CHAPTER VII

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The present study has been carried out to examine the role of NGOs in the economic and community development of Kerala. In order to study the development role of NGOs in Kerala, the case study method was adopted and the case study of Peermade Development Society (PDS), one of the prominent and major NGOs in Kerala working in the Peermade Taluk of Idukki district, was undertaken. The economic and community development interventions of the NGOs are mostly required in those places and localities which remained socially and economically most backward.

In the first chapter of the present study, the research design was explained in which the context, significance, objectives and hypotheses of study were stated, the methodology, data source, analytical framework, conceptual framework and theoretical framework of the study were described and also the major limitations of the study were highlighted.

The reviews of the earlier works relating to the NGO interventions in the development scenario and in the related areas inside and outside the state of Kerala, have been presented in the second chapter. The dimensions of NGO interventions as disclosed by the various writers and their views on the role played by NGOs in various realms like community development, sustainable development, environmental protection, development of human resources and women development were described in this chapter along with the research gap.

The establishment and growth of Peermade Development Society, as a local NGO, has been dealt with in a historical perspective in the third chapter. Also, as a local
NGO, the importance of PDS in the community development interventions in the Idukki district and Peermade Taluk has been described in this chapter.

The community development interventions of PDS in the Peermade Taluk relating to the micro finance operations under the SHGs network, the micro enterprises development, human resources development and housing and social welfare have been discussed in the fourth chapter. In order to study the significance of PDS in the field of community development, regression models were fitted and the testing of hypotheses and one tailed and two tailed ‘t’ tests were applied to the secondary data on such activities of PDS and as a result the following conclusions were made in the study.

1. There occurred a more or less regular increase in the number of SHGs promoted by PDS from 1997-98 to 2004-05 and a total of 1702 SHGs have been promoted under PDS during this period. PDS could expand its network of SHGs in the Peermade Taluk during this period primarily because of the fact that PDS has been a local NGO and it could very well establish and maintain the touch with the people at the grass roots level. The growth of the SHG network under PDS was found regular and significant compared to that of NHGs under the Kudumbasree movement in the Peermade Taluk.

2. The SHGs under PDS were able to promote thrift among the lowest strata of the population in the Peermade Taluk and they have mobilized a total of Rs.135.37 lakhs as small savings from the lowest strata of the people in the Peermade Taluk from the year 1997-98 to 2004-05. The growth of small savings by the SHGs under PDS from 1997-98 to 2004-05 has been proved significant statistically by applying the simple regression model and the two tailed ‘t’ test of significance of regression coefficient.
3. The SHGs have been successful in disbursing micro credit or small loans among their members required for the generation of employment and income in the locality through the micro enterprises development and self employment. The growth of internal lending by the SHGs have been found significant over the years 1997-98 to 2004-05. The internal lending was Rs.0.85 lakhs in 1997-98 which increased to Rs.83.5 lakhs in the year 2003-04 while it was Rs.66.65 lakhs in 2004-05. This growth was proved statistically significant by applying the tools of simple regression model and the two tailed ‘t’ test of significance. The SHGs have disbursed an amount of Rs.583 lakhs of micro credit among their members from 1997-98 to 2004-05 of which the internal lending stood at Rs.265.15 lakhs. Again, the micro credit disbursed by the SHGs has been found significantly greater than that of the cooperative banks in the Peermade Taluk (Rs.70.262 lakhs) by applying the one tailed ‘t’ test of the sample mean values of the SHGs and the cooperative banks, assuming equal variances.

4. By 2004-05, the SHGs under PDS could achieve 100% linkage with the banks which has helped the uninterrupted flow of micro credit among the lowest strata of the population in the locality. At the same time, the NHGs under the Kudumbasree sponsored by the Government of Kerala could achieve only 29.92% linkage rate with the banks. By applying the one tailed ‘t’ test of the mean values of the linkage rates of SHGs under PDS and NHGs under Kudumbasree, the linkage rates of SHGs under PDS have been proved to be significantly greater than that of NHGs.

5. The SHGs under PDS have been found effectively monitoring and managing the repayment of small loans availed by their members. The repayment rate on small loans
by the members of SHGs under PDS has been 99% in 2004-05 which is slightly higher than that of members of NHGs under Kudumbasree (98.1% in 2004-05) but much higher than that of the cooperative banks (58.14% in 2004-05). The repayment rates on the micro credit disbursed by the cooperative banks have been compared and tested using the ANOVA single factor test and found that the repayment rates of different cooperative banks are unequal. Again, using the one tailed ‘t’ test of two sample mean values of the repayment rates of SHGs and the cooperative banks, it was found that the repayment rate of SHGs have been significantly higher than that of cooperative banks.

6. The SHGs under PDS could bring a very large number of poor people under the insurance coverage and thus could ensure social security to the lowest strata of the population in the Peermade Taluk. In 2004-05, 2642 poor families were brought under the insurance scheme with a total premium remitted equal to Rs.5.62 lakhs and the claims distributed equal to Rs. 6.48 lakhs. Even though, the mean values of premium remitted and the claims distributed have been found statistically not different in the application of the two tailed ‘t’ test, the amount of claims distributed has been, on an average, greater than the premium amount remitted by the SHG member families. By comparing the mean values of premium remitted and claims distributed, it has been found that the claims distributed have been in tune with the premium remitted.

7. PDS has organized capacity development programmes on a regular basis under Micro Enterprises Development and Human Resources Development under sponsorship of government and the other national level and state level agencies, which have promoted rural entrepreneurship and generated more employment and income in the locality. It has
been found that 1092 people participated in skill training under Capacity Development Programme from 1997-98 to 2004-05, 538 participated in the Rural Entrepreneurship Development Programme, 148 in Home Nurse Training and 779 people participated in the Enterprise Development Programme. Thus, there has been effective utilization of the funds from the government and other channels by PDS for the benefit of the lowest strata of the population in the locality.

8. PDS has organized programmes for awareness generation and skill training on a regular basis for the benefit of the people in the lowest strata in the locality and most of these programmes have been organized with the government sponsorship. It has been found that 3290 people have participated in the training programmes and 165295 people have participated in the Awareness generation programmes under Human Resources Development organized by PDS from the year 1997-98 to 2004-05. All of the above programmes have been conducted with the sponsorship of government or other similar agencies. Thus, PDS could enable the lowest strata of population to avail the benefits of the government funds and programmes for community development and also the funds and assistance from other development agencies.

9. PDS has undertaken several projects and programmes for enhancing the social welfare of the lowest strata of the population in the locality. PDS has constructed 1504 sanitary projects from 1997-98 to 2004-05. The Society has constructed 1326 houses for the poor, constructed 2513 water tanks for rain water harvesting and undertook 730 projects for the supply of drinking water, which all benefited the poorest people in the locality. A total of 9289 people in the locality became beneficiaries of the monthly aid
programmes of PDS from 1997-98 to 2004-05. Thus, PDS has been found materializing the basic objectives of providing social and community development services to the lowest strata of the population in the Peermade Taluk, for which PDS was basically constituted. The contributions made by PDS in the field of Housing and Social Welfare, have been compared with that of the Grama Panchayats in the Peermade Taluk. On an average, a Grama Panchayat could construct 583 sanitary projects, 344 houses and 31 drinking water schemes and the monthly aid programmes benefited 518 people from the year 2000-01 to 2004-05. It has been found that the contributions of PDS significantly higher than that of the Grama Panchayats in the field of Housing and Social Welfare.

Thus, the results of the analysis of data on the community development interventions of PDS disclosed that PDS, as a local NGO, has been highly successful in providing social, economic, and the community development and welfare services to the lowest strata of the population in the Peermade Taluk.

The interventions of PDS in the women development and empowerment have been discussed in the fifth chapter. PDS has organized several skill development and training programmes for poor women under various schemes of Government of India, NABARD, Government of Kerala and the other development agencies. The largest skill training programme organized by PDS has been under Rastriya Mahila Khosh (RMK). It has been found in the study that out of 1501 poor women who participated in the various capacity development and skill training programmes, 596 women were placed in micro enterprises units, self employment schemes and other employments. It has been shown that the greatest achievement of PDS in the field of women development was the
organization of the vast network of women SHGs. The following conclusions have been made in the study regarding the interventions of PDS in women development through the women SHGs.

1. There occurred a regular increase in the number of women SHGs promoted by PDS and the number of women SHGs increased from 28 in 1997-98 to 1346 in 2004-05. These SHGs have been able to contribute to women development and empowerment in a big way through micro finance operations and other community development services.

2. Thrift based micro finance was the main objective of the women SHGs under PDS and they have succeeded in promoting and mobilizing the small savings among the lowest strata of the rural women. The savings under the women SHGs increased from Rs.1.23 lakhs in 1997-98 to Rs.23.38 lakhs in 2003-04 while they mobilized Rs.14.77 lakhs in 2004-05. They mobilized a total amount of Rs.105.54 lakhs from 1997-98 to 2004-05 as small savings. The simple regression model has been fitted to the data on the savings by women SHGs and the significance of the regression coefficient was tested and it was found that the growth of small savings by the SHGs has been significant.

3. The micro credit disbursed by the women SHGs was Rs.0.63 lakhs in 1997-98 and increased to Rs.138.14 lakhs in 2002-03 while it was Rs.119.3 lakhs in 2003-04 and Rs.105.58 lakhs in 2004-05. The decline in the amount of micro credit by the women SHGs in 2003-04 and 2004-05 was due to the expansion of the network of NHGs under the government sponsored Kudumbesree movement in the Peermade Taluk.

4. A very high and effective linkage with the banks has been maintained by the women SHGs under PDS and the linkage rate was 100% in 2004-05. The bank link loans
stood at Rs.0.28 lakhs in 1999-00 and it increased to Rs.254.28 lakhs in 2004-05. The total credit-bank loan ratio was 0.02 in 1999-00 and it increased to 0.56 in 2004-05. By applying the two tailed ‘t’ test on the data relating to total credit-bank loan ratio of SHGs general and women SHGs, it has been found that the total credit-bank loan ratio was equal for the two categories.

5. The women SHGs maintained a very repayment rate on small loans disbursed among their members. The repayment rate was found at 96.5% in 1997-98 and it was 99.1% in 2004-05. The repayment rate of SHGs general and women SHGs have been put to the two tailed ‘t’ test assuming equal variances and found that the repayment rates of SHGs general and women SHGs were statistically equal.

Thus, it has been concluded in the study that the interventions of PDS were very effective in bringing about the women development and the empowerment through the various skill development, training, awareness creation and empowerment programmes organized under various schemes. The women SHG movement promoted by PDS and the thrift based micro finance operations through the women SHGs were very effective in strengthening the social and economic status of rural women in the Peermade Taluk. Moreover, it could be seen that the funds made available by the government and the other development agencies for women development have been effectively utilized by PDS for improving the socio economic of the poor rural women.

The interventions of PDS in sustainable natural resources management through organic farming and integrated watershed development programme, have been discussed in the sixth chapter. The contributions of PDS in promoting organic farming practices
produced good results in the agricultural front in the Peermade Taluk. The following conclusions have been made through the analysis of data on organic farming collected by way of a field survey conducted among 100 families that have adopted organic farming practices under PDS in the Peermade Taluk.

1. The majority of the organic farmers under PDS has been small and marginal farmers as shown by the Lorenz Curve of distribution of land area (figure 6.1) among the organic farmers. There has been very high inequality in the distribution of land area among the farmers in the Peermade Taluk.

2. The results of the analysis of the data show that the adoption of organic farming practices have led to a betterment in the health conditions of the people in the Peermade Taluk and there has been an average of 44% decrease in the medical expenses of the families in the locality that have adopted organic farming practices.

3. The survey results have pointed out that there has been an average 15.2% increase in the physical quality of life in the families that have adopted organic farming practices in the Peermade Taluk. Using the chi square test of independence, it has been proved statistically that the decrease in the medical expenses and the improvement in the physical quality of life of families, in the Peermade Taluk, on account of organic farming, have been highly associated.

4. Again, the survey results have pointed out that there has been an average 18% reduction in the occurrence of pests and plant diseases after the adoption organic farming practices in the Peermade Taluk.
5. It has been shown in the study that there occurred an average 24% betterment in the quality of product as a result of adopting organic farming practices. Using the chi square test of independence it has been statistically proved that the decrease in the occurrence of pests and plant diseases and the increase in the quality of product on account of organic farming, have been highly associated and that the decrease in the occurrence of pests and plant diseases have worked behind the improvement in the quality of product.

6. The study revealed that there has been an average of 11.7% increase in the yearly production after the adoption of organic farming practices in the Peermade Taluk. Using the chi square test of independence it has been proved statistically that the decrease in the occurrence of pests and plant diseases and the increase in the quantity of yearly production have been highly associated.

7. It has been pointed out in the study that there has been an average 15.9% decrease in the overall cost of cultivation due to the adoption of organic farming practices in the Peermade Taluk.

8. It has also been pointed out in the study that there has been an average 26.2% increase in the labour cost as a result of adopting organic farming practices and it has been due to the adoption of manual weed control under organic farming in the place of use of chemicals in controlling weed.

The study has concluded that the organic farming practices have been highly beneficial to farmers and society and have led to eco friendly cultivation, conservation of natural resources and protection of soil and water from pollution.
Watershed development has been a basic strategy for poverty alleviation and rural development by stabilizing farm production at higher levels, providing more income and employment to the rural poor and also by conserving the precious natural resources. PDS, as a local NGO, has been highly successful in promoting the watershed development in the Peermade Taluk and throughout the Idukki district. PDS undertook and completed three major watershed projects from 1997-98 to 2004-05. In the year 1997, Pulinkatta watershed project was undertaken with the sponsorship of CAPART, in 1999, the Integrated Wasteland Development Project was undertaken sponsored by the Ministry of Rural Development, Government of India and in the year 2000, Western Ghat Watershed Project was undertaken with the sponsorship of Kerala Planning Board. It has been found that PDS helped nearly 63 NGOs in the South Indian states in the activities relating to watershed development and PDS has become a pioneering agency in the field of watershed development.

Three general hypotheses have been formulated in the study relating to the development interventions of PDS and the results of the study have been used to prove the hypotheses. The first hypothesis is that “PDS has been more efficient in providing the economic and community development services to the poor and weaker sections of the population.” This hypothesis seeks to establish that PDS is more efficient in providing the community development services to the poor than Kudumbasree, Grama Panchayats and the co-operative banks engaged in the similar activities. The results of the study based on the statistical analysis of data and the comparative study pointed out that PDS was more efficient in providing the economic and community development services to the poor and
the weaker sections of population by mobilizing the small savings and disbursing micro credit compared to that of NHGs under the Kudumbasree movement, by disbursing more small loans to the poor compared to that of the cooperative banks in the locality and by undertaking more projects and programmes for the welfare of the poor people compared to that of Grama Panchayats in the Peermade Taluk.

The second hypothesis formulated is that “PDS has been playing a crucial role in achieving the economic and community development by creating awareness among the people, promoting employment, self employment and the income generating activities through micro finance, micro enterprises development, human resources development and by promoting the women development and empowerment”. This hypothesis seeks to establish that PDS is largely involved in equipping and empowering the poor, especially women, for development. The study found that under the Micro Enterprises Development PDS organized skill training from 1997-98 to 2004-05 in which 1092 people participated, Home Nurse training from 1997-98 to 2000-01 in which 148 women participated, Rural Rural Entrepreneurship Development Programme from 1999-00 to 2004-05 in which 538 people participated and Enterprises Development Programme from 2000-01 to 2004-05 in which 779 people participated. The Index of people’s participation in Micro Enterprise Development has shown an upward trend as explained under the Index Wise Description. Under the Human Resources Development, PDS organized the Awareness Generation Programme from the year 1997-98 to 2004-05 in which 165295 people participated and Skill Training from the year 1997-98 to 2004-05 in which 3290 rural people participated. PDS constructed 1504 sanitary projects, 1326 houses for the poor and 2513 water tanks
tanks for rain water harvesting and undertook 730 drinking water schemes and monthly aid programmes benefiting 9289 people in the Peermade Taluk from the year 1997-98 to 2004-05 and thus, PDS play a crucial role in economic and community development.

The third hypothesis formulated in the study is that “PDS has been able to better the quality of life and living standards of the poor and the marginalized people by popularizing and promoting eco friendly organic farming practices in agriculture”. It was found in the study that PDS has been actively popularizing and promoting organic farming in the Peermade Taluk and a total of 705 small farmers, with a land area of 729.6 hectares, have adopted organic farming practices. The results of the study have shown that there has been a sharp decline in the medical expenses, in the occurrence of pests and plant diseases and in the overall cost of cultivation which all led to improvement in the quality of product, increase in the quantity of output, a better quality of life and higher living standards on the part of the families that have adopted organic farming.

Suggestions

The case study of Peermade Development Society undergone for examining the role of Non-governmental Organisations (NGOs) in the economic and community development of Kerala, has revealed that NGOs have great organizational flexibility, informal work style and the ability to organize economic and community development best suited to the needs and requirements of the people in the locality in which they are working. The economic and community development approach from any institution or agency should be need-based and civil society based so that the poverty alleviation and employment generation may materialized in a better way. On the basis of the findings
and conclusions of the present study, the following suggestions have been made for the consideration of the planners, policy makers, administrators at different levels and the other agencies working in the field of economic and community development.

1. The various programmes and activities organized for economic and community development can succeed only if there is the involvement and participation of the people for whom they are meant and therefore, the involvement and participation of beneficiary people must be ensured while organizing and implementing such programmes.

2. NGOs are more local in nature and they have the touch with the people at the local and grassroots level as a result of which they are able to organize the involvement and participation of the people in every development programme. Therefore, NGOs may be largely involved in the implementation of the various development programmes and projects so that they can become the most successful.

3. The effective identification of the beneficiaries is essential for the success of each development programme and the NGOs can best identify such beneficiaries as they have the touch with the people at the grassroots level. Therefore, the involvement of NGOs in the identification of beneficiaries is highly desirable while implementing the various development programmes.

4. The various development programmes and projects meant for the poor become successful only when they are suited to local conditions and utilize the local know how. NGOs are very efficient in organizing and implementing development programmes and projects best suited to local conditions and utilizing local know how. Therefore, NGOs may be involved in the planning and implementation of such programmes and projects.
5. NGOs have great organizational flexibility and an informal work style which help in the speedy implementation of development programmes and projects and therefore, the involvement of NGOs in the execution of development programmes and projects is desirable to make them more successful.

6. NGOs are cost effective and efficient service providers and they shall be involved in the implementation of development projects so that they can effectively monitor in the creation of communal assets which is essential for the economic and community development on a sustained basis.

7. NGOs shall be increasingly involved in the programmes and activities that are intended to bring about the women empowerment and development as they have been effectively promoting the organization of women groups like Mahilasamajams and the SHGs.