CHAPTER VI

SUMMARY, FINDINGS, SUGGESTIONS AND CONCLUSION

6.0 Introduction 233
6.1 Summary of the Study 233
6.2 Major Findings of the Study 236
6.3 Suggestions 239
6.4 Conclusion 241
6.0 Introduction

The present study is conducted for analysing the role of Kudumbashree Project in the empowerment of women in Kerala through micro financing. The study has attempted to analyse the economic, political, social/cultural, personal and familial empowerment of women at the micro and macro levels. The summary of the study, major findings, suggestions for the improvement of the project, etc., are included in this concluding chapter.

6.1 Summary of the Study

‘Kudumbashree’, which means ‘prosperity of the family’, is a project of the State Poverty Eradication Mission, which was launched on 18th November 1998 as a partnership of the State Government, Central Government, Local Governments and the NABARD with the principal objective of eradicating absolute poverty from the State of Kerala within a decade. The strategy slogan of the Mission is ‘reaching families through women and reaching the community through families.’ Women empowerment initiatives, micro finance operations, micro enterprise promotion and convergent community action under the leadership of local self governments through Community Based Organisations constitute the core activities of Kudumbashree. The Mission Statement of Kudumbashree is “To eradicate absolute poverty in ten years through concerted community action under the leadership of Local Self Governments, by facilitating organisation of the poor for
combining self-help with demand led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty, holistically.”

The study has been divided into six chapters. Chapter 1 provides a general introduction to the work. Many of the poverty alleviation programmes through organised credit channels have not achieved the expected success in the past. Kudumbashree aims at eradication of poverty through micro financing and women empowerment. Though there are a large number of studies related to micro finance and women empowerment, empowerment of women through Kudumbashree has not received much attention. Hence this study “Micro Finance and Women Empowerment - A Study of Kudumbashree Project in Kerala” has been undertaken.

The basic objectives of the study are: (i) to understand the structure, working and progress of Kudumbashree Project in Kerala; (ii) to examine the role of Kudumbashree Project in women empowerment through micro financing; (iii) to make an appraisal of the performance of the Neighbourhood Groups (NHGs) and to identify their problems and constraints; (iv) to analyse the impact of the scheme in rural and urban areas, and (v) to give suggestions for the improvement of the performance of Kudumbashree Project.

The hypotheses of the study are: (i) Rural NHGs are performing better than Urban NHGs; (ii) Kudumbashree has been instrumental in achieving empowerment of women through micro financing; (iii) there is significant correlation between the ranking of the women empowerment variables in Rural and Urban areas; (iv) there is no significant correlation between the ranking of the economic, political, social/cultural, personal and familial empowerment variables in Rural and Urban areas; (v) there is no significant difference between the overall empowerment of women through Kudumbashree and its micro financing in Rural and Urban areas; and (vi) there is no significant difference between the economic, political, social/cultural, personal and familial empowerment of women through Kudumbashree and its micro financing in Rural and Urban areas.

The study has been conducted by using primary and secondary data. The overall progress of the Kudumbashree project is being assessed with the help of secondary data which are collected from published sources like Annual Reports and Records of State Poverty Eradication Mission (SPEM) and Economic Review, books, periodicals, newspapers, internet, etc. Primary data have been collected through a field survey. The sample population for the field survey comprises a total of 200 respondents from Alappuzha and
Kottayam districts. The sample comprises 50 NHG members each from Kanjikuzhy Grama Panchayat (Rural) and Alappuzha Municipal Corporation (Urban) in the Alappuzha District, and 50 NHG members each from Vazhappally Grama Panchayat (Rural), and Changanacherry Municipal Corporation (Urban) in the Kottayam District. Personal interviews with the officials concerned are also conducted to get the needed information for the analysis. The important operational definitions, scope and limitations, period of the study and lay out of the report are also included in this chapter.

Chapter 2 gives a theoretical framework for women empowerment. It covers the various aspects of women empowerment. The analysis made in this chapter reveals that women empowerment could be attained in the sociological, psychological, political, cultural, familial and economic spheres and at various levels such as individual, group and community. Since women have fared worse than men in all regions and in all strata of the population, the empowerment of women has become all the more important.

Chapter 3 deals with the role of Micro Finance and Self Help Groups in women empowerment. The study reveals that in the nineties, Micro Finance was launched by NABARD to bridge the gap between demand and supply of funds in the lower rungs of the Indian economy. Micro finance has been found to be an effective tool for the empowerment of poor women. The important features of micro finance are: the loans are very small, credit follows thrift, low transaction cost, peer pressure act as the collateral security, transparency in operation, etc. Self Help Groups are the most exciting discovery in the context of micro finance. The micro finance scene is dominated by Self Help Groups and their linkage with banks and other micro finance institutions.

Chapter 4 provides an overview of Kudumbashree Project in Kerala. It comprises the various aspects of the structure and working of the project in the State. The empowerment of women through Community Based Organisations (CBOs) is the first and foremost general objective of the project. For the effective implementation of the programme through the convergence of available services and resources, a three tier Community Based Organisation is in vogue. The lower most tier constitutes the Neighbourhood Groups (NHGs) consisting of 20-40 women members selected from the poor families. The middle tier is the Area Development Society (ADS), which is a federation of 10 to 15 NHGs at Panchayat or Municipality ward level. At the Panchayat or Municipality level, Community Development Society (CDS) is formed and registered under the Travancore
Cochin Literary and Charitable Societies Act, 1955. The secondary data pertaining to Kudumbashree have also analysed in this chapter.

Chapter 5 analyses the primary data obtained through the sample survey. It includes: the general information about NHG members, functioning of Kudumbashree Ayalkoottam, micro finance and micro enterprises, problems of NHG members, the various dimensions of women empowerment and the results of the hypotheses tested. The analysis of the general information reveals that majority of the respondents are married women belonging to the age group 30-45, having an educational qualification of S.S.L.C. or below. More than 58% of them are running micro enterprises. The main motives of the respondents for joining Ayalkoottam are to earn a living, to increase income, to have an occupation and to take loan from NHGs. Before joining Ayalkoottam only 25% of the respondents were having banking habits, but all the respondents are having banking habits at present. The average NHG savings of the respondents is Rs.1,545 and the average amount of loan availed by the respondents is Rs.6,800.

The highest amount of loan availed by the respondents is for starting micro enterprises. Fifty per cent of the respondents is found to have availed micro finance for the education of their children. While majority of the respondents have financial problems, 45% have the personal problem of lack of proper guidance. More than a quarter of the respondents who run micro enterprises face the marketing problem of competition and 21% face the problem of lack of retail outlets.

Of the various dimensions of women empowerment, economic empowerment is of utmost significance. The analysis reveals that the attainment of economic empowerment by the respondents has only the fourth place whereas the attainment of social/cultural empowerment has the first place. Though there is no significant difference between the overall empowerment attained by the respondents in rural and urban areas, the level of empowerment attained by the respondents in rural areas is higher than that in urban areas.

The results of the hypotheses tested shows that hypotheses 1, 2, 3 and 5 are accepted while hypothesis 4 is rejected and hypothesis 6 is partially accepted.

Chapter 6 includes the summary of the thesis, major findings of the study, suggestions and conclusion.
6.2 Major Findings of the Study

The major findings of the study are enlisted as follows under three heads:

(a) Achievements

- It has been found that 98% of the total respondents are regularly attending the meetings of NHG. In rural areas 100% and in urban areas 96% of the respondents are regularly attending the meetings of the NHG.

- Kudumbashree has been successful in imparting knowledge about micro finance among the rural and urban poor. It was found that majority of the respondents (66.5%) came to know about micro finance from NHGs.

- The majority of the respondents (58.5%) are running micro enterprises as a means of their livelihood. Hence, Kudumbashree has been successful in generating self employment opportunities by enabling members to start micro enterprises.

- Only 25% of the respondents were having banking habits before joining the NHG. At present all the respondents in the sample survey have acquired banking habit.

- The average NHG savings of the total respondents up to May 2006 is Rs.1,545 and the average amount of loan availed by the respondents is Rs.6,800. In rural areas, the average amount of savings is Rs.2,330 and the average amount of loan is Rs.10,125 whereas in urban areas the corresponding amounts are Rs.760 and Rs.3,475 respectively during this period. Hence Kudumbashree has been succeeded to a great extent in developing the habit of thrift and enabling them in availing loans from NHGs – the two important functions of Kudumbashree Ayalkoottam. It is evident that these objectives have been achieved better in rural areas.

- During the period 2000-01 to 2005-06, the amount of rural thrift has increased by 69.09 times and the amount of rural loan has increased by 652.68 times whereas the amount of urban thrift has increased by 1.83 times and the amount of urban loan has increased by 2.42 times only. It shows that rural NHGs are better in their performance as compared to urban NHGs.

- The economic empowerment attained by the respondents through Kudumbashree can also be understood from the fact that majority of the respondents (61%) have met 50% to 75% of their fund requirements from their NHGs. The most important
source of loan for the respondents before joining NHG was money lenders. However, after joining Kudumbashree, NHG has become the most important source.

- Kudumbashree has been instrumental in enhancing economic empowerment of women as 76% of the respondents have availed micro finance for themselves.
- It is interesting to note that 82.5% of the respondents have the freedom to spend their income without the consent of their husbands.
- In rural areas all the respondents and in urban areas 96.39% of the respondents have repaid the loan amount in time.
- Thirteen per cent of the respondents are holding positions in local bodies etc. related to democratic planning/Peoples Planning, which is an indicator of political empowerment attained by the respondents.
- There is an improvement in the familial empowerment of women since 23% of the respondents have been able to acquire assets like furniture, television, gold ornaments, fridge, auto rickshaw, etc through Kudumbashree.
- The improvement in the overall empowerment of women is evident from the analysis as it has been found that 99.5% of the respondents have a role in decision-making in the matters related to food, education and marriage of their children or dependents, medical treatment of the members of their families and in the acquisition of assets for their house.
- The level of empowerment attained by the respondents measured through the rating scale has been analysed with the help of the percentage of scores obtained by each of them. It shows that 33.5% of the total number of respondents have attained very high level of empowerment, 20% have attained high level of empowerment and 13% have attained exemplary level of empowerment. Only 4% of the respondents are in the category of low empowerment. Similarly, in rural areas 18% of the respondents and in urban areas 8% of the respondents have attained exemplary level of empowerment. The performance of the respondents in rural areas is better than that of the performance of the respondents in urban areas.

(b) Shortcomings

- Withdrawal of cash from thrift fund is against the basic rules of Kudumbashree. But the study shows that 27.5% of the respondents have withdrawn cash from
their thrift fund, which is a threat to the smooth and effective functioning of NHGs.

- Thrift, loan and insurance are the major components of micro finance. However it is found that only 4.5% of respondents are covered by micro insurance policy.
- Though the income of the respondents have increased through Kudumbashree project, still about 21 per cent of the respondents do not have basic amenities like healthy environment, safe drinking water, sanitary latrines, own house, household electrification and 8.5% do not have any land of their own.
- Forty five percentage of respondents have the personal problem of lack of proper guidance.
- Among the respondents who run micro enterprises, 19% of respondents face the problem of non co-operation among the group members, 26% face the marketing problem of competition; 21.5 % of the respondents have the problem of lack of retail outlets; 7.5% of the respondents have to confront the problem of seasonal fluctuations in demand; another 7.5% of the respondents face the problem of low price and low profits and 6% of them face the problem of lack of demand for their products.

(c) Other major findings

- There is significant positive correlation between the ranking of the empowerment variables in rural and urban areas.
- The level of overall empowerment attained by the respondents is higher in rural areas than in urban areas. However, there is no significant difference between the overall empowerment attained by the respondents in rural and urban areas.
- There is no significant difference between the political, social/cultural and personal empowerment of women in rural and urban areas. However, there is significant difference between the economic and familial empowerment of women in rural and urban areas.
- The study reveals that among the five dimensions of empowerment attained by the respondents through Kudumbashree, social/cultural empowerment stands first followed by familial empowerment and then personal empowerment. Interestingly economic empowerment achieved has only the fourth position. Political empowerment is found to have the last position.
6.3 Suggestions

Based on the analysis of data and the findings of the study the following suggestions are made:

- Since the percentage of increase in urban thrift and loan is much lower than the percentage of increase in rural thrift and loan, every effort should be made to enhance them by winning the confidence of urban poor people.

- Education plays a prominent role in the empowerment of women. As majority of the respondents and their spouses are having an educational qualification of S.S.L.C. or below, sufficient opportunities must be provided to them in the form of seminars, conferences etc., to impart additional knowledge on various issues related to them.

- Eradication of illiteracy is the first step towards empowerment of women. Still there are NHG members who do not have even primary education. Efforts must be made by the authorities to give them primary education like Jyothirgamaya Project in Nilambur Panchayat which provides primary education to its population in the age group 15-50.

- Of the various dimensions of women empowerment, economic empowerment is of utmost significance. But the level of economic empowerment attained by the respondents is relatively low. Therefore, more efforts should be made by the authorities to enable the members to become more economically empowered. Moreover, as the mean monthly income of the respondents and their spouses are meagre, steps must be taken by the authorities to start more income generating micro enterprises by each and every NHG.

- The authorities should explore new areas related to micro enterprises and the information should be communicated to the women entrepreneurs. They should be provided with necessary assistance for introducing such innovations.

- The local self governments should create necessary avenues for imparting proper and adequate training to the micro entrepreneurs to run their enterprises on a cost effective basis.

- It is found that many group enterprises have failed due to the non co-operation among the members. Since co-operation among the members is essential for running group enterprises, awareness classes must be arranged for them at CDS level.
• For solving the different types of marketing problems faced by the NHGs, some arrangements like Quality Control, packaging, opening retail outlets along with ‘Maveli’ Stores, supplying raw materials through economic purchasing, operating processing units, maintaining common facility centres, publicity for the products etc. must be taken at the State level.

• The local self governments should initiate steps to converge the available services and resources to mitigate the problems of those who do not have basic amenities like safe drinking water, own house, household electrification, etc. on a time bound basis.

• Since majority of the respondents are regularly attending the Ward/Grama Sabhas, the welfare schemes announced by the governments from time to time must be explained to them in Ward/Grama Sabhas and make these schemes available to them, on the basis of their eligibility, without causing unnecessary delays. The NHGs should make use of Ward/Grama Sabhas as open forums for giving vent to the grievances of the members and also for meeting their needs and requirements.

• As the NHGs are able to meet fund requirements of the respondents only partially, the NHGs should try to mobilise as much funds as possible from various sources for meeting the total fund requirements. Every NHG should be self-sufficient, self-reliant and sustainable in the matter of procurement and disbursement of funds.

• The practice of withdrawing cash from thrift deposit should not be permitted. Awareness programmes must be arranged for the NHG members to avoid the withdrawal of thrift, in order to strengthen the resource base of the NHG, thereby enabling them to build linkage with banks for obtaining more loans for their activities.

• Only 4.5% of the respondents are covered by the micro insurance policy. Therefore steps must be initiated to cover all the members through micro insurance policy, as micro insurance itself is a major component of micro finance.

• Since only less than 50% of the respondents are covered by social security schemes, the remaining members may also be encouraged to join different social security schemes.

• As only 34% of the respondents have attained high degree of empowerment regarding improvement in health, steps must be initiated to improve the health of all the members. The Health Insurance Scheme for the poor must be expedited.
• It is seen that some are hesitant to lend their thrift deposits to their co-members. It is due to their ignorance of the functioning of Ayalkoottam. Awareness classes in this matter should be arranged for the NHG members.

• Though the influence of money lenders have been reduced to a great extent with the introduction of NHGs, their influence is still there. Hence, every effort must be made by the NHG members to avoid the money lenders through greater dependence on NHG loans and loans through bank linkage. The role of banks is all the more important in this matter. Moreover, the authorities should take initiative for converting Kerala a ‘Money Lenders Free State’ as was done in Marathwada where several villages have become ‘Money Lenders Free Village’ (MLFV) through the pilot project of Marathwada Gramin Bank, Nanded, Maharashtra.

• It is seen that some of the NHGs are charging higher rate of interest on loans from the Ayalkoottam members for enhancing their share of profit. It is desirable that the authorities should fix a ceiling on the rate of interest on NHG loan so as to make it viable and acceptable to the NHG members.

• Since 45% of the respondents have the personal problem of lack of proper guidance, proper and timely guidance must be provided to them according to their needs.

6.4 Conclusion

Women empowerment is critical to the process of development of the economy. It plays a crucial role in the alleviation of poverty and in the all round progress of the nation. Among the various measures targeted towards women empowerment, the provision of micro finance assumes great importance. Evidences from successful experiments testify that micro credit has helped to improve the status of women and has enabled the poor to expand and diversify their enterprises and also to increase their income. Organisation of women into Self Help Groups is an effective way for the provision of micro finance and women empowerment. The SHGs offer the most powerful, cost effective and yet democratic, transparent model for micro financing and women empowerment.

It is evident from the present study that the Kudumbashree project in Kerala has been instrumental in the economic, political, social/cultural, personal and familial empowerment of members through micro financing. The thrift and credit activities of
Kudumbashree at the NHG level have enhanced their saving habits and access to credit. It has played a significant role in freeing them from the clutches of unscrupulous money lenders. Micro enterprises have also been able to open up avenues for the economic empowerment of women. In spite of the different constraints and challenges, the Kudumbashree project has the potential to transform the entire economy of the State. In order to achieve greater success in the empowerment of women and for the better functioning of the Kudumbashree project, various suggestions made in the study may be effectively implemented.