and capabilities in business development and tourism education etc.

Chaiytorn, Kaoses & Thitphat (2010), found that home stays can ensure economic, social and cultural benefits for local communities as well as sustainable development. It provides a platform to reinforce these previous findings on contribution of home stay accommodation to the socio economic wellbeing of rural population.

Kayat (2009), home stay programs fail because of a lack of local people involvement, poor local leadership, lack of necessary knowledge and skills and poor planning.

3. DATA ANALYSIS & INTERPRETATION

TABLE 3.1: MOTIVES FOR HOME STAY PROGRAMME

Particulars	Minimum	Maximum	Mean	Std. Deviation
To earn income from home stay	3.00	5.00	4.2885	.66676
To support responsible tourism mission	2.00	5.00	3.9615	.76598
Increasing demand of home stays	3.00	5.00	4.3846	.79592
To interact with culture around the world	2.00	5.00	3.7115	.77552
Personal interest and passion	3.00	5.00	4.0769	.70977
Use of unoccupied portion of home	2.00	5.00	4.0962	.82271
Earn foreign currency	2.00	5.00	3.5385	.77868

Source: Primary Data

Interpretation: The above table shows the motives for home stay programme. Majority of the respondents are strongly agreeing with the statements that their motive for home stay business are 'increase in demand for home stays', 'to earn income from home stay', 'use unoccupied portion of house' & 'personal interest and passion' with mean value more than 4 of and they are agreeing with all other statements

TABLE 3.2: LEVEL OF SATISFACTION OF DIFFERENT E- TOURISM FACILITIES

Particulars	Minimum	Maximum	Mean	Std. Deviation
e booking	3.00	5.00	3.8367	.68760
e marketing	3.00	5.00	3.8627	.66392
e payment	2.00	5.00	3.8261	.87697
e promotion	2.00	5.00	3.9423	.63904

Source: Primary Data

Interpretation: The above table shows that respondents satisfied with all e tourism facilities adopted in home stay programme such as E-promotion with mean value of 3.94, E-marketing with mean value of 3.86, E-booking with mean value of 3.83 & E- payment facilities with mean value of 3.82.

TABLE 3.3: FACTORS INFLUENCE IN ADOPTING E-TOURISM

Factors	Minimum	Maximum	Mean	Std. Deviation
Locating customers at reasonable cost	1.00	5.00	3.7308	.97247
Attracting customers	2.00	5.00	3.6346	.65765
Modernization	1.00	6.00	3.6538	1.04571
Positive effects of responsible tourism	1.00	5.00	3.2885	1.01627
Eliminate fraud	1.00	7.00	3.4423	1.14470
Provide customized services	2.00	7.00	3.8077	.88647
Mass communication	3.00	7.00	4.5000	.67155

Source: Primary Data

Interpretation: The above table shows that majority of the respondents strongly agree with the statement that 'Mass communication' with a mean value of 4.5. It is the main factors that influence the tour operators to adopt e-tourism. They are agreeing with all other statements having mean values more than 3.

TABLE 3.4: PROBLEMS IN E-TOURISM

Problems	Minimum	Maximum	Mean	Std. Deviation
High cost	1.00	5.00	2.0385	1.02826
Lack of adequate knowledge & skills	1.00	5.00	2.0962	.84621
Indifferent attitude of customers	1.00	5.00	2.3846	1.03192
Lack of support from authorities	1.00	5.00	2.1538	1.05505
Prevailing tax mechanism	1.00	5.00	2.4423	.93753
Access & use	1.00	4.00	1.8800	.91785

Source: Primary Data

Interpretation: The above table shows the problems associated with the adoption of E-tourism in home stays. The respondents are neutrally agreed with above all statements as mean values are less than 3. Most of the respondents agreed that prevailing tax mechanism and indifferent attitude of respondents are the main problems that they are facing.

TABLE 3.5: IMPACT OF E-TOURISM

Particulars	Maximum rank	Minimum rank	Mean	Sd	Rank
Increased annual occupancy rate	1.00	9.00	3.7885	2.07068	2
Improved off season tourism	1.00	9.00	3.4615	2.19144	1
Upward trend in profitability	1.00	9.00	4.5962	2.06046	3
Improved competency level	1.00	9.00	4.8654	2.26680	4
Reduced time & cost	1.00	9.00	4.9808	2.96046	5
Increased foreign exchange earning	1.00	9.00	5.9808	2.53980	8
Reduced level of fraud	1.00	9.00	5.0962	2.50693	6
Improved facilities & services	1.00	9.00	6.1346	2.52073	9
Enhanced knowledge & skills	1.00	9.00	5.8654	2.75844	7

Source: Primary Data

Interpretation: The above table shows the impact of E-tourism on home stay business. Increase in off season tourism ranked 1 with lowest mean value of 3.46, increase in annual occupancy rate ranked 2 with mean value of 3.78, followed by increase in profitability, increase in competency level, reduce time and cost, reduce fraud, enhance knowledge and skills, foreign exchange earnings and improve facilities.

FINDINGS

- Majority of the respondents are strongly agreeing with the statements 'increase in demand for home stays', 'to earn income from home stay' are the motives to involved in home stay program me.
- Customers are satisfied with all e-tourism facilities provided by home stay operators.
- Mass communication is the main factor influences the home stay operators to adopt e -tourism.
- Prevailing tax mechanism and indifferent attitude of respondents are the main problems.
- Improve off season tourism & increase annual occupancy rate are the major benefits of electronic tourism to the home stay operators.

SUGGESTIONS

1. Provide training programs to home stay operators for the proper establishment of e-tourism in home stays.
2. More emphasis should be given on electronic promotion of home stays rather than other e-tourism facilities.
3. Proper developmental and infrastructural facilities are required for the promotion of home stay tourism,
4. Use internet and social media to promote home stays.
5. Home stay operations should be focused on foreign tourists.
6. There is need to design innovative, attractive and economical tour packages with the help of local self governments.
7. Authorities need to take more steps to attract tourists to Kumarakom Panchayath with the help of advertisements. There is also a need to conduct awareness programs so that more and more tourists came to know about home stays.
8. Implement customer benefit programs to attain customer loyalty.
9. Support from government through credit facilities, tax concession, simplify licensing of home stays.

CONCLUSION

The study on e-tourism among home stays in Kumarakom indicates that they are underutilizing the potential features of internet technology and not effectively promoting their tourism services. In India there has been revolutionary growth in smart phone sales resulting in a greater usage of internet. This growth would be benefiting home stay operators and marketers who could use internet with its multimedia features to reach out to potential tourists. The websites can be improved by additional features such as virtual tours, using audio and video features, animation, information on weather, electronic booking facilities, electronic payment facilities and links to tourism information centres and updated exchange rates etc. the findings are limited to e-tourism adoption among home stays in Kumarakom Panchayath in which home stay operators should apply constant innovation, in terms of marketing techniques and technological advancements, in order to be able to offer differentiated, personalized, tailored and value added services. The key point is for sustaining their competitive advantage is to focus on their competitive advantage on their core competencies that technology offers to exploit the opportunities that technology offers to improve their strategic position in the tourism value system.

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