CHAPTER-VII

Summary of Findings, Suggestion and Conclusion

The last chapter is devoted to highlight the major findings and suggestion of the study. The overall objective of the study is to analyze the impact of women SHGs on the rural development indicators like household development, health and education, financial inclusion, women empowerment and microenterprise development in the study area. The progress of SHG-Bank Linkage programme also studied to find out the future scope of this programme. The present study is based on both primary data and secondary data. Some hypotheses are also framed, and tested using statistical tools to analyze the relationship that exists between the important variables.

Major Findings

Progress of SHG-Bank Linkage programme

- The number of groups in Kanyakumari district has recorded a fivefold increase i.e. from 1,228 groups in 2000-01 to 6,486 groups in the year 2010-11. The sudden increase of groups noticed in the year 2008-09 was due to the increases in the SHGs in the local areas.
- The estimation of SHGs bank linkage programme in Kanyakumari district through various trend models shows that the quadratic model has more than 57 per cent of variations in SHGs bank linkages. All
the four models are found significant in terms of their respective values of ‘R²’ and ‘F’ statistic. The regression co-efficient of the four models are found significant at 5% level. Hence, among the four models, quadratic model has the best fit with the high R² value of 0.574.

> The estimation of mobilization of savings through linear trend model finds, more than 49 per cent of the variations in mobilization of savings through SHGs in Kanyakumari district. This model is found significant in terms of their respective values of ‘R²’ and ‘F’ statistics. The regression co-efficient of this model is found significant at 5% level. The trend curves fit well and the R² value is 0.490. Hence, there has been a decrease in the mobilization of savings through SHGs in Kanyakumari district. This model estimated mobilization of savings through SHGs in Kanyakumari district will be at Rs.3,139.63 for the year 2019-20.

> The linear model explains about 93 per cent of the variations in loan amount disbursed through SHGs. The intercept term has positive sign (1415.074). Both the intercept term and the slope co-efficient are significant at 5 per cent level. This model estimated loan amount disbursed through SHGs will be Rs.19,269.99 for the year 2019-20.

> The number of SHGs formed under Mahalir Thittam shows that in the study period of 6 years the growth was full of fluctuations. In
2006-2007, the number SHGs formed under this programme is 365 and it reaches to peak with 700 SHGs in 2009-2010 and it starts to decline after that period.

- The growth of SHGs in urban areas is comparatively high during the study period except in 2007-2008. This clearly shows that the urban population in Kanyakumari district is more interested in forming SHGs than the rural population of this District. The revolving fund generated also states that it is comparatively lesser in rural areas than the urban areas.

- Entrepreneurial development training is given to 1178 SHG members in the year 2006-2007 and it decreases to 100 members in the year 2011-2012.

**Socio-economic profile**

- The participation of women below the age of 20 is relatively very low. The mean age of sample SHG members is 45.35. This reveals that experienced middle age group women between the age group of 40 and 50 are taking active part in SHG activities.

- The average size of the family in the study area is 3.98. The family size of the respondents deviates from the mean age by 1.26 as seen from the calculated standard deviation. The minimum family size of the respondent is one and the maximum is seven.
The occupational pattern of the parents and spouse of SHG members reveals that 48.80 per cent of them are engaged in farm activities, and followed by that 41.80 per cent of them are engaged in non-farm activities. Only seven per cent of the family members are running own business.

**Impact on Income**

- The Family income of SHG members reveals that 35.40 percent of SHG members have the family income of below Rs 10,000 before joining SHGs and 31 percent of SHG members have the family income of Rs.15,000 to Rs.20,000 after joining SHGs.

- The average family income of SHG members before joining SHG members is Rs.19,865.75, and it increases to Rs.20,853.66 after joining SHGs. This is due to the differences in the self employment and proper usage of loans.

- The Gini ratio was employed to test the hypothesis that the income inequality is reduced significantly after joining SHGs. The calculated value of Gini ratio after joining SHG is less than the value before joining. Therefore, the hypothesis “the income inequality among sample respondents is reduced significantly after joining SHGs” is proved true, and hence it is accepted.
The factors which determine the per capita income of the SHGs members reveals that the per capita income of SHG members bears significant and positive relationship with earning members (0.549) and level of employment (0.504) before joining SHGs. It implies that any change in these variables brings a difference in the per capita income in the same direction. Per capita income is significantly and negatively correlated (-0.226) with family size of SHG members. It indicates that any change in this variable leads to a change in the per capita income in the opposite direction. The per capita income of SHG members after joining SHGs have significant and positive relationship with earning members (0.623), level of employment (0.647), productive assets (0.523) and dependency ratio (0.299). It implies that any change in these variables brings a difference in the per capita income in the same direction. Per capita income is significantly and negatively correlated (-0.175) with family size of SHG members. It indicates that any change in this variable leads to a change in the per capita income in the opposite direction.

The zero order correlation matrixes is used to find out the contribution of women income to household income, and it reveals that there is strong correlation between annual income of the households and women contributed income (0.429). It indicates that with every increase in the total household income from the existing
mean level by one rupee, the SHG members contributing income of the household would increase by 0.43 paisa. Thus, the null hypothesis is accepted, and it is concluded that the SHG members contribute a significant share of income to their family income after joining SHGs.

**Impact on Socio-economic condition**

- Majority of SHG members, i.e., 72.40 per cent of the sample SHG members live in their own houses, and 21.20 per cent of SHG members live in rental or leased houses. Some of the sample SHG members live in the land of others by guarding them from the period of their ancestors. These people will not pay any remuneration to the owners.

- The study finds that 41.60 per cent of sample SHG members live in tiled houses, and 38.40 per cent of them live in concrete houses, and only few of them live in hut. The persons who live in hut have come down to a greater extent in Kanyakumari district due to the construction of government houses through various government schemes, but still 3.6 per cent of them lives in huts.

- The study indicates that the expenditure of 53.20 per cent of sample SHG members is between Rs. 5,001 to Rs.10,000, whereas after joining SHGs 53.60 per cent of sample SHG members spend Rs.10,
001 to Rs. 15,000. Hence the expenditure pattern of SHG members varies between before and after joining SHGs.

**Impact on Education**

- Opinions on Daughters Education among SHG members reveal that 55.60 per cent of SHG members are considering daughter education as equally important as son education before joining SHGs, and after joining SHGs it increases to 85.80 per cent. This improvement is due to the awareness they get through NGOs and other members after joining SHGs. The reasons stated for the less preference of daughter’s education are scarcity of resources they have, and the high prevalence of dowry system in this district.

- Institution of Education of Children reveals that 50.80 per cent of SHG members are sending their children to government schools due to the low cost, and followed by that 36 per cent of them are sending their children to state board schools.

- The study finds that majority of the students in rural areas are not getting quality education due to various reasons. Parents attitude towards education and the resources available for education plays an important role in deciding the institutions. Another important factor which hinders quality education from rural student is the low accessibility of standard schools in rural areas.
The financial difficulty in educating children reveals that 79.60 per cent of SHG members have financial problem in educating their children before joining SHGs, and it has been reduced to 16.80 per cent after joining SHG. The loans facilities available through SHGs bring the confidence among rural women in educating their children.

The education loan provided through banks states that 91.80 per cent of the rural women have not utilized the loan provided through banks due to various reasons. The lack of awareness and the complicated procedures followed by the banks were stated as reason for not approaching banks for education loan.

The education loan through SHGs states that 44.40 per cent of the SHG members have received education loan from SHG, and 55.60 per cent of the respondents have not received any loan for educational purposes. It is inferred that when it comes to education most of the women are depending on SHG for the fees of their children.

**Impact on Health**

The health condition of SHG members indicates that 54 per cent of SHG members are having health issues, and 27.60 per cent of them are in good health condition with some health issues, and 18.40 per cent of them state that they are in very good health condition without any issue.
The health problems of SHG members reveals that 23.70 percent SHG members are having back pain and followed by that 18.90’ per cent of them are having some health issues which are related to the maternal health, i.e., problem in uterus etc.

The preference of hospital by SHG members states that 41.20 per cent of SHG members are depending on private hospitals for their health problem. About 35.20 per cent of the respondents are depending on government hospitals, and the remaining of them depend on Primary Health Centre and other sources of medicine like homeopathy, ayurvedha and allopaphy for their health problems.

The reason for selecting hospitals reveals that 44.60 per cent of the respondents are selecting the hospital on the basis of low cost, and 25.80 per cent of them state that they are selecting the hospitals because they are nearer to their residence. Only 12.40 per cent of them are considering the treatment and service as an important factor while selecting the hospital.

The satisfaction level of SHG members reveals that 64.40 per cent of the SHG members are satisfied with the service provided, and 35.60 per cent of the SHG members are not satisfied with the service. The low cost and proximity of hospital to their residence make members depend on the hospital though they are not satisfied with the service.
The healthcare awareness programme attended by SHG members reveals that 77 per cent of SHG members have not attended any healthcare awareness programmes. Only 23 per cent of them have attended health awareness programmes through SHGs.

The improvement in the healthcare attitude states that 60.80 per cent of the respondents opine that there is a positive change in the health care attitude, and 39.20 per cent of the respondents state that there is no change in the health care attitude after joining SHGs.

Impact on Financial inclusion

The improvement in the formal financial habit indicates that the banking habits of SHG members improve a lot after joining SHGs. It shows that 30.80 per cent of SHG members have banking habit before joining SHGs, and it increases to 65.20 per cent after joining SHGs. Other banking facilities such as savings, loans, ATM, pledging jewels also show a considerable increase after joining SHGs.

The saving habit of SHG members reveals that 16.80 per cent of SHG members have savings before joining SHG, and it reaches to 100 percent after joining SHGs. This shows that there is an inclusion of 83.20 per cent of rural women into the saving culture after joining SHGs.
The study states that 58.33 per cent of SHG members save less than Rs.500, and 32.14 per cent of them save between Rs. 500 and Rs. 1,000 before joining SHGs. A significant increase in savings is seen after joining SHGs. The average savings of SHG members before joining SHGs is Rs. 614.40. This increases to Rs. 1,032.75 after joining SHGs.

The mode of savings reveals that 44.05 per cent of SHG members depend on post offices for their savings as they spread throughout the rural areas and followed by that 19.05 per cent of SHG members save in nationalized banks before joining SHGs. Most of them who save in nationalized bank are educated. After joining SHGs 30.58 per cent of them start to save in post office, and followed by that 20.25 per cent of them save on local chit funds.

The hypothesis “Literacy rate is not influencing factor in making use of banking habits of the SHG members” is tested using chi-square. The result is that the Calculated $\chi^2$ value is 27.993. The table value at 5 per cent level is 21.023 with the degrees of freedom as 12. Since the calculated $\chi^2$ value is greater than the table value, the null hypothesis is rejected.

The reason for saving reveals that 31 per cent of SHG members have plans to use their saving for educational purpose, and followed by that 26.20 per cent of them for daughter’s marriage.
The borrowing of SHG members shows that majority (55.65 per cent) of SHG members borrow below Rs. 5,000 before joining SHG. After joining SHGs 50.20 per cent of SHG members borrow between Rs. 5000 to Rs. 10,000. The average borrowing of SHG members before joining SHGs is Rs. 6,290 and it is increased to Rs. 11,622 after joining SHGs.

The source of loan after joining SHGs reveals that 55.65 per cent of SHG members borrowed money from money lenders before joining SHGs. It was reduced to 8.20 per cent after joining. At the same time, 62.80 per cent of SHG members started to use the loan facilities available through formal financial institutions after joining SHGs. This shows that the dependency of rural people on informal sources is slowly reducing due to the linkage of banks with SHGs.

The study shows that 44.40 per cent of SHG members utilized the loan availed through the internal fund. Followed by that 24.80 per cent of them utilized the loan availed through banks after passing the credit rating. Revolving fund has been utilized by 20.60 per cent of SHG members. Only 10.20 per cent of the SHG members have taken subsidized loan from SHGs.

The purpose of borrowing of SHG members states that 24.20 per cent of them borrowed loan for the purpose of education, and 23.80 per cent of them borrowed amount for marriage expenditure reasons.
The study states that, 13.20 per cent of SHG members are covered under different insurance scheme, and it increases to 64.4 percent after joining SHGs. The life of the remaining uncovered rural populations is under risk due to various reasons like low income, lack of awareness etc.

The study shows that 38.20 per cent of them considered low income as a major reason for not taking insurance, and followed by that 35.96 per cent of them considered lack of awareness as a reason for not taking insurance.

**Impact on Women Empowerment**

The comparative scoring ranks of economic factors that determine the women empowerment in the study area reveal that the main economic factor which is greatly influenced by SHGs is ‘inculcates habit of savings’ which scores the first rank (3.633). The second factor (3.467) is ‘help me increasing income and develop investible funds’. The least factor is ‘enabling me to solve social problems of the members’ and it gets 2.897 points of the total score.

The main social factor greatly influenced through SHG is ‘improves my personal qualities like to tolerance, sacrifice, patience and friendliness’ which scores the first rank (3.767 points). The second factor is ‘gives opportunities to assure leadership in the village
development’. The least factor is ‘helps me to serve others in the society’, and it gets 2.333 points of the total score.

➢ The political score states ‘Responsible position in any political party’ scores the first rank for political empowerment. Using the vote casting rights also plays a significant role in influencing political empowerment, for which this variable scores the second rank.

➢ In order to test the null hypothesis that there is no significant difference in the women empowerment of the members before and after joining SHGs, the Sign Test is used. The calculated value of Z for social, economic and political score is greater than the table value (1.96) at five per cent level, and hence the null hypothesis is rejected.

Impact on Micro-enterprise Development

➢ The income generating activities of SHG member’s states that 19.60 per cent of SHG members were self employed before joining SHGs. It increases to 41.80 percent after joining SHGs. This is due to the shift of a considerable rate of wage earners from agro-based activities to some household micro-enterprises.

➢ SHGs members are engaged in various entrepreneurial activities. The study reveals that majority (21.05 %) of them are engaged in Banana Fiber weaving. Followed by that 16.27 percent of them deal with consumer durables.
➢ The area of operation of microenterprises run by SHG members shows that majority of the respondents 39.23 per cent do not market their product outside the district, since their activities are chosen on considering the local demand. Only a few SHG members market their products outside the district.

➢ The relative role played by some persons or agencies in introducing women SHG members to business is studied. It reveals that majority (33.80%) of them took credit for themselves for starting their business units. When it comes to women SHG members who give a second importance to husband, it can be seen that a great majority of them point out the convincing role played by their husbands and family members in initiating them into business.

➢ Factor Analysis is applied for identifying the factors that motivate SHG members to start micro-enterprises, and as a result five factors are extracted together which account for 66.56 per cent of the total 19 variables. Hence 19 variables are summated to five factors by losing nearly 74 per cent of data. Thus 19 factors are reduced into five variables, and are given different names by using factor analysis. Thus ‘Job Attraction’, ‘social Empowerment’, ‘Self Confidence’, ‘Family Help’ and ‘Own Initiative’ have been identified as the factors that motivate SHG members to start micro-enterprises in Kanyakumari district.
➢ The increase in the level of income states that 63.16 per cent of the SHG members have an increase in the level of income after joining SHGs and followed by that 30.14 per cent of the respondents opine that there was no change in their level of income after joining SHGs.

➢ The barriers in starting microenterprise reveals that, 22.97 per cent of the SHG members state that poor infrastructure is the main reason preventing the future growth of the microenterprises and 17.71 per cent of the respondents opine that lack of financial assistance is a major barrier.

➢ The study shows that stiff competition was the main problem faced by the micro entrepreneurs, which secured 68.07 per cent mean score. Followed by that, problem of finance was the second most important one, and it secured 67.73 per cent. Shortage of power (65.09%) was the least important problem faced by the micro entrepreneurs.

➢ Suggestions given by SHG members to improve microenterprise development in the study area state that reduction in the loan procedure is necessary to promote new micro enterprises, and to expand existing microenterprises. The suggestion which holds the next place is to control competition.

➢ The economic constraints faced by the SHG members states that 46.89 per cent of SHG members have considered inadequate finance as a severe constraint for starting micro-enterprises. Followed by that,
20.09 per cent of them state that lack of knowledge about financial institutions which provides loan to promote micro-enterprises as a reason for not starting micro-enterprises.

➢ The social constraints faced by the SHG members states that majority (30.62 %) of the respondents states the dual role as the foremost social problem faced by SHG members in starting micro enterprises. The second (22.49 %) important constraint faced by SHG members is less support from their family in starting micro enterprises.

➢ The emotional constraints of the SHG members states that majority (31.58 %) of the SHG members have the emotional problem of depression. Followed by that, 32 percent of them have mental block towards money.

Suggestions

Based on the study the following suggestions are made for the overall improvement of rural development through women SHGs in Kanyakumari District.

• The participation of women belong to the age group of 18 to 30 is very low in SHG activities. Hence steps should be taken to cover this potential population.

• The proportion of married women is relatively high compared to the unmarried women in SHG activities. Special groups should be started for unmarried women because they are more mobile in labour market
and have less household burdens compared to the women who are married. Hence increasing their participation in SHG activities will increase the scope starting micro enterprises.

- Most of the SHGs have no common place to conduct meeting. Permanent place should be provided for carrying out SHG activities.
- The rate of interest charged should not exceed 18 percent.
- Programmes related to health, environment, education and social evils like dowry system, money lending should be conducted.
- Efforts should be taken from the part of Government and NGOs to market the products of SHGs.
- Leadership rotation or election of leaders has to be practiced strictly for increasing the participation of women in social activities and politics.
- Entrepreneurial development training should be given to all the SHG members and special skill training should be given to individual members who are interested in starting micro enterprises.
- Proper education on the importance of women health and education should be given to the members so that they can care the girl child.
- The welfare measures provided to SHG members are not adequate. Most of the women are not aware about the development programmes and the amenities provided by the government to them in rural areas.
Hence awareness programmes should be organized to the SHG members regarding these programmes.

- Specific insurance scheme should be designed and implemented by taking women health into consideration and the current scheme should be extended to all the women in rural areas.
- Only few members are having the knowledge in book-keeping, accounts, fund management etc., The importance of account maintaining should be highlighted to members and the responsibility should be shared by all the members and this will help to enhance their skill.
- Local market demand should be identified and micro-enterprise should be promoted on the basis of the demand.
- Each group should be asked to frame a mission and vision and the NGOs should direct the SHGs to move towards their mission.
- The credits provided for productive purpose are diverted to consumption purpose and to meet other current demands. Hence both the bank authorities and NGO officials who grant loan for business purpose should monitor the usage of fund.
- Some of the SHG members have the practice to join in more than one SHGs at a same time. This will reduce their involvement and affect the
efficiency of their performance in SHG activities. So strict rules should be practiced to restrict such activities.

- Government officials should make sure whether the subsidies have reached the right person.

- Periodic training at regular intervals should be given to the micro-entrepreneurs about the current market trend. This will help them to increase the productivity.

- The influence of family members is high in starting micro-enterprises hence awareness programme should be given to the family members to support the SHG members in their entrepreneurial activities.

- Successful women entrepreneurs should be called as resource person so that they can be taken as models to start micro-enterprises.

- Women participation in politics is less in the study area despite of the prevalence of high literacy rate. This is due to the lack of leadership quality. Hence personality development programmes should be conducted for the rural women.

- Since the aim of delivering credit and savings is achieved, steps should be taken to provide other banking facilities like using ATM, mobile banking etc.,

- Frequent visit from the side of government officials and NGO is needed for monitoring the function of SHGs.
• Community issues and daily news should be discussed in the meeting of SHGs. This will help to improve the knowledge of women and make them participate in community development programmes.

• The study area is an industrially backward district with a potentiality for agro-based industries. Sincere efforts should be taken by government officials to promote micro level industries through SHGs in rural areas.

• Financial inclusion is one of the important goal which is planned to achieve in rural areas. Without doubt it has reached to the greatest extend with interest from bank officials. Hence other financial facilities can be extended to the members of SHGs.

• Group leaders from different villages can meet once and discuss about the progress of their group should be discussed

• Annual plans for each SHG should be framed in the beginning of every year and the function of the SHG should move according to that.

Conclusion

In conclusion, the study has established that Women SHGs have impacts on the indicators of Rural Development in Kanyakumari District. It influenced the lives of the rural households in several positive ways, particularly by improving their economic and social status. The result also shows that women SHGs have a considerable impact on asset creation, financial inclusion, women empowerment and micro enterprise development in rural areas. The findings of the study suggest that women
SHGs are one of the most successful tools for rural developments which help them to enhance the lives of rural people. More research is needed in this area so as to inform the designers of programmes that will ensure maximum benefits both to the SHGs and their members.