CHAPTER 6

FINDINGS AND CONCLUSIONS

6.1. INTRODUCTION

Micro finance has been accepted as one of the flagship development initiatives for redeeming the marginalized in the rural areas from the clutches of moneylenders and by providing them facilities for productively utilizing their savings. The scheme gained sufficient acceptance from the rural poor and attracted a considerable number of women from the low income families in all the rural areas of India. It is accepted all over the world as a new initiative to boost pervasive rural credit by promoting self help groups for the poor, especially women to help them gain better access to savings and credit facilities. The micro finance programmes through self help groups became a fulcrum for development by providing a credit plus savings approach and enabled them to undertake various income generation activities for their subsistence. SHGs provide a unique opportunity for dispensing credit at the door step of the poor with almost assured repayment and requirements of the poor, especially women.

In India under the initiative of NABARD and other NGOs, micro finance activities are implemented as a cost effective and supplementary credit mechanism for reaching the unreached rural poor having advantages to both the financial institutions and the rural poor. NABARD has accepted the SHG-Bank linkage programme as a core strategy for providing the benefits of banking system to the rural poor with a better outreach. The strategy involved encompasses; forming of SHGs of the poor, encouraging them to pool their thrift regularly and using the pooled thrift to make loans to members and also
to promote various income generating activities under the initiative of the
group for providing employment to the poor women.

In Kerala, the Kudumbashree programme was introduced as a poverty
alleviation programme with the full participation of women by forming their
groups at the grass root level for enhancing their economic security. The
Kudumbashree promotes thrift mobilization by setting up thrift and credit
societies at NHG level to facilitate the poor to provide them cost effective and
easy credit. These NHGs are coordinated at the ward level of local body
through Area Development Societies, and these societies are federated to
Community Development Societies at the respective local body level. The
thrift and credit societies are called “poor women’s bank” as a result of
mobilizing their small savings and providing them loans to meet their urgent
needs. In addition to this, Kudumbashree has been promoting various micro
enterprises for reinforcing the economic status of women by providing them
employment under the individual and group initiatives.

The emergence of Kudumbashree is a great boon to the marginalized
poor women in Kerala and it significantly contributes to the up-liftment of
them, by providing credit and by generating employment opportunities. A
study on the pros and cons of the micro credit and micro enterprises under the
Kudumbashree assume significance especially in the context that Malappuram
district is considered as one of the backward districts in Kerala. This has
emboldened the researcher to choose this pertinent topic for study.

The present study titled **MICRO CREDIT AND MICRO ENTERPRISES
UNDER KUDUMBASHREE FOR RURAL DEVELOPMENT - A STUDY
WITH SPECIAL REFERENCE TO MALAPPURAM DISTRICT (KERALA)**
tries to evaluate the role of Kudumbashree and its various activities in the
development of the rural areas of the district. The focus of the study has been the
women beneficiaries under the Kudumbashree, who are participating in the various thrift and credit activities and engaged in the various IGAs promoted under the initiative of Kudumbashree.

The following were the specific objectives for the study.

1. To study the socio economic profile of the NHG members under Kudumbashree and their participation in the NHG activities.

2. To make a comprehensive evaluation of the functioning of the Micro Enterprises initiated under the Kudumbashree Mission in the study area and the various supports provided by the concerned authorities for nurturing them.

3. To find out the role of NHGs in mobilizing savings and providing the Micro credit to the members.

4. To ascertain the level of satisfaction of the NHG members after joining Kudumbashree mission based on certain selected parameters.

5. To probe into the problems of the NHGs and the Micro Enterprises initiated by the Kudumbashree and to make appropriate suggestions for improvement.

To have a systematic direction to the enquiry, the following hypotheses were formulated and tested.

1. Profit generated by an IGA under Kudumbashree does not depend on the nature and type of the productive activity.

2. There is no significant difference in the total investment, expenditure, sales and profitability of the various IGA programmes under Kudumbashree mission in the study area.
3. There is no significant relationship between the monthly savings habits of NHG beneficiaries and the region they belong to.

4. There is no significant difference in the monthly saving habits of IGA and non IGA respondents in the study area.

5. Mean savings of individuals after joining the NHG is same as that of the mean savings before.

6. There is no significant difference in the total savings in the NHG accounts of the respondents with IGA and without IGA.

7. There is no significant difference in the utilization of the loan availed by the respondents in the three regions of the study area.

8. There is no significant difference in the utilization of the loan availed by the IGA and non IGA respondents.

For the purpose of the study the district was divided into Central, Coastal and Eastern regions on the basis of its geographical features. The coastal area consisted of six development blocks, the central area consisted of five blocks and the eastern part consisted of four blocks respectively. From each block one grama panchayat was randomly chosen. Accordingly six panchayats were selected from the coastal area, five panchayats from the central part and four panchayats from the eastern part. Similarly one municipality from each region was selected in order to ensure urban representation and accordingly three municipalities were included in the study.

For the study, 540 respondents were selected from 18 local bodies. From each local body, 20 non IGA beneficiaries and 10 IGA beneficiaries were chosen randomly for the research. The non IGA category consists of 360 respondents and the IGA category includes 180 respondents. Out of the total,
210 respondents are from the coastal region, 180 from the central part and the remaining 150 from the eastern part of the study area.

The researcher used both primary and secondary data for the study. Structured Interview Schedule was used for collecting the data from the respondents. For this purpose a detailed schedule was prepared and it was administered. For data analysis, simple averages and percentages were used. For hypotheses testing Chi Square test, ‘t’ test and ANOVA were used. For measuring the attitudes of the beneficiaries, a five point rating scale (Likert scale) was designed.

6.2 FINDINGS

The major findings of the study are summarized as follows:

6.2.1. SOCIO ECONOMIC FEATURES

1 Out of the total 540 respondents, 75.37 per cent (407) of them are from the backward classes (Other Backward classes and Muslims). The Scheduled castes and tribes constitute of 13.15 per cent (71) and the forward castes constitute only 11.48 per cent (62). Thus the study ensures representation for all categories of people in the study area.

2 With reference to the educational background of the respondents, it is found that majority of them (64.8 per cent) are educated and their qualification is either secondary or above. The remaining 27.2 per cent have studied up to the primary level, 7.6 per cent of them know only how to read and write and the remaining (0.4 per cent) are illiterates. It is inferred that the heightened educational status of the members has contributed to the successful implementation of the project.

3 The family structure of the respondents shows that out of the total samples 74.3 per cent (401) are nuclear families while the remaining
23.7 per cent are joint families. This is one of the unique features of the area as joint families are virtually non-existent in the other areas of the state.

4 It was found that majority of the beneficiaries (73.5 per cent) of the Kudumbashree project are from the BPL category, that is the lower strata of the society.

5 As regards the ownership of dwelling houses, 80.6 per cent of respondents have houses while 4.4 per cent are living in rented houses and the remaining 15 per cent are residing in joint families. It was found that 94.4 per cent of the respondents’ houses are electrified; whereas only 5.6 per cent of the dwelling houses are not electrified. It shows that majority of the families in the study area have the basic necessities of living.

6 It was noticed that 97.2 per cent of the families do have sanitary latrines attached to their houses and it reveals the improved hygienic standards maintained by the respondents.

7 With respect to the monthly income of the respondents, it was found that majority of the families have monthly income ranging from Rs. 3000 – 5000 (56 per cent), while 31 per cent are having monthly income between 2000 – 3000 and 10 per cent of them have monthly income above Rs. 5000 p.m. Only three per cent of the respondents have monthly income less than Rs. 2000 per month. This shows that the majority of the families in the area have at least bare minimum income for their subsistence.

8 Regarding the ownership of land by the families of the respondents, it was seen that only 2.2 per cent do not have own land, while 50 per cent
Findings and Conclusion

of the respondents have only land less than 10 cents and 36 per cent have landholding ranging from 10 – 20 cents, while eight per cent of the respondents have 20 – 50 cents of land. Further 4.1 per cent of the respondents are marginal farmers having holdings more than 50 cents of land.

6.2.2. Participation in NHG Activities

1. With regard to the participation of the respondents in the NHG activities, it was found that majority (78 per cent) of them are actively participating in the programme during the last eight years and the remaining are having experience in it for a period above eight years.

2. It was observed that the most important factor that motivated the beneficiaries in joining in the programme is the availability of loans from NHG accounts without any collateral (Mean Score 5.0416) and the second factor that inspire the beneficiaries is the possibility of keeping their savings safe (Mean 5.0087). The priority of means ranked show that earning livelihood and getting employment are ranked as the least important factors that motivate them in joining the programme.

3. The various benefits of joining NHG membership as elicited by the respondents show that financial improvement is the foremost benefit accrued to the members and this was followed by benefits such as: social empowerment, personality development and other activities like social services, charity etc.

4. There is invariably active participation of members in NHG meetings as it was found that 92.8 per cent of the respondents regularly participate in the NHG meetings in their respective areas.
As regards the priority in the discussions in NHG meetings, the respondents stated that the distribution of loans was ranked first, this was followed by social issues in their areas and personal issues of the members.

With regard to the social activities of the NHGs, it was found that the NHG activities gave heightened priority for women empowerment (Mean score 3.68) activities followed by enhancing the social awareness of the beneficiaries and feasible measures for developing the health and educational standards of the beneficiaries. It was also found that the NHG activities in the study area are carried out in the right track and it gave top priority for empowering the benefitting women through employment, improved financial position, fostering leadership qualities and creating better awareness etc.

6.2.3. INCOME GENERATION ACTIVITIES

Regarding the different types of IGAs carried out by the NHG members, it was found that out of the total 180 units, Food processing came first with 26.7 per cent (48). Production units came second with 21.1 per cent (38). These units were engaged in various small scale production activities. Garment units came in the third position with 17.8 per cent (32). Shops/canteens and animal husbandry units were equal in numbers with 25 each. Miscellaneous units consisted of 6.7 per cent of the total units.

It was found that majority of the units have completed their infancy stage. Out of the total 180 IGA units, 63.3 per cent (114) completed four years, 46 units (25.6 per cent) were in the second group (four to six
years) and in the last group (above 6 years) there were only 20 units (11.1 per cent).

3 It was found that the major motivating factor for initiating Income Generating ventures under Kudumbashree mission was income and employment possibilities. The various other factors that encouraged the beneficiaries to enter into entrepreneurial activities are their previous experiences, possibilities of employment opportunities for their family members, the support from the Kudumbashree mission besides easy availability of ample raw materials, low capital requirements and market potential of the products. However the majority of the products of the IGAs do not have adequate market demand as these products are qualitatively inferior.

4 As regards the support from the family members in running the affairs of the units, it was found that only 37.8 per cent of the respondents are getting proper support from their family members and the others are running the business independently.

5 The analysis carried out regarding the capital structure and sources of finance for initiating various entrepreneurial ventures under the Kudumbashree mission revealed that the various components in the capital structure include: Bank loans, individual savings, subsidy from the government and banks, borrowings from friends and relatives as well as other sources. The mean investment of various IGAs amounted to Rs.2,21,671 and the co-efficient of variation indicating the sources of capital varies considerably within the Kudumbashree IGAs.

6 The comparisons of mean investments of various programmes were analyzed and it was found that there is no significant difference in the
mean investment done for various IGA except in the case of subsidies received for individual beneficiaries from the promotional agencies of the Government and the own contribution made by the individual beneficiaries.

7 Out of the total 180 units, 42.2 per cent generate monthly profit up to 5,000 and 27.2 per cent of the ventures generate profit between Rs.5,000 to 10,000 and 30.6 per cent of the units generate more than Rs 10,000 p.m. From this it can be concluded that majority of the units are earning only a meagre profit.

8 The average monthly profit generated by each category was analyzed and it was found that food processing is the most profitable productive venture among the six categories followed by miscellaneous types of units, shops and canteens, production units, animal husbandry and garment making. The Chi square test showing relation between profit and type of activity showed a significant relation in this regard and it is concluded that the profit generated by an IGA under Kudumbashree depends on the nature and type of the productive activity.

9 It is found that the average total expenditure of various IGAs depends on the type of the IGA and a similar variation exists among each of the components of the item of expenditure in general. The results of the tests showed that except in the case of rent, in all other cases the expenses varies with the type of IGA.

10 The average investment is comparatively high in the case of other category units like concrete units, industrial units etc. followed by animal husbandry, shops and canteens, production units, food processing and finally in garment units.
The Profitability of different types of IGAs were compared and it was found that the profitability is high in the case of garments (21.98 per cent) followed by Other Category units (19.07 per cent), Food processing (18.36 per cent), Animal husbandry (18.02 per cent), Shops and canteens (18.01) and Production units (16.23).

Regarding the marketing of the products, 36 per cent of the units market their products through their shops without using any professional strategy, but 50.5 per cent of the units resort to multiple marketing strategies like sales through their counters and direct marketing through their representatives etc.

Regarding marketing support, it is found that more than 61 per cent of the respondents are not getting proper support from Kudumbashree and only 39 per cent are of the opinion that they are getting adequate support.

It is noticed that the products of 93 per cent of the units have demand throughout the year. The remaining seven per cent have only seasonal demand.

Only 35.6 per cent (64) of the units are using their own brand name for marketing the products and 64.4 per cent (116) units do not have any brand name. This is a problem for the survival and growth of the IGAs under the Kudumbashree mission.

It was found that only 58.3 per cent of the units are utilizing trade fairs during festival seasons to market their products while the others are not participating in the fairs due to several reasons like lack of working capital, shortage of counter staff etc.

It was found that only 63.9 per cent of the respondents received training before initiating the units. Similarly, only 42 per cent of the respondents
have not received any training after the formation of the unit. This could be attributed as a serious lapse on the part of the authorities of Kudumbashree mission as keeping close tab on the activities of IGAs is their mandatory responsibility.

18 Majority of the respondents (75.6 per cent) have not received any training for improving the quality of the products. Similarly, it was observed that only 27.8 per cent of the respondents have received marketing training. This means majority of them (72.2 per cent) have not been exposed to any such training for improving their marketing potentials. This could be treated as a serious omission on the part of the officials responsible for the implementation of the programme.

19 As regards the employment generated under the productive ventures initiated as part of the Kudumbashree mission in the study area, it was found that the number of employees varies from 2 to 10 per unit. Majority of the units are having 5-7 employees (136 Units). 23 units are having employees above seven and 21 units employ less than five persons. This finding reveals the fact that the majority IGAs initiated under the Kudumabashree mission are nominal productive ventures.

20 The reasons for the heavy drop out of employees reveals that the main reason for leaving the unit is for better employment opportunities. Marriage, health related issues, change of residence and low salary are the other important reasons for the dropout.

21 Out of the total 153 respondents who availed loans for initiating IGAs, 117 of respondents availed loans from the public sector banks and 4 from private sector banks. The remaining 32 of the respondents approached co-operative banks for the required loans. The role of public
sector banks in this regard is commendable and the role of private sector banks is very poor compared to other sectors. Kudumbashree mission is providing all support to the entrepreneurs for getting such loans.

22 It is observed that the IGA entrepreneurs are repaying the loan without failure. Out of the total 153 entrepreneurs, 35 (23 per cent) have closed their loans and the remaining 118 (77 per cent) units are yet to close their loans but are making periodical repayments. This points out to the disciplined operation of the programme in the study area.

23 It is found that majority of the respondents (75.7 per cent) are of the opinion that they did not face any difficulty in getting bank loans. The easy availability of the loan was possible due to the positive support provided by the Kudumbashree officials in this regard and is a matter of gratification for the beneficiaries of the programme.

24 Majority (89 per cent) of the respondents are of the opinion that the provision of subsidy for initiating micro enterprises under Kudumbashree mission is an impetus for them to undertake the micro enterprises they have embarked upon.

6.2.4. Saving Mobilization

1 Prior to the emergence of Kudumbashree mission in the area, only 12 per cent of the respondents do have any savings. This means that a major chunk (88 per cent) of the women in the study area do not have regular saving habits before joining in the programme. This could be reckoned as a praiseworthy achievement of the NHG programme in the area.

2 One of the most remarkable achievements of the NHG programme is that it paved the way for inculcating the importance of saving habits among the marginalized in the study area. It was found that, out of the 540
respondents chosen for the study, all of them have regular savings in
NHGs and in other places like post offices, banks, chitties etc. Thus there
is significant improvement in the saving habits of the respondents after
joining the NHG programme.

3 As regards the average monthly deposits in the NHGs by the members, it
was found that 221 (40.9 per cent) of the respondents have monthly
savings less than Rs. 100 and 306 (56.7 per cent) have savings that vary
from Rs 100 – 250 while the remaining 2.4 per cent have savings above
Rs 250 per month.

4 Regarding the area wise monthly saving habits of the NHG beneficiaries,
it was found that on an average 40.9 per cent of the beneficiaries had
only a nominal monthly savings of less than Rs.100. Whereas, 56.7 per
cent of the beneficiaries have savings between Rs100 to Rs.250 and 2.5
per cent of them have savings above Rs.250 p.m.

5 The monthly savings of the respondents in the three regions were
compared and it was found that there is no significant difference between
the monthly savings habits of the NHG beneficiaries.

6 The comparison of the monthly savings of IGA and non IGA
respondents shows that the IGA respondents had better monthly savings
than their non IGA counterparts. 75.6 per cent of the IGA respondents
have monthly savings between Rs. 100 to Rs. 250 per month where as
among the non IGA group, only 47 per cent have monthly savings
between Rs.100 to Rs. 250. It is found that there is significant difference
in the monthly saving habits of IGA and non IGA respondents in the
study area. Hence the NHG beneficiaries need to be further apprised of
and inspired to initiate feasible IGAs for further prosperity.
Average total savings of the respondents before becoming members in the Kudumbashree mission was Rs 919.65 and after joining in the NHG it was substantially increased to Rs. 13410.65 at present. The rate of increase in the individual savings of the respondents on an average soared to 13.58 times. This shows the heightened awareness of the beneficiaries regarding the importance of developing savings habits and it is found that the Kudumbashree mission is a boon as far as the saving habits of the beneficiaries is concerned.

The comparison of the total savings of both IGA and non IGA beneficiaries shows a colossal difference between these two groups. The IGA beneficiaries savings is much robust than that of their non IGA counterparts. The rate of increase in the savings was 23.61 times than their previous savings among the IGA beneficiaries where as the rate of increase among non IGA beneficiaries is just 9.58 times. This also points to the importance of IGAs for economic prosperity.

Regarding the comparison of the savings of beneficiaries engaged in different categories of IGA, it was revealed that those beneficiaries actively engaged in animal husbandry have better savings than those engaged in other kinds of income generation activities. This points to the immense potential of flourishing animal husbandry in the area on account of the copious availability of green fodder and the ideal and salubrious climatic conditions of the area.

On the matter of the cumulative savings in the NHG by the members, it was found that 74.8 per cent of the beneficiaries were having less than Rs. 5,000 and 20 per cent of them had savings that ranged from Rs. 5,000 to Rs.10,000 and only 5 percent of them had savings above Rs. 10,000.
11 The statistical test (Z test) applied regarding the significance in the improvements in the saving habits of the beneficiaries before and after joining the NHG programme was also found significant. The total deposit of the respondents after joining the programme has increased by 13.5 times and it is established that there is a significant change in the total mean savings of individuals after joining the NHG. This could be considered as a direct outcome of the implementation of the NHG programme in the area.

12 The total savings of the IGA respondents and non IGA respondents in the NHG shows that there is significant difference in the cumulative savings of IGA respondents with that of non IGA counterparts.

13 It was found that the most important factor that influenced the respondents in developing regular savings habits were the awareness programmes (Mean score 3.64), followed by compulsory savings (Mean score 2.85), relating loan with savings (Mean score 2.53). It can be concluded that the Kudumbashree mission has significant influence in promoting saving habits among the rural poor women.

6.2.5. Loan Availability and Utilization

1 NHG programme under Kudumbashree mission greatly helped the beneficiaries to keep away from the clutches of money lenders for their emergencies. It was found that before joining in the programme, 273 respondents were depending on money lenders for their urgent financial needs, whereas after joining NHG only few of them approached money lenders. It was also noticed that Kudumbashree mission also prompted the beneficiaries to avail loans from the commercial and co-operative banks for their emergency financial requirements.
2 Regarding the credit facilities from the NHG by the individual respondents, it was noticed that 83 per cent of the respondents have availed loans from the respective NHGs for meeting their financial needs. However 16.5 per cent of the respondents did not availed any loans from the NHGs. Hence it could be construed that the Kudumbashree mission in the area facilitated attractive credit facilities for the marginalized.

3 It was found that majority of the respondents are making use of the NHG credit facilities for meeting their important financial needs. The mean score shows the priority of needs as; Renewal of house, Starting micro units, Marriage expenses, Educational purposes, Acquiring new assets, Repaying of old debts, Meeting medical expenses, covering day to day expenses etc. This vindicates that NHG programme paved the way for the beneficiaries of Kudumbashree mission, an easy access to formal credit facilities.

4 As regards the total amount of loan availed from the NHG shows that majority (54.44 per cent) of the respondents have availed an amount less than Rs. 5000. Again (42.67 per cent) of them availed of loans between Rs. 5000 to 10,000. But only a few respondents have availed loans above Rs. 10,000.

5 It is verified whether there is any significant difference in the loans availed by the IGA and non IGA respondents from the NHG and was found that the non IGA respondents availed more loans than their IGA counterparts in the category of loans less than Rs.5000 while in the other two categories of loans viz. Rs 5000 -10000 and above Rs. 10,000 the IGA beneficiaries took more loans than the non IGA counterparts. It is proved that there is significant difference in the availing of the loan by
the IGA and non IGA respondents. This also points to the heightened ability of IGA beneficiaries’ loan repayment.

6 The analysis regarding the availing of loans by the NHG beneficiaries in the three regions was made and it revealed that there is no significant difference between them in this regard.

7 It was found that repayments of loans are made in time. Quantitatively 97.4 per cent of the beneficiaries are repaying their loan installments without failure.

8 Easy accessibility of NHG loans under Kudumbashree mission generally did not tempt the individual beneficiaries to avail of superfluous credit. This points out to the emotional maturity and financial discipline achieved by the NHG beneficiaries.

9 The opinion of the respondents were sought as to whether the NHG members are moving towards a debt trap and only 22.6 per cent (122) of the respondents agree to this opinion. The majority of the respondents (77.4 per cent) do not agree to this contention and this shows that the NHG members are conscious about their financial position and repayment capacity.

10 The majority (81 per cent) of the respondents are of the opinion that the NHG activities through Kudumbashree helped them to escape from the clutches of money lenders and only 19 per cent (103) responded that the Kudumbashree mission have not completely succeeded in eliminating their dependency on money lenders.

11 As regards the availing of bank linkage loans, it was found that 46.9 per cent of the NHG members have linked their NHG accounts with local banks to consolidate their credit requirements.
Regarding the utilization of bank linkage loans, it is observed that 37.5 percent of the beneficiaries have utilized the loans for extending and improving their dwellings. The remaining utilized the loan amount for educational purposes, marriage expenses, buying assets, meeting medical expenses etc. It was found that utilization of such loans for productive purposes is found to be nominal.

The area wise details of bank linkage shows that the NHG beneficiaries hailing from the coastal areas have better insight on the advantages of availing bank linkage in comparison with the beneficiaries belonging to the central and eastern areas of the district. The average amount of loan so availed of by a member amounts to Rs. 20,930.

The comparison of the bank linkage between IGA and non IGA beneficiaries revealed the fact that IGA beneficiaries have taken higher amount of linkage loans as against their non IGA counterparts.

It is found that before joining in the NHG activities, the respondents were not using the services of formal financial institutions and after joining in the programme there was considerable improvement in the access and use of the formal agencies. It is also observed that 86 per cent of the respondents opined that the involvement in the NHG activities helped them to make more effective use of the services of the commercial banks functioning in the area. Further it was found that the emergence of Kudumbashree mission, paved the way for more active participation of the beneficiaries with formal financial agencies and it is a clear evidence of the achievement of the goal of financial inclusion of the marginalized conceived in the Kudumbashree mission.
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16 There is a perceptible increase in the confidence of the members in visiting banks and in doing monetary transactions. As 85.4 per cent of the respondents stated that they are confident to visit the banks for doing transactions and only 14.6 per cent of the respondents opined that they need the support of others. The participation of the beneficiaries in the NHG activities has instilled confidence in them for doing independent banking transactions.

17 It was found that 62.8 per cent of the respondents are of positive observation that banking facilities are available to everyone without any discrimination and the rest opined that there exists some discrimination towards the poor in rendering services.

18 Regarding the services of commercial banks in supporting the poverty eradication programmes in the area, 57 per cent of the respondents opined that the services rendered by banks in this regard is good, while 26 per cent opined that the services as very good and the remaining had the opinion that their services are poor. Further, majority of the respondents are of the opinion that the services rendered by the banks and other financial agencies in poverty eradication programmes in the study area are good.

19 It was found that 72.4 per cent (391) of the respondents are of the opinion that NHGs are rendering very good service as door step banks while 22.4 per cent (121) of the respondents expressed that the performance is good and only 5.2 per cent (28) are of the opinion that service of NHG is satisfactory. This shows that the functioning of NHGs is a great boon to the low-income marginalized in the interventional area.
Findings and Conclusion

6.2.5.1 Problems of NHGs

The problems connected with the functioning of the NHGs and Micro Enterprises are:

(1) Problems of NHGs:

a) **Problems related to thrift and loan distribution:** Quite often there is lack of sufficient funds to meet the credit needs of all the members. Lack of awareness about the need for prompt repayment of loans and irregular thrift by a few members is also an important issue.

b) **Intra group Problems:** Ineffective group meetings due to lack of periodic discussions, lack of motivation among some of the NHG members and differences of opinion among the members are ranked as major problems.

c) **Administrative Problems:** Lack of experience of the office bearers in the management and record keeping, lack of training in the administrative aspects and the reluctance of new members to come forward for taking up leadership are ranked as the major problems.

d) **Personal and Social Problems:** Educational backwardness of the members, lack of support from the society as well as social and religious issues are the important problems stated by the respondents.

e) **Problems that prevent the members from taking up of IGAs:** The scores of responsibilities in the family, ineffective entrepreneurial training, fear to take risk and lack of motivation are the important problems elicited by the respondents for the non initiation of IGAs.
6.2.5.2 PROBLEMS OF IGAs:

a) Production Problems: High cost of raw materials, lack of sufficient infrastructural facilities and seasonal demand for the products were stated as major problems.

b) Financial Problems. High interest rates of bank loans and lack of working capital were ranked as major problems in this regard.

c) Marketing Problem: Lack of brand name, lack of experience in marketing and stiff competition from branded products was pointed out as major problems.

6.3 SUGGESTIONS

6.3.1 Functioning of NHGs

1 The political parties in the state should take utmost care for not misusing the NHGs for their political gains. Excessive misuse of the programme for political mileage through undue political favoritism and other undemocratic means will be detrimental to the progress and disciplined functioning of the programme.

2 Steps should be taken to make the NHG meeting more active and interesting with live discussions of the members. This is possible only if such meetings are streamlined rationally in sufficient intervals to enable all the members to attend without failure.

3 It is suggested that the President and Secretaries of the NHGs should be given proper training at periodic intervals on the day to day administration and record keeping, as this is very relevant for the efficient functioning of NHGs.
It is to be ensured compulsorily that there is a change in the leadership after the completion of a certain period, say two successive terms. The existing term of three years tenure for office bearers should be compulsorily adhered to. The other members in the group are to be motivated to take up responsibilities of the NHG.

At present the CDS president is getting allowances for meeting their expenses. The ADS and NHG office bearers are also having more or less the same workload and there should be a provision for compensating them, at least partially.

The officers responsible for the implementation of the Programme should endeavour to encourage NHG beneficiaries to embark upon IGAs to strengthen their financial position. A sincere effort should be made by the Kudumbashree mission and local governments to extend expertise in identifying IGAs suitable to the local conditions and to allocate more resources for such activities. Mentors in this regard are highly appealing.

A separate institute should be formed at the State level/ District level for providing training, orientation and other capacity building programmes, especially for the NHG members and leaders.

Ward members in the local self government institutions should actively engage and support the activities of Kudumbashree in their respective wards.

The ADS and CDS officials should monitor the functioning of the NHGs at the base level for strengthening them.

The Local Self Governments should provide maximum support to the NHGs by providing various assistances.
11  A separate budget provision in the annual budget to extent emergency needs of the NHGs is highly desirable.

6.3.2 Improving the performance of IGAs

1  It is suggested that the Kudumbashree mission and the local bodies should closely monitor and review the functioning of the individual and group IGAs. This will help them for taking corrective measures at the appropriate time and for improving their performance.

2  Based on the success of the existing micro enterprises initiated under Kudumbashree mission it is suggested that the mission should encourage more and more potential micro enterprises for generating more employment opportunities and income for the overall economic prosperity and the beneficiaries need to be exhorted accordingly.

3  More efforts should be taken for popularizing of group farming through NHGs for producing vegetables and other agricultural products to meet the local requirements. The government should give more incentives to the NHG members through lease land farming activities of the Kudumbashree. The scope for vegetable farming in the state is substantial as the lion’s share of the vegetables marketed in the state are imported from the neighbouring states of Kerala.

4  Currently the milk production in the state is scanty. Therefore, it is suggested that the Kudumbashree mission can undertake a mega dairy project as a co-operative venture at the district level where cattle rearing is suitable. It can not only generate sufficient income but also can provide employment opportunities for a considerable number of youngsters and also it will pave the way for attracting large number of marginalized families to undertake animal husbandry as an income
generating venture. This is feasible as of late there is a dip in the production of milk in the state forcing the dairy owners to import milk from the neighbouring states.

5 The women entrepreneurs under the Kudumbashree lack training before and after initiating the units. Due to their familial and other problems they cannot attend training at faraway places. Hence it is suggested that special efforts should be undertaken to impart training at the earliest by the Kudumbashree authorities at the decentralized level, which will be more convenient for the rural women entrepreneurs.

6 The IGA owners are confronting the serious problem of poor marketing skills and lack of marketing strategies and that makes many units struggling for survival. Hence it is suggested that Kudumbashree mission can introduce special programmes for promoting professional marketing strategies for the success of the micro enterprises and they can acquire more market share thereby penetrating into newer markets.

7 There is an urgent need for improving quality of the products, its packaging, development of trade mark and brand name, setting up of marketing centres exclusively for Kudumbashree products in different parts of the state. The government and the State Kudumbashree mission should take imperative steps for improving the quality, promotion of brand name, and for opening retail outlets throughout the state.

8 The entrepreneurs should have basic knowledge in the accounting and financial management techniques. This will help them to improve their efficiency and to help them in better management. So it is suggested that the Kudumbashree authorities should provide special training to the entrepreneurs in this regard.
9 Special efforts should be undertaken to promote the units to participate in the fairs by giving them special assistance and other incentives during the festival seasons and on a periodical basis at the local centres for their effective involvement in the local market.

10 The products of the Kudumbashree IGAs need to be competitive in the market by way of its quality and price. In this regard it is suggested that a centralized purchasing mechanism should be resorted at the district level to make the purchases more cost effective.

11 It is suggested that the government should give more incentives to the entrepreneurs and the products produced by them.

12 It is suggested that cooperation and support of family members for managing the affairs of the entrepreneurial ventures can be ensured by sensitizing them properly. There should be a change in the attitude of the family and this could be possible only through continuous awareness programmes. Kudumbasree should arrange family get-togethers and such social gatherings for involving the family members in this regard.

13 While selecting the members to form group ventures, it should be ensured that they are with same zeal to take up such enterprises. Otherwise, some of the members will leave the unit and the sustainability of the unit will be at stake. Similarly the leadership qualities of the members should be identified and promoted for the survival of the units.

14 The units should ensure that the members are remunerated to the minimum level in the slack season; otherwise some of the members may leave the units in search of better employment opportunities.
6.3.3 Savings/Micro credit activities

1. It is suggested that NHG beneficiaries should be more sensitized and encouraged to make use of NHG and bank linked loans for productive purposes as it can generate sustainable income and employment opportunities for the marginalized.

2. It is noticed that some NHG beneficiaries did not have linked their NHG accounts with the scheduled commercial banks. Therefore, they must be exhorted and be apprised regarding the advantages of bank linkage for better credit availability and to consolidate their credit requirements.

3. Banks and other agencies should take appropriate steps to make their services friendlier to the rural poor. More rural bank counters should be opened, if possible exclusively for NHG members.

4. More awareness campaigns should be conducted to create financial literacy among the group members for linking their financial needs with the formal agencies.

5. The members of the group should be more prompt in repayment of loans by which the resources can be used for others also.

6.4 SCOPE FOR FURTHER RESEARCH

A Cost Benefit analysis of the various IGAs initiated under Kudumbashree is a potential area for undertaking further research.

Studies relating to developing a suitable marketing strategy for the IGAs initiated under the Kudumbashree Mission.

Role of NHGs in financial inclusion and in developing financial literacy among the rural women could also be taken for another study.
A study on the financial sustainability of the NHGs under Kudumbashree is also another relevant topic for further research.

6.5 CONCLUSION

Based on the objective research study carried out and the insights gained out of it, the researcher come to the following conclusions.

It is needless to mention here that the implementation of Kudumbashree has substantially benefitted the poor and the marginalized in the backward areas of Malappuram district. The first and foremost visible impact of the emergence of the scheme is that the unity and solidarity of the beneficiaries have been substantially improved. Their general awareness was also improved considerably. It was heartening to see that the NHG activities gave topmost priority for women empowerment and accordingly participation, knowledge, awareness and leadership qualities of the rural women in the area were found to have substantially improved. The participation in the Kudumbashree activities helped the rural women to come to the limelight and many of them were chosen as candidates in the local body elections by various political parties.

However substantial inertia is perceptible on the part of the authorities in keeping close tabs on the effective implementation of the scheme, especially that of the Micro Enterprises (IGAs) embarked upon by the beneficiaries and the periodic training programmes they are expected to carry out for the Kudumbashree mission beneficiaries. The greatest problem is that those beneficiaries who have initiated IGAs are unable to acquire a considerable market share for their products. It was found that most of the products produced by the IGAs are unable to compete with the products marketed by the established business firms. Therefore, developing an
appropriate professional strategy for selling these products is an imperative necessity.

The working of NHGs as village banks created a miraculous change in the saving habits of the marginalized in the society. The heightened improvement of the members in the savings shows that the Kudumbashree is a boon as far as promoting the saving habits of the beneficiaries are concerned. The NHG activities helped the beneficiaries to keep away from the clutches of money lenders thereby linking them with the formal financial institutions for their urgent financial needs. However the savings habits of the beneficiaries in the study area have soared considerably, but such savings are not judiciously harnessed for economic prosperity and for employment generation of the beneficiaries.

The researcher could perceive considerable development taking place in the rural areas of Malappuram and can endorse the real fact that Kudumbashree mission, especially the provision for the Micro credit and Micro enterprises would facilitate rural development. One of the most fascinating and noteworthy dimensions of the programme as noted by the researcher is that, a considerable number of women associated with the NHG activities are participating in it with alacrity.