CHAPTER VII
SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

This chapter presents a summary of the findings and suggestions. The main aim of the present study is to examine the impact of microfinance to upliftment of coastal women in Ramanathapuram district. The study aims at ascertaining the impact of micro-finance on the women beneficiaries after microfinance stage. Further the study attempts to evaluate the changes for the respondents in their income, savings, asset holdings, housing conditions and the impact of micro finance on the social and economic empowerment of women. The specific objectives of the study are:

1. To study the profile of the sample women beneficiaries and their family background.

2. To study the relationship between family background and income, savings and asset holdings.

3. To examine the impact of microfinance on income, savings and assets of the respondents.

4. To evaluate the impact of microfinance on women empowerment with reference to socio-economic aspects.

5. To offer suitable suggestions based on the findings.

For the purpose of analysis 450 respondents were selected, 140 from fish processing women workers, 150 from fish marketing women workers and 160 from fisheries related allied activities women workers by using random sampling technique from the costal villages of Ramanathapuram district.

7.1 Summary of findings

The study reveals that the sample respondents are mostly young in the age group of 26-35 years, accounting 13.78 percent and 11.78 percent and 15.56 percent of the respondents engaged in processing, marketing and allied activities respectively fall in the age group of 26-35 years. Nearly 4 per cent of the respondents of marketing belong to the age group of 46 years and above. In processing activity the percentage is around 6.44 percent. In allied activities, it is 4.67 percent which is the highest among all the activities.

The Chi-Square test proves that there is a significant relationship between the age group of the respondents and the various activities. It shows that more number of aged and experienced people concentrate in allied activity, whereas the young people concentrate only in marketing activity.

It is found that 16.00 percent of the respondents are illiterate, 29.56 percent of the respondents have education up to high school levels, 14.67 percent of the respondents have completed higher secondary education, 17.11 percent of them are graduates and 22.67 percent of them are found with technical education.

The Chi-Square test proves that there is a close relationship between the educational status of the respondents and the various activities they carryout in the study area. It shows that the processing activity and allied activity have least percentage of illiterates (5.56 percent and 7.11 percent) and the high percentage of the educated up to graduate and technical level (17.11 percent and 22.67 percent). On the other hand, in marketing activity high percentage of respondents have education up to high school level (9.78 percent).

It is found that out of the total respondents nearly 70.44 percent of them are married, 15.33 percent of them are un-married and 14.22 percent of them are widows.

It is observed that majority of the respondents have availed microfinance mainly to increase their family income and for education purpose accounting for 37.11 percentage and 19.56 percentage respectively.

It is found that in the period before availing microfinance in the study area 29.33 percent of the respondents come under the category of annual income below Rs12000, 28.22 percent of the respondents come under the category of Rs 12001 to Rs 24000, 25.78 percent of the respondents come under the category of Rs 24001 to Rs 36000. Really and 16.67 percent of the respondents belong to the category of above Rs 36000.

It is found that the annual income of the respondents after microfinance in the study area has increased 11.56 percent of the respondents come under the category of annual income below Rs 12000, 18.89 percent of the respondents belong to the category of Rs 12001 to Rs 24000, 24.67 percent of the respondents belong to the category of Rs 24001 to Rs 36000 and 44.89 percent of the respondents belong to the category of above Rs 36000. Really there is a significant improvement in their income level in the post micro finance period.

The Chi-Square test proves the fact that there is a close association between the annual income of the respondents and the various activities in which they are engaged in the study area.

It is also inferred that 68.44 percent of the sample respondents are Hindus, 20.44 percent of the respondents belong to Christians and 11.11 percent of them are Muslims in the study area.

The community wise distribution shows that 48.22 percent of the respondents belongs to BC which is followed by 31.34 percent of the respondents belonging to scheduled caste and tribes (S.C / S.T), which is followed by 25.56 percent of the respondents belonging to the most backward community (M.B.C).

The Chi-Square test proves that there is a significant relationship between the community of the respondents and the various activities they under take in the study area.

It is observed that 54.89 percent of the respondents have below 4 members in their families, 29.78 percent of the respondents have 4 – 6 members in their families and 15.33 percent of the respondents have above 7 members in their families.

The Chi-Square test proves that there is a significant relationship between the family size of the respondents and the various activities in the study area.

The study indicates that joint family is fast disappearing as 56.22 percent in the study area are living in nuclear families and 43.77 percent of them live in joint family.

It is inferred that before availing microfinance 25.56 percent of the respondents family income come under the category of below Rs 30000, 40.13 per cent of the respondents family income come under the category of Rs 30001 to

Rs 40000, 24.67 percent of the respondents family income come under the category of Rs 40001 to Rs 50000, and 9.56 percent of the respondents family income come under the category of above Rs 50001.

It is inferred that the annual income of the respondents family has increased after availing the microfinance 18.67 percent of the respondents family income come under the category of below Rs 30000, 31.78 percent of the respondents family income come under the category of Rs 30001 to Rs 40000, 31.78 percent of the respondents family income come under the category of Rs 40001 to Rs 50000, and 17.78 percent of the respondents come under the category of above Rs 50001.

The Chi-Square test proves that there exists a significant relationship between the annual income of the respondents and their family annual income in the study area.

It is observed that before microfinance the savings capacity of the respondents accounts only a meager amount. Before availing microfinance about 27.78 of the respondents had savings below Rs.2000. 26.00 percent of the respondents have savings of Rs. 2001- 3000. 22.44 per cent of the respondents have savings amount of Rs 3001 to Rs 4000. 14.67 percent of them have a savings of Rs 4001 to Rs 5000. A very low percentage constituting 9.11percent of the respondents have savings of above Rs 5000.

It is found that the annual savings of the respondents has increased after availing micro finance in the study area. After availing microfinance 25.11 percent of the respondents come under the category of savings below Rs 2000, 21.56 percent of the respondents belong to the category of Rs 2001 to Rs 3000, 22.22 percent of the

respondents belong to the category of Rs 3001 to Rs 4000, 21.11 percent of the respondents belong to the category of Rs 4001-5000 and 10.00 percent of the respondents belong to the category of above 5001. Thus, it is inferred that all the members had the capacity to save more after becoming microfinance member.

The Chi-Square test proves that there is a close relationship between the annual savings of the respondents and the various activities under taken after joining microfinance institution.

It is found that 76.00 percent of the respondents are living in own houses, 15.78 percent of the respondents are living in rented houses and very low percentage (8.22 percent) of them are living in others.

It is inferred that 16.22 percent of the respondents have thatched house, 30.89 per cent of the respondents have tiled house and 24.89 percent of the respondents have concrete house.

It is observed that 86.22 percent of the respondents have electricity facility in their house, and the remaining 13.78 percent of the respondents do not have electricity facility in their house. Hence, it may be underlined that of the respondents live in thatched houses do not have electricity facility.

It is found that about 22.00 percent of the respondents have gas connection for cooking in their families, 15.33 percent of the respondents cook with kerosene stove and 64.00 percent of the respondents depend on wood for cooking.

It is observed that the respondents depending on hand pump water are 16.22 percent which is very meager, 86.22 percent of the respondents depend on panchayat water and only 8.67 percent of them depend on well water.

It is found that 52.22 percent of the respondents use manual type latrine which is unhygienic, 18.22 percent of the respondents use dry latrine, and only 29.56 per cent of the respondents use flush out latrines.

While the analyzing the assets holding before microfinance, the value of assets holding of the respondents accounts only a meager amount. About 24.89 percent respondents have assets of below Rs.10000. 26.00 percent of the respondents have assets of Rs 15001- 20000, 25.11 percent of the respondents possess assets of Rs 10001 to Rs 15000, and 15.11 percent have assets of Rs 20001 to Rs 25000. A very low percentage constituting 8.89 percent of the respondents have assets worthy of Rs 25000 and above.

It is observed that the assets holding of the respondents and their family, after availing microfinance has increased in the study area. 8.67 percent of respondents have an assets to the value of below Rs.10000, 13.56 percent of the respondents have the assets of Rs.10001 – 15,000, 21.11 percent of the respondents have assets of Rs.15001- 20000, 22.67 percent of the respondents have assets in to the value of Rs 20001 to Rs 25000, and 34.00 percent of the respondents and their family have the assets of above Rs 25000.

The F-value (165.141) indicates that estimated regression model is statistically significant at 5 percent level. It is observed that the total annual income of the family

is based on the annual income of the respondents and the annual income of their spouses' family members in processing activity.

The F-value (415.862) indicates that estimated regression model is statistically significant at 5 percent level. It is observed that the total annual income of the family is based on the annual income of the respondents and the annual income of their spouse's family members in marketing activity.

The F-value (1765.793) indicates that estimated regression model is statistically significance at 5 percent level. It is concluded that the total annual income of the family is based on the annual income of the respondents and the monthly income of their spouses in allied activity.

The correlation analysis shows that the relationship between annual income of the respondents and annual savings of the respondents is highly significant that is 0.748 at 1 percent level of significance. It is also observed that the relationship between annual income of the respondents and their annual income of the family is highly significant that is 0.708 at 1 percent level of significance in the study area in various activities.

ANOVA test shows that there is a significant variation in the annual income of the respondents among the various sectors and their family size at 5 percent level of significance. It also shows that the annual income of the respondents and their family size varies significantly among the respondents engaged in various activities such as, processing, marketing and allied activities.

ANOVA reveals that there is a significant variation in the assets holding of the respondents engaged in various activities and their family size at 5 percent level of significant. Hence, it may be concluded that the assets holding of the respondents and their family size varies significantly among the various activities.

The paired't' test shows that there is some significant difference in the annual income of the respondents before microfinance and after microfinance. The mean income of the respondent before microfinance is Rs 33151.21 and after microfinance is Rs 21624.25 and the difference Rs 12633.15 is statistically significant.

The paired't' test shows there is some significant difference in the annual savings of the respondents before microfinance and after microfinance. The mean savings of the respondent after microfinance is Rs 2631.1771 and before microfinance is Rs 1011.2511, and the difference Rs 1651.21 is statistically significant.

The paired 't' test shows there is some significant difference in the assets holding of the respondents before microfinance and after microfinance. The mean assets holding of the respondent before microfinance are Rs 18611.241 and after microfinance it is Rs 14321.731 and the difference Rs 14321.731 is statistically significant.

The economic index was measured and classified as up to 20, 20-40, 41-60, 61-80 and 81-100. The economic index of the respondents was compared at before and after microfinance stages and to test the significance difference between the two mean value of economic index in each activity, the't' statistic was also computed. The changes of economic index during the period before and after microfinance in the two

activities (processing and allied) statistically significant and the changes in marketing activity is insignificant.

The 'F' statistic reveals that in processing activity significant difference exists among the respondents regarding all six economic variables in the two different periods. In the case of marketing activity, significant differences exist in economic variables namely the six economic variables in the two different periods of before and after microfinance. In the case of allied activity, significant differences exist among the respondents regarding all the six economic variables in the two different periods of before and after microfinance period situation. In the case of overall data, conspicuous variations, are noticed in economic variables namely assets, income, savings, family income, loan amount and overall economic index respectively. It indicates that when the period of membership increase there is a significant change in the economic preferences of the respondents during the period before and after microfinance.

It is observed that all the five economic variables are positively correlated with the income generation of the respondents in the post microfinance period. The significant variables in activities such as savings, family income, loan amount and overall economic index. In processing activity the significant variables are savings, loan amount and overall economic index respectively. In marketing activity the significant variables are savings, loan amount and overall economic index respectively. In allied activity, the significant variables are savings and loan amount respectively. The overall data reveals that the significantly correlated variables are savings, family income and overall economic index. It is noted that there is a positive

correlation between loan amount and income generation in post microfinance situation because of the purpose of utilization of the loan amount in two different periods of before availing microfinance and after availing microfinance. The higher savings and higher family income are significantly and positively correlated with income generation.

The social empowerment of the respondents was measured by taking the changes in a set of parameter such as improvement in social recognition, participation, self-sufficiency, social communication, social independence, social interaction and social index was prepared with the help of the above said seven variables, and it was classified as up to 20, 21-40, 41-60, 61-80 and 81-100.

The social index of the respondents belonging to each activity was calculated separately and 't' test was applied to find out the test of significance of the two means at the activities in the two different periods. The change in social index in processing marketing and allied activities and or pooled data were statistically significant since the 't' values were greater than the table values.

'F' test shows that in the significant social variables in processing activity, significant variables except social communication and social responsibility are seen during the two periods of the study. In the case of marketing activity, the significant social variables except social communication and social responsibility are found. In allied activity, significant social variables except social communication and social responsibility are present. For the overall data the significant changes are seen in social recognition, social participation, self-sufficiency, social independence, social

responsibility. It shows that the social empowerment of women through the micro finance is attained.

Karl Pearson co-efficient of correlation ascertained that there is a positive correlation between all social variables and the related income generation. In the case of processing activity, the significant variables are self – sufficiency and social independence. In marketing activity, the significantly correlated variables with the income generation are self-sufficiency and social independence. In the case of allied activity, the significantly correlated variables are self-sufficiency and social independence. The overall data reveals that there is a positive and significant correlation existing between self-sufficiency, social independence and social interaction with the income generation.

The 't' test reveals that the average ESE index stood at 39.61 before availing microfinance has increased to 55.22 in post microfinance period in processing activity. In marketing activity, it has increased from 42.65 to 57.23 after microfinance period. In allied activity, it has increased from 44.36 to 60.22 in the after microfinance period. The incremental values in the ESE index in processing activity, marketing activity and overall were 16.21, 15.28, 16.21 and 27.22 respectively. The 't' test reveals that the change in ESE index before and after availing microfinance period is significant only in processing activity and overall data.

It has been found that majority of women take jointly decision relating to family budget, education of their children, family's health and medicine, the leisure time activities and personal needs, irrespective of processing activity, marketing activity, allied activity in which they are engage and in the study area. It has been

further observed that joint decisions have been taken by the women respondents in consultation with their husband/family members regarding the purchase of home appliances and the purchase of gifts to be given to others on special occasions concerned.

One way ANOVA test reveals that significant variations in empowerment scores have been observed among the women respondents of various activities in the study area.

Regarding the level of women's empowerment in various activities, it is observed that in the case of processing activity out of 81 respondents, 47 (58.02 per cent) of them belong to high level group, 22(27.16 percent) of them fall under medium level and the remaining 12(14.82 percent) of them belong to low level. Out of 102 in marketing activity, 62 (60.78 percent) respondents, 23 (22.55 percent) respondents and 17 (16.67 percent) respondents belong to high medium and low level empowerment. In the case of allied activity out of 80 respondents, 53 (45.30 percent) of them fall under high level, 26 (22.22 percent) of them come under the category of medium level and 38 (32.48 percent) of them fall under low level empowerment.

Chi-Square test shows that the calculated chi-square value for age, education, family size, spouse employment and income of the respondents in processing activity are greater than the table value of the chi-square value at 5 percent level of significance. Hence, it may be observed that there exists a relationship between these factors and level of empowerment. As the calculated value of chi-square is less than the table value of chi-square per cent level in the case of caste and types of family, the of caste and types of family have no influence on the level of empowerment of the

women in the study area. It may be observed that there is a relationship between the level of empowerment and age, education, family size, spouse employment and income of the respondents.

Chi-Square test shows that the calculated chi-square value for age, education, caste, spouse employment and income of the respondents in marketing activity are greater than the table value of the chi-square value at 5 percent level of significance. Hence, it may be observed that there exists a relationship between the factors and level of empowerment. As the calculated value of chi-square is less than the table values to 5 percent level, family size and types of family have no influence on the level of empowerment of the women in the study area. Thus, it may be concluded that there is a relationship between the level of empowerment and age, education, caste, spouse employment and income of the respondents.

Chi-square test shows that the calculated chi-square value for age, education, family size, spouse employment and income of the respondents in allied activity are greater than the table value of the chi-square value at 5 percent level of significance. Hence, it may be observed that there exists a relationship between these factors and level of empowerment. As the calculated value of chi-square is less than the table value of chi-square of per cent level in the case of caste and types of family, caste and types of family have no influence on the level of empowerment of the women in the study area. It may be observed that there is a relationship between the level of empowerment and age, education, family size, spouse employment and income of the respondents.

Step-wise multiple regression analysis reveals that as each of the additional variables is included, the values of multiple R and R^2 get increased. It indicates that the income of the respondents, education and family size are the best set of prediction of empowerment of women having the combined contribution of about 96 percent. In all activities, monthly income of the respondents has influenced the empowerment of women in the study area.

7.2 Suggestions

In the light of the above discussion and findings, the following suggestions are made,

❖ It is suggested that the NGOs should be prevented from interfering with the MFIs Movement. Steps should be taken to keep them as voluntary organizations. They should not be allowed to use extraneous influences.

❖ Savings by the members is one of the main indicators for economic development. So, the banks and post offices should introduce attractive, user-friendly schemes to encourage the thrift habit among the members.

❖ The MFIs entrepreneurs face the problem of marketing the fish products. Arrangements should be made to market the products through Public Distribution System (PDS).

❖ MFIs women are more concerned with poverty and its effect on society. Since they themselves fight against poverty by being members of MFIs and move upwards from below poverty line, in future, the poverty alleviation programmes can be implemented through SHGs, They can monitor themselves effectively, with all enthusiasm and involvement.

- ❖ A growing unhealthy competition is visible between Mahalir Thittam approved NGOs and other MFIs promoted by NGOs in the study area. Such unhealthy competition much be removed otherwise it will spoil the entire concept of the programme. For this, the area or villages can be clearly segregated and only one participation agency should be permitted in a village.

- ❖ Overlapping and dual memberships should be avoided and mobility should not be encouraged among the MFIs members between the groups.

- ❖ The training system should link up with some kind of microfinance mechanism whether formal or informal. It is suggested that more number of groups should be linked with the banks so that their micro finance support would be strengthened.

- ❖ Institutional microfinance must be extended to women to develop their managerial skill for prompt repayment consciousness.

- ❖ Microfinance should be used to meet the demand of the poor women for health, education or consumption purposes. This will improve the quality of their life and will make them ready to take active participation in economic activities.

- ❖ Exposure visits to other successful groups can be organized to share the knowledge, experience and expertise.

- ❖ Annual plans for SHGs and MFIs activities should be done by the group consulting the NGOs. Group leaders from different villages can meet monthly once and present the progress of their groups.

❖ Income generating activity should be based on available local resources and a reasonably assured market with profits.

❖ Leadership position should not be given to a particular person each year. A chart can be prepared which should carry the performance of each member. Every member in a group should be given a chance of becoming a leader according to the performance chart. This will encourage their active participation.

❖ Regarding the enrolment of membership, MFIs consisting of members of below poverty line should enroll only a person of below poverty line. Then only, they can utilize the economic benefits like the revolving fund and subsidies given by banks.

❖ Regarding their health issues, the members of the MFIs should follow a hygienic sanitation. Many of the members use manual type toilet facility in their houses. The Government should take steps to provide them flush out latrines.

❖ Combined group activism with social participation may be encouraged through imparting training and motivation to animators on the concepts like group cohesiveness, basic maintenance of records and success stories of other groups.

❖ Periodical lectures on health care, consumer protection and legal provisions relating to women issues must be arranged by the NGOs and Banks to create social awareness among the SHGs & MFIs members.

❖ Though, these groups have made a positive impact on MFIs women, SHG members suffer from lack of motivation, inadequacy of infrastructure, insufficient loan, inadequate provision of marketing, non-availability of inputs, and lack of systematic monitoring and follow up activities etc., Thus there is need to evaluate the MFIs annually to assess the progress of different income and employment generating schemes.

❖ All service for women in rural areas should be integrated and offered as a package programme. All services and programmes related to fisheries, education, health, care, nutrition, family planning and vocational training must be directed towards improving women's earning, increasing their productivity professional skill.

❖ The need of the hour is that the government should form a regulatory authority to oversee the functioning of the MFIs and find out the members who are not participating in the income generation activities, but lend the money at exorbitant rate of interest. Suitable action may be taken against them.

7.3 Conclusion

From the study undertaken, the researcher come to the conclusion that the microfinance schemes implemented in different parts of the country, have produced excellent results by enhancing the economic empowerment and alleviating poverty of poor women who have no access to formal financial institution. So it is necessary to implement more and more novel microfinance schemes to cover all poor women to achieve full economic development. Further, microfinance schemes has helped in assisting the families of women respondents below poverty line by ensuring

appreciable sustained level of income through different activities in the study area. The scheme has enhanced the income, savings, assets creation of the respondents, employment generation and has augmented the level of women empowerment in decision making process. This scheme is expected to spread its coverage more than the predicted estimate in the forth coming years. Microfinance scheme is a valuable contribution to the development planning as it presents an alternative way to rural women development. The microfinance scheme is a valuable contribution to the development of an economy. If the microfinance schemes are conscientiously implemented, they can become a rural power in bringing out the creative and productive potential for real women. In short the microfinance schemes are to be viewed as agents of change in rural areas for empowerment of rural women.

7.4 Scope for Further Research

The scope for future research in the study is underlined below,

1. A study on the development of women entrepreneurs through microfinance.
2. Market orientation approach in microfinance lending.
3. A study on occupational mobility through microfinance.
4. A study on the performance evaluation of microfinance Institutions