
CHAPTER VII

**SUMMARY OF FINDINGS,
SUGGESTIONS AND CONCLUSION**

7.1 Introduction

This chapter presents a summary of the findings and suggestions. The main aim of the present study is to examine the impact of micro-credit on the upliftment of women in Tirunelveli District.

The study aims at ascertaining the impact of micro-credit on the women beneficiaries at post-credit stage. Further, the study attempts to evaluate the changes in the income, savings, asset holdings, housing conditions and the impact of micro credit on the social and economic empowerment of women. The specific objectives of the study are:

1. To study the profile of the sample rural 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 micro-credit on income, savings and assets of the respondents.
4. To evaluate the impact of micro-credit on women empowerment with reference to socio-economic and decision making.
5. To offer suitable suggestions based on the findings.

For the purpose of analysis, 600 respondents, were selected by using random sampling technique from selected taluks in Tirunelveli District. Out of 600 respondents, 162 (27 per cent) belong to manufacturing, 204 (34 per cent) to service and remaining 234 (39 per cent) belong to trading sectors.

7.2 Summary of Findings

It is inferred from the analysis that the sample respondents are mostly young in the age group of 26-35 years, accounting to 48.33 per cent. 34 per cent of the respondents are in the age group of 36-45 years. Nearly 3 per cent of the respondents of service sector belong to the age group 46 and above. In manufacturing sector this percentage is around 5 per cent. In trading sector, it is 17.95 per cent which is the highest among all the sectors.

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

It is revealed that 10.67 per cent of the respondents are illiterates, 37.67 per cent of the respondents have studied upto high school level, 12.00 per cent of the respondents have completed higher secondary education, 15.60 per cent of them are graduates and 24.00 per cent of them are found with post graduate degree.

The Chi-Square test shows that there is a close relationship between the educational status of the respondents and the various sectors in the study area. It shows that the manufacturing sector and trading sectors have least percentage of illiterates (7.41 per cent and 6.84 per cent) and the high percentage of the respondents who studied upto graduate and post – graduate level (62.96 per cent and 54.70 per cent). On the other hand, service sector has high percentage of the respondents who studied upto high school level (43.14 per cent).

It is inferred that majority of the respondents, i.e., nearly 91.00 per cent are married, 5.33 per cent are un-married and 3.67 per cent are widows.

It is observed that majority of the respondents have availed credit mainly to increase their family income and for education purpose accounting for 46.00 percent and 22.00 percent respectively.

The study has revealed that regarding the annual income in the pre-credit period in the study area 26.33 per cent of the respondents come under the category of below Rs.12000, 27.00 per cent of the respondents belong to the category of Rs.12001 to Rs.24000, 29.00 per cent of the respondents belong to the category of Rs.24001 to Rs.36000 and 17.67 per cent of the respondents belong to the category of above Rs.36001.

It is found that the annual income in the post-credit period in the study area has increased. Only 7.33 per cent of the respondents come under the category of having less than Rs.12000 per annum. 18.33 per cent of the respondents belong to the category of Rs.12001 to Rs.24000, 22.67 per cent of the respondents belong to the category of Rs.24001 to Rs.36000 and 51.67 per cent of the respondents belong to the category of above Rs.36001. In post-credit period, there is a significant improvement in their income level.

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

It is also inferred that 90.67 per cent of the respondents belong to Hindu religion, 8.33 per cent of the respondents belong to Christianity and 1.00 per cent belong to Muslim religion in the study area.

The community wise distribution says that majority of the respondents are BCs (41.33 per cent), which is followed by 31.34 per cent of the respondents belonging to scheduled caste and tribes (S.C / S.T), which is followed by 27.33 per cent 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 sectors in which they are engaged in the study area.

It is observed that majority of the respondents (42.67 per cent) have less than 5 members in their families, 35.00 per cent of the respondents have 5 – 8 members in their families and 22.50 per cent of the respondents have above 9 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 sectors in which they are engaged in the study area.

The type of the family of the sample respondents indicates that the system of joint family is fast disappearing as majority of them (59.67 per cent) in the study area are in nuclear families and 40.33 per cent of them belong to joint family type.

It is inferred that regarding the annual income of the respondents family, before availing the credit, 39.00 per cent of the respondents' family income was less than Rs.25000, 33.00 per cent of the respondents' family income was in Rs.25001 to Rs.35000 range. 21.67 per cent of the

respondents' family income was between Rs.35001 to Rs.45000, and 6.33 per cent of the respondents' family income was above Rs.45001.

It is inferred that the annual income of the respondents' family has increased after availing the credit. Only for 12.67 per cent of the respondents annual income was less than Rs.25000 after availing credit. 27.33 per cent of the respondents received their annual income in the range of Rs.25001 to Rs.35000. 36.33 per cent of the respondents' family income was between Rs.35001 to Rs.45000, and 23.67 per cent of the respondents' family was above Rs.45001.

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 pre-credit saving capacity of the respondents accounted only a meagre amount. About 81 respondents had no savings. 27.33 per cent of the respondents had savings below Rs.1200. For 26.33 per cent of the respondents saving amounted to Rs.1201 to Rs.2400. 13.00 per cent had savings of Rs.2401 to Rs.3600. A very low percentage i.e., 6.34 per cent of the respondents had savings above Rs.3601.

It is found that in the post credit period, the annual savings of the respondents has increased in the study area. About 27.00 per cent of the respondents have less than Rs.1200 as their annual savings. 20.67 per cent of the respondents have an annual saving of Rs.1201 to Rs.2400. 25.67 per cent of the respondents are in the saving range of Rs.2401 to Rs.3600. 21.66

per cent of the respondents are in the range of Rs.3601 to Rs.4800 range and 5.00 per cent of the respondents have their savings above Rs.4801. Thus, it is inferred that all the members have the capacity to save in the post credit period.

The Chi-Square test proves that there is a close relationship between the annual savings of the respondents and the sectors after joining the self-help groups.

It is found that 93.33 per cent of the respondents are living in their own houses, 4.33 per cent of the respondents are living in rented houses and very low percentage (2.34 per cent) of them are living in mortgaged houses.

It is inferred that 39.00 per cent of the respondents live in thatched houses, 34.33 per cent of the respondents are in tiled houses and 26.67 per cent of the respondents have concrete houses.

It is observed that 89.00 per cent of the respondents have electricity facility in their houses, and the remaining 11.00 per cent of the respondents do not have electricity facility in their houses.

It is found that about 15.33 per cent of the respondents have gas connection for cooking in their families, 2.67 per cent of the respondents cook with kerosene stove in their families and 82.00 per cent of the respondents depend on fire wood for cooking.

It is observed that the respondents depending on hand pump water are 0.33 per cent which is very meager. Majority of our respondents, i.e., 95.33 per cent depend on panchayat water and only 4.34 per cent depend on well water.

It is found that the majority of the respondents use manual type of latrine which is unhygienic accounting to 77.00 per cent, 6.00 per cent of the respondents use dry latrine, and only 17.00 per cent of the respondents use flush out latrines.

While analyzing the asset holding in pre-credit period, it is inferred that the value of asset holding of the respondents accounts only a meagre amount. Majority of the respondents, that is 26.67 per cent of the respondents, have assets of the value of below Rs.10000, 28.00 per cent of the respondents possess assets of the value Rs.10000 to Rs.15000, and 11.67 per cent have assets of the value of Rs.15000 to Rs.20000. A very low percentage constituting 6.33 per cent of the respondents have assets worth Rs.20000 and above.

It is observed that the asset holding of the respondents has increased in the post credit period in our study area. 0.33 per cent of respondents have no assets, 6.67 per cent of the respondents have the assets below Rs.10000, 21.00 per cent of the respondents have assets of the value of Rs.10001 to Rs.15000, 20.67 per cent of the respondents have assets in the range of Rs.15001 to Rs.20000, and 51.33 per cent of the respondents and their family have the assets above Rs.20001.

The F- value (166.251 in manufacturing sector) indicates that estimated regression model is statistically significant at 5 per cent 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 manufacturing sector.

The F- value (416.241 in service sector) indicates that estimated regression model is statistically significant at 5 per cent 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 service sector.

The F- value (176.781 in trading sector) indicates that estimated regression model is statistically significant at 5 per cent 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 trading sector.

The correlation analysis shows that the relationship between annual income of the respondents and annual savings of the respondents is highly significant that is 0.738 at 1 per cent 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 0.706 at 1 per cent level of significance in the study area in various sectors.

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 per cent level of significance. It also shows that the annual income of the respondents and their family size varies significantly among the various sectors such as manufacturing sector, service sector and trading sector.

ANOVA test shows that there is a significant variation in the annual savings of the respondents among the various sectors and their family size at 5 per cent level of significance. Hence, it may be concluded that the annual savings of the respondents and their family size varies significantly among

the various sectors such as manufacturing sector, service sector and trading sector.

ANOVA test further reveals that there is a significant variation in the asset holding of the respondents among the various sectors and their family size at 5 per cent level of significance. Hence, it may be concluded that the asset holding of the respondents and their family size varies significantly among the various sectors such as manufacturing sector, service sector and trading sector.

To quantify the impact, the Economic and Social Empowerment Index was computed for each member combining the social and economic parameters, using the scoring techniques applied by Singh, Padam, and Rattan Chand.

The Economic Index was measured and classified as upto 20, 21–40, 41–60, 61–80 and 81–100. The Economic index of the respondents was compared at pre and post – credit stages and to test the significant difference between the two mean value of economic index in each sector, the ‘t’ statistic is also computed. The changes of economic index during the pre and post-credit periods in the two sectors in manufacturing sector and trading sector are statistically significant and the changes in the other sectors i.e., service sector is insignificant.

The ‘F’ statistics reveals that in manufacturing sector significant difference exists among the respondents regarding all six economic variables in the two different periods. In the case of service sector, significant differences exist in the six economic variables in the two different periods of pre and post-credit situation. In the case of trading

sector, significant differences exist among the respondents regarding all the six economic variables in the two different periods of pre and post credit situation. In the case of overall data, variations are noticed in economic variables namely assets, income, savings, family income, loan amount and overall economic index. It indicates that when the period of membership increases there is a significant change in the economic preferences of the respondents during the pre and post credit periods.

It is observed that all the five economic variables are positively correlated with the income generation of the respondents at post-credit situation. The significant variables are savings, family income, loan amount and overall economic index. In manufacturing sector and service sector the significant variables are savings, loan amount and overall economic index. In trading sector, the significant variables are savings and loan amount. 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-credit situation because of the purpose of utilization of the loan amount. The higher savings and higher family income are significantly and positively correlated with income generation. It indicates that the mere loan amount of the respondents is not essential to generate income, while it requires savings and also higher family income.

The social empowerment of the respondents is measured by taking the changes in a set of parameters such as improvement in social recognition, participation, self-sufficiency, social communication, social independence, social interaction and social responsibility between pre and post-credit situations. The social index is prepared with the help of the

above said seven variables, and it was classified as upto 20, 21–40, 41–60, 61–80, and 81–100.

The social index of the respondents belonging to each sector is calculated separately and ‘t’ test is applied to find out the test of significance of the two means at a sector in two different periods. The change in social index in manufacturing, service and trading sectors and for pooled data are statistically significant since the ‘t’ values are greater than the table values.

‘F’ test shows that in all the three sectors, significant changes are seen in all variables except social communication and social responsibility during the two periods of the study. For the overall data the significant changes are seen in social recognition, social participation, self-sufficiency, social independence and social responsibility. It shows that the social empowerment of women through the micro credit is attained.

Karl Pearson’s co-efficient of correlation ascertained that there is a positive correlation between all social variables and the related income generation. In all the three sectors, the significant variables are self-sufficiency and social independence. The overall data reveals that there exists a positive and significant correlation between self-sufficiency, social independence and social interaction with the income generation.

The ‘t’ test reveals that the average ESE index has increased from 41.22 in pre-credit to 56.24 in post-credit situation in manufacturing sector. In service sector, it has increased from 43.14 in pre-credit to 58.61 in post-credit situation. In trading sector, it has increased from 45.11 in pre-credit to 61.24 in post-credit situation. The incremental values in the ESE index in

manufacturing sector, service sector and overall data are 15.02, 15.47, 16.13 respectively. The ‘t’ test reveals that the change in ESE index in the pre and post-credit situation is significant only in manufacturing sector, trading sector.

It has been found that majority of women take their own independent decision relating to family budget, education of their children, family's health and medicine, the leisure time activities and personal needs irrespective of the sector in which they are engaged. 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.

One way ANOVA test reveals that significant variations in empowerment scores have been observed among the women respondents of various sectors such as manufacturing, service and trading sectors in the study area.

It has been further attempted to examine the level of women's empowerment in various sectors. In the case of manufacturing sector, out of 162 respondents, 94 (58.02 per cent) belong to high level group, 44 (27.16 per cent) fall under medium level and the remaining 24 (14.82 per cent) belong to low level. Out of 204 respondents in service sector, 124 (60.78 per cent), 46 (22.55 per cent) and 34 (16.67 per cent) belong to high, medium and low level empowerment respectively. In the case of trading sector, out of 234 respondents, 106 (45.30 per cent) fall under high level, 52 (22.22 per cent) come under the category of medium level and 76 (32.48 per cent) fall under low level.

Chi-square test shows that the calculated chi-square value for age, education, family size, employment of spouse and income of the respondents in manufacturing sector are greater than the table value at 5 per cent 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 at 5 per cent level in the case of caste and types of family, the caste and type 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, employment of spouse and income of the respondents.

For service sector Chi-Square test result shows that the calculated value for age, education, caste, employment of spouse and income of the respondents are greater than the table value of the 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 values at 5 per cent level, family size and type of family have no influence on the level of empowerment of the women in the study area.

In the case of trading sector Chi-square test result show that the calculated chi-square value for age, education, family size, employment of spouse and income of the respondents are greater than the table 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 at 5 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, employment of spouse and income of the respondents.

Step-wise multiple regression analysis reveals that as each of the additional variable 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 per cent. In the case of all three sectors, monthly income of the respondents influence the empowerment of women in the study area.

7.3 Suggestions

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

- ❖ Savings by the members is one of the main indicators of economic development. So, the banks and post offices should introduce attractive, user – friendly schemes to encourage thrift habit among the members.
- ❖ The SHG entrepreneurs face the problem of marketing the products produced by them. Arrangements should be made to market the products through Public Distribution System (PDS).
- ❖ SHG women are more concerned with poverty and its effect on society. Since they themselves fight against poverty by being members of SHG and move upwards from below poverty level, 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 SHGs promoted by NGOs in the study area. Such unhealthy competition must 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 SHG members between the groups.
- ❖ The training system should link up with some kind of credit delivery mechanism whether formal or informal. It is suggested that more number of groups should be linked with the banks so that their credit support would be strengthened.
- ❖ Institutional credit facility must be extended to women to develop their managerial skill for prompt repayment consciousness.
- ❖ Micro – finance should be used to meet the immediate demand of the poor women – for health, education or consumption purposes. This will improve the quality of their life and they will be 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 SHG 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.
- ❖ The NGOs can provide some common services to the Self – Help Groups for procurement of raw materials, marketing etc.,
- ❖ 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, SHGs 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 SHGs 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.

- ❖ The facilitators like NGOs and banks should communicate information to start self employment in the field which provides ample opportunities for income generation with the locally available raw materials.
- ❖ 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 SHG members.
- ❖ Though, these groups have made a positive impact on SHG women, SHG members suffer from lack of motivation, backward and forward linkages, inadequacy of infrastructure, insufficient loan, inadequate provision of marketing, non-availability of inputs, lack of systematic monitoring and follow up activities etc., Thus there is need to evaluate the SHGs annually to assess the progress of different income and employment generating schemes.
- ❖ All services for women in rural areas should be integrated and offered as a package programme. All services and programmes related to agriculture, education, health care, nutrition, family planning and vocational training must be directed towards improving women's earning, increasing their productivity and making economic activity.
- ❖ It is a need of the hour that the government should form a Regulatory Authority to oversee the functioning of the Self – Help Groups 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.

7.4 Conclusion

The micro-credit schemes have done well in different parts of the country, in implementing the poverty alleviation programmes more effectively, when compared to the Government and non – Government Organizations. So it is necessary that more and more micro-credit schemes are encouraged to sustain in future for various other activities which will bring the women to the main stream.

Further, micro-credit scheme 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 of the respondents, asset creation, savings of the respondents, employment generation and has augmented the level of women empowerment in decision making process. This scheme is expected to pursue its coverage more than the predicted estimate in the forth coming years. Micro-credit scheme is a valuable contribution to the development planning as it presents an alternative way to rural women development. If the micro-credit schemes are consciously implemented, they can become a rural power in bringing out the creative and productive potential for rural women. In short the micro-credit schemes are to be viewed as agents of change in rural areas for women empowerment.

7.5 Scope for Further Research

The scope for future research in the study is underlined here under: The course of the present study has touched upon the Impact of Micro – Credit in upliftment of women in Tirunelveli District, which can be elaborated along the following lines:

1. Impact of SHG and Micro – Credit on Micro – Enterprises Development at the grass root level.
2. Comparative study on functioning and performance of SHGs in different linkage models.
3. A study on the development of women entrepreneurs through Micro – Credit.
4. Market orientation approach in Micro – Credit lending.
5. A study on occupational mobility through Micro – Credit.
6. A study on the performance evaluation of Micro – Credit Institutions.
7. Impact of Micro – Credit on Rural Development can also be undertaken at micro and macro level.