

**MICRO FINANCE AND WOMEN EMPOWERMENT –  
A COMPARATIVE STUDY BETWEEN  
KERALA AND CHITTAGONG**

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*By*

**RAJIB CHAKRABORTY**

**UNIVERSITY OF KERALA  
THIRUVANANTHAPURAM, KERALA**

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## **Chapter 7**

### **SUMMARY OF FINDINGS AND RECOMMENDATIONS**

The present study has been undertaken to make a comparative analysis between the women beneficiaries of micro finance in Kerala and Chittagong. More specifically, the study attempts to examine the socio-economic status of the women beneficiaries in Kerala and Chittagong, their decision-making power over the family purchases with regard to the small and larger purchases and their decision-making power over major decisions. Besides these, measuring psychological, social, family empowerment and level of social consciousness and aspirations of both the beneficiaries in Kerala and Chittagong is also a motto of the study. The assessment has been made based on the responses collected from the beneficiaries in Kerala and Chittagong.

The main objective of this study is to compare the level of empowerment of the women beneficiaries of micro finance in Kerala and Chittagong. With this in mind the following specific objectives have been set.

1. To study the socio-economic background characteristics of the women beneficiaries of micro finance in Kerala and Chittagong.
2. To analyze the economic condition of the women beneficiaries of micro finance in Kerala and Chittagong before and after availing micro finance.
3. To examine the impact of microfinance on women beneficiaries' decision making power in the families before and after joining micro finance schemes.
4. To examine the psychological, social, family empowerment and level of social consciousness and aspirations of women beneficiaries in Kerala and Chittagong before and after availing micro finance.

A multi-stage sampling technique has been applied to collect prevalent information for the study from the micro finance beneficiaries. In the first stage, for selecting the micro finance women beneficiaries, the State of Kerala and Chittagong division have been first divided into three regions viz. north, central and south. From each region, one district each representing north, central and south has been selected at random. Thus, Calicut from north, Ernakulam from central and Trivandrum from south in Kerala and Feni from north, Chittagong from central and Cox's Bazar from south in Chittagong division have emerged as sample districts. In the second stage,

one Panchayat / branch each has been selected from each district on a random basis. In the last and final stage, 100 beneficiaries each have been selected purposively from each Panchayat/ branch. Thus, a total of 600 women micro finance beneficiaries (300 each from Kerala and Chittagong) have been selected as sample for the study.

The data required for the study were collected from both primary and secondary sources. The primary data have been collected from the sample beneficiaries based on a structured interview schedule. The secondary data have been collected from various published and unpublished reports, books, PhD theses, periodicals, newspapers and the internet.

The data collected have been suitably classified and analyzed keeping in view the objectives of the study. For the purpose of analysis, statistical tools like- averages, percentages, weighted mean, paired t test and ANOVA have been used. The paired t-test has been used to check whether there is any difference between the pre and post micro finance period. The AVOVA test has been used to make an analysis between the impact of micro finance on the beneficiaries in Kerala and Chittagong.

The study covers a period of five years, from 2010 to 2014. The field study was conducted during the period from May 2013 to January 2014.

## **7.1 Findings of the Study**

The major findings of the study on the basis of the analysis of the data are summarized below.

### **7.1.1 Socio-Economic Characteristics of the Women Beneficiaries in Kerala and Chittagong**

1. 39 per cent of the micro finance beneficiaries in Kerala are either class tenth standard or SSLC & more, whereas in Chittagong, it comes to 17 per cent. Further in Kerala, only one fourth (25 per cent) of the beneficiaries are having primary level education. In the case of Chittagong, two third of the beneficiaries (68 per cent) are having primary school education.
2. The income level of the beneficiaries in Kerala is higher than that of Chittagong. In the low income slab, there are only 9 per cent beneficiaries in Kerala whereas they are 33 per cent in Chittagong. Again, 49 per cent in Kerala and 45 per cent in Chittagong are in the medium income level. The rest

of the 42 per cent in Kerala and 22 per cent in Chittagong are in the higher income level.

3. For both Kerala and Chittagong, nuclear family is predominant in nature. But the percentage of women beneficiaries is relatively high in Kerala (94 per cent), compared with that of Chittagong (69 per cent). In the case of Joint family, Chittagong (25 per cent) is higher than Kerala (4 per cent).
4. The majority of the beneficiaries in Kerala and Chittagong have their own houses. It is 80 per cent in Kerala and 75 per cent in Chittagong.
5. Most of the beneficiaries in Kerala (60 per cent) and Chittagong (56 per cent) are having four years of working experience under the micro finance institutions.
6. Women beneficiaries in Kerala have less number of dependents, compared with the beneficiaries in Chittagong. While, 65 per cent beneficiaries in Kerala have one dependent, they are only 21 per cent in the case of Chittagong. But with regard to two or three dependents, beneficiaries in Chittagong are higher than that of Kerala.
7. When compared to Chittagong, a greater number of women beneficiaries in Kerala have two working persons in the family. They are 77 per cent in Kerala and 47 per cent in Chittagong. A significant (25 per cent) number of beneficiaries in Chittagong have three working persons, whereas it comes to only four per cent in Kerala.
8. On average 95.5 per cent beneficiaries in Kerala are capable of affording all facilities, whereas they are 74.75 per cent in Chittagong. It is also observed that on average 96 per cent women beneficiaries in Kerala are having the facilities of using electricity and drinking water along with the availability of sanitary latrine (94 per cent) inside the house. The percentage of beneficiaries using sanitary latrine in Chittagong (91 per cent) and Kerala (94 per cent) are almost same.
9. Regarding the motivating factors, three fourth of the beneficiaries in Kerala (77 per cent) and Chittagong (76 per cent) have given first preference to 'easy access to credit'. While, promoting savings is chosen as second in Kerala, in Chittagong, it is 'to meet unexpected expenses'.

10. In response to the purpose of getting loan, 53 per cent in Kerala and 33 per cent in Chittagong have chosen “starting a new business” as first purpose. The percentage indicates that a substantial section of women beneficiaries in Chittagong have used the loan to the purpose other than business. In the case of beneficiaries in Chittagong, debt repayment, agriculture and allied activities score the second and third respectively and beneficiaries in Kerala have chosen agricultural and allied activities and education as second and third respectively.
11. With regard to the occupation of the husband and the ownership of the house, it is seen that the majority of the beneficiaries’ husbands in Kerala (39 per cent) and Chittagong (39 per cent) who possess their own houses are self-employed. Further, one third (33 per cent) in Kerala possessing own houses are either fishermen or agricultural workers. In the case of Chittagong, 30 per cent with their own houses are either fishermen or agricultural workers. In the case of rented houses also the majority of the beneficiaries are self-employed (6 per cent) in Chittagong, whereas they are fishermen (9 per cent) in Kerala.

#### **7.1.2 Impact of Micro Finance on Economic Empowerment and Decision making Power of Women Beneficiaries**

1. Women beneficiaries in Chittagong have brought big changes in their post-MF economic conditions. While, one fourth of the beneficiaries in Kerala (28 per cent) and just five per cent in Chittagong were in the high income level earlier, after joining micro finance, 22 per cent in Chittagong and 42 per cent in Kerala have claimed to reach in the high income level. In the case of medium level of income also, a significant improvement has been observed. In low income level, though they are just 9 per cent in Kerala, in Chittagong, the percentage is one third (33 per cent) of the total sample. But in respect of overall changes, beneficiaries in Chittagong overtake the beneficiaries in Kerala.
2. The majority of the beneficiaries with >4 years experience both in Kerala and Chittagong are in the high income group. In the case of middle income group, the majority 36 per cent in Kerala and 29 per cent in Chittagong are having 4 years experience. The beneficiaries both in Kerala and Chittagong who are in

the low income group are having only three years working experience under micro finance schemes.

3. Majority of the self-employed beneficiaries both in Kerala and Chittagong are in the high income group. In the case of middle income group, maximum 26 per cent in Kerala and 39 per cent in Chittagong are also self-employed. Most of the housewives and unskilled beneficiaries both in Kerala and Chittagong are in the low income group.
4. Before joining micro finance, half of the women beneficiaries in Kerala (49.6 per cent) and three fourth (77.2 per cent) in Chittagong could not bear the necessary expenses. However, after joining micro finance, four fifth (86.2 per cent) of the beneficiaries in Kerala and 61 per cent in Chittagong are able to bear the necessary family expenses. But, the relative increase in the mean score of capacity of bearing expenses of beneficiaries in Chittagong is higher (34.29 per cent) as compared to Kerala (23.74 per cent).
5. There is significant difference between the 'preferences over expenses' given by the beneficiaries in Kerala and Chittagong. While, majority of the beneficiaries in Kerala have given first preference to food, the beneficiaries in Chittagong have chosen repayment of loan. It clearly shows the difference in financial condition between the two beneficiaries. Again, for the second and third preferences, while beneficiaries in Kerala have selected repayment of loans and clothing, the beneficiaries in Chittagong have marked food , fuel and electricity.
6. A significant number (41 per cent) of beneficiaries in Kerala already had savings in all forms of financial institutions even before joining micro finance whereas in the case of Chittagong, only 13 per cent had such ability. However in the post micro finance period, on average 78.5 per cent beneficiaries in Kerala and 58.5 per cent in Chittagong have made savings. But, when overall changes are concerned, beneficiaries in Chittagong (Mean variation 43.63 per cent) have been found better than that of Kerala (Mean variation 26.24 per cent).
7. A good number (38.16 per cent) of beneficiaries in Kerala are having capacity of buying assets even before availing micro finance, whereas they were just 12

per cent in Chittagong. However, in the post micro finance period, a large majority (70.66 per cent) in Kerala and 41 per cent in Chittagong enjoy the facilities of having assets in the house. Though lesser number of beneficiaries in Chittagong have achieved the ability to buy assets, their (Mean variation 25.89 per cent) overall pre and post-MF improvement are slightly better than that of Kerala (Mean variation 23.18 per cent).

8. A substantial part of the women beneficiaries in Kerala and Chittagong had switched off from their previous occupation to new one. While In Kerala, two third of the beneficiaries were engaged in fishing and agricultural related activities before joining micro finance, it has come down to 18 per cent during the post-micro finance period. Further, there is a considerable increase in the income from small scale enterprises. In respect of Chittagong, while earlier 20 per cent engaged in livestock raising, after joining micro finance, it has peaked to a height of 45 per cent. In addition 29 per cent have started agricultural activities. In the case of income from small scale enterprises, there has also observed a significant increase.
9. Majority of the beneficiaries in Kerala (69 per cent) and Chittagong (63 per cent) have told that availability of the loan amount as working capital is the most important reason that helps beneficiaries raise their income. Further, a small percentage (10 per cent) of beneficiaries in Chittagong disclosed about more investment in agricultural and allied activities.
10. A large majority of the beneficiaries had more dependency in the institutional sources than the non-institutional sources before joining micro finance and it was 79 per cent in Kerala and 93 per cent in Chittagong. However, in the post micro finance period, a greater number (>85%) of the beneficiaries both in Kerala and Chittagong have disclosed that they fulfill their demand of working capital from the institutional sources.
11. A greater number of the beneficiaries in Kerala (75 per cent) and Chittagong (67 per cent) have registered significant improvement in economic conditions during post micro finance period. The case of 'remained the same' and 'deteriorated' situations, it is higher among beneficiaries in Chittagong than that of Kerala.

12. In Kerala, near about half of the beneficiaries (45.5 per cent) had already enjoyed power on small purchases before joining micro finance. In Chittagong, only 17.2 per cent had such power. However, more than four fifth of the women beneficiaries both in Kerala (87.75 per cent) and Chittagong (85.75%) are capable of exercising their decision making power after availing the micro finance programme and the overall improvement is higher in Chittagong (Mean variation 81.93 per cent) than in Kerala (Mean variation 22.66 per cent).
13. Before joining micro finance, a significant number (33.25 per cent) of beneficiaries in Kerala had exercised their power on larger purchases with their husbands, whereas only 13.5 per cent in Chittagong had such experience. However, in the post micro finance period, three fourth of the beneficiaries in Kerala (77 per cent) and Chittagong (78 per cent) participate in larger purchases jointly. As overall performance is concerned, beneficiaries in Chittagong (Mean variation 59.16 per cent) are better than that of Kerala (Mean variation 29.75 per cent).
14. A vast majority of the respondents both in Kerala and Chittagong had no power in major decisions before joining micro finance programme. But in the post-MF period, on average half of the beneficiaries in Kerala (51.5%) and Chittagong (50%) participate in the major decisions with their husbands. Here also the improvement of beneficiaries in Chittagong is better than that of Kerala.
15. In the case of small purchases, the maximum responses of the ‘joint decisions’ in Kerala and Chittagong fall in the low to medium level of age groups. There is no representation with joint responses in the high age groups of 41-50 and >50 years. It is seen that all the beneficiaries from the high age groups of 41-50 and >50 years take the decision for small purchases by themselves.
16. The beneficiaries who take self decisions are in the high age groups of 41-50 and >50 years. Since, these are large purchases, joint decision is considered as the highest outcome of women empowerment. So, majority of the ‘Both’ responses come under the age groups of 41-50 and 31-40 years. The maximum responses with option ‘Husband’ fall in the low age group of 30 years.

17. Majority of the respondents in Kerala and Chittagong who take part with their husbands on major decisions are in the high age groups of 41-50 and >50 years. In the low age group of 30 years, the maximum beneficiaries have chosen the option 'Husband'. It expresses that beneficiaries having minimum age have least power to participate in the decision-making activities.
18. With respect to the power to make small purchases for the family by their own earned money, on average three fourth of the (76 per cent) beneficiaries in Kerala and two third (62.5 per cent) in Chittagong are capable of buying small household things alone with the money earned by them.
19. On average one third of the (31.5 per cent) women beneficiaries in Kerala and 14.25 per cent beneficiaries in Chittagong are able to make large purchases with the money they earn. As it is large purchases, these give more importance than making the small purchases in the family.
20. While, before joining micro finance near about half of the beneficiaries in Kerala (47 per cent) and three fourth (75 per cent) in Chittagong disclosed about getting less support and priority in the family, after joining micro finance, it decreased to 7 to 8 per cent. Again, for last four positive statements, while 59 to 61 per cent in Kerala agreed even before joining micro finance, they were only 17 to 20 per cent in Chittagong. Though after joining MF, 90 per cent of both the beneficiaries agreed, the overall improvement of beneficiaries in Chittagong has been found better than that of Chittagong.
21. One fourth of the beneficiaries in Kerala (27 per cent) and Chittagong (26 per cent) enjoy full control over loans. While, a good number of beneficiaries both in Kerala (38 per cent) and Chittagong (36 per cent) have significant control over loans, 28 per cent in Kerala and 29 per cent in Chittagong have limited control.

#### **7.1.3 Psychological, Social, Family Empowerment and Level of Social Consciousness and Aspirations of the Women Beneficiaries of Micro Finance in Kerala and Chittagong**

1. 68 per cent in Kerala and 34 per cent in Chittagong were fully or partially self-confident before becoming the micro finance beneficiaries. Even after joining micro finance, the percentage of the beneficiaries with self-confidence is

higher in Kerala (76 per cent) than in Chittagong (56 per cent). But, in the case of pre and post-MF improvement, the beneficiaries in Chittagong (Mean variation 63 per cent) are better than that of Kerala (Mean variation 33.33 per cent).

2. Before joining micro finance, while, more than two third (72 per cent) of the beneficiaries in Kerala had acquired partial or no mental strength, they were 90 per cent in Chittagong. However, after joining micro finance the beneficiaries in Chittagong made a significant improvement. As against 73 per cent in Kerala, 54 per cent in Chittagong have acquired mental strength. But, in the case of relative increase, the improvement of beneficiaries in Chittagong is higher than that of Kerala.
3. While, 31 per cent in Kerala had acquired knowledge of sense of future planning before joining micro finance, more than two third of the (70 per cent) beneficiaries have acquired the same during the post MF period. In the case of Chittagong, though they were just 13 per cent in earlier, 57 per cent have claimed in this regard in the post MF period. But, in terms of pre and post micro finance changes, the beneficiaries in Chittagong (Mean variation 59.45 per cent) are higher than that of Kerala (Mean variation 26.47 per cent).
4. Majority of the beneficiaries having no psychological empowerment are in the low age group of 30 years. Most of the beneficiaries with partial empowerment are also in the low to medium level of age groups (30-40 years). In the high age groups of 41-50 and >50 years, maximum beneficiaries are highly empowered. This phenomenon has been observed for both the beneficiaries in Kerala and Chittagong.
5. Both in Kerala and Chittagong, the majority of the beneficiaries with good education have acquired full empowerment. Majority of the beneficiaries with class ten or S.S.L.C/S.S.C standard have also acquired full psychological empowerment. Even there is no one in Kerala as partially empowered with S.S.C. Most of the beneficiaries with primary to class eight standards are either partially empowered or haven't acquired empowerment.
6. Three fourth (71 per cent) of the beneficiaries in Kerala and 43 per cent in Chittagong had full or partial recognition in the society before becoming the

micro finance beneficiaries. Even after joining micro finance, the percentage of the beneficiaries with recognition is higher in Kerala (69 per cent) than in Chittagong (56 per cent). But, in the case of pre and post-MF improvement, the beneficiaries in Chittagong (Mean variation 49.35 per cent) are better than that of Kerala (Mean variation 24.75 per cent).

7. Before joining micro finance, while, three fourth (76 per cent) of the beneficiaries in Kerala had acquired full or partial access to various organizations, they were 57 per cent in Chittagong. However, after joining micro finance the beneficiaries in Chittagong made a significant improvement. As against 76 per cent in Kerala, 59 per cent in Chittagong have acquired full access. But, in the case of overall development, the improvement of beneficiaries in Chittagong is higher than that of Kerala.
8. While, one third (32 per cent) of the beneficiaries in Kerala had acquired ability to solve social issues before joining micro finance, more than two third of the (69 per cent) beneficiaries have acquired the full empowerment during the post MF period. In the case of Chittagong, though they were just 6 per cent earlier, 59 per cent have claimed positively in this regard during the post MF period. But, in terms of pre and post micro finance improvement, the beneficiaries in Chittagong (Mean variation 42.68 per cent) are higher than that of Kerala (Mean variation 30.24 per cent).
9. One third (32 per cent) of the beneficiaries in Kerala and near about two third (61 per cent) in Chittagong didn't have greater involvement in the community activities earlier. However, after availing micro finance, two third of the beneficiaries in Kerala (61 per cent) and 46 per cent in Chittagong have claimed to have acquired greater involvement in the community activities. Though, in the case of percentage, the beneficiaries in Chittagong are lesser, but in respect of relative improvement, the beneficiaries in Chittagong (Mean variation 45.27 per cent) have acquired more improvement than that of Kerala (Mean variation 35.86 per cent).
10. Maximum beneficiaries with full social empowerment fall in the higher age groups. In the case of 'partially empowered', majority of the beneficiaries both in Kerala and Chittagong fall in between the low to medium age groups

of 30-40 years. All the beneficiaries with full social empowerment both in Kerala and Chittagong fall in higher age groups of >51 years. Even the majority of the beneficiaries with the age group of 41-50 years are also fully empowered.

11. Majority of the beneficiaries having no social empowerment have only primary level education. Again in the case of 'partially achieved', beneficiaries are also having primary to class eight level of education. All the beneficiaries with S.S.C/S.S.L.C have achieved full social empowerment. Majority of the beneficiaries with tenth standard have also achieved full social empowerment. These observations have been for both the beneficiaries in Kerala and Chittagong.
12. Women beneficiaries with low income are less empowered. According to the high mean, the majority of the beneficiaries with no social empowerment are in the low income level of Rs. <4000-<6000. In the case of 'partially empowered', beneficiaries are also in the low to medium income level of Rs. <4000-<10000. All beneficiaries with income range of 12000 & > are fully empowered. Even maximum beneficiaries with income level of 10000<12000 have also acquired full social empowerment. This phenomenon has been seen in the case of both the beneficiaries in Kerala and Chittagong.
13. There was a big difference between the beneficiaries in Kerala and Chittagong regarding knowledge about the method of treatment for common diseases. However, after joining micro finance, it has been minimized. While before joining micro finance 69 in Kerala and only 18 per cent in Chittagong had high knowledge in this regard, after joining, the percentage has increased to 91 for Kerala and 90 for Chittagong. But, in the case of pre and post-MF improvement, the beneficiaries in Chittagong (Mean variation 74.39 per cent) have been found better than that of Kerala (Mean variation 10.76 per cent).
14. In spite of less number of beneficiaries with high social consciousness about using sanitary latrine during the pre micro finance, beneficiaries of Chittagong have made a good improvement in the post micro finance period. While before joining micro finance 68 per cent in Kerala and 12 per cent in Chittagong were highly concerned in this regard, after joining micro finance,

the percentage of the beneficiaries with ‘high awareness’ increased to 92 for Kerala and 92 for Chittagong. But, in the case of pre and post-MF improvement, the beneficiaries in Chittagong (Mean variation 86.45 per cent) have been found better than that of Kerala (Mean variation 13.67 per cent).

15. Despite of the significant difference with beneficiaries in Kerala during pre MF period regarding provision of drinking water, a large number of beneficiaries in Chittagong have acquired high social awareness in the post micro finance period. While before joining micro finance 73 per cent in Kerala and 17 per cent in Chittagong were highly concerned in this regard, after joining micro finance, the percentage of the beneficiaries with ‘high awareness’ has increased to 93 for Kerala and 92 for Chittagong. But, in the case of pre and post-MF improvement, the beneficiaries in Chittagong (Mean variation 64.20%) perform better than that of Kerala (Mean variation 8.95%).
16. 75 per cent in Kerala and 26 per cent in Chittagong were ‘highly aware’ regarding ‘removing illiteracy’ before becoming the micro finance beneficiaries. Even after joining micro finance, the percentage of the beneficiaries with ‘highly aware’ is higher in Kerala (94 per cent) than in Chittagong (64 per cent). But, in the case of pre and post-MF improvement, the beneficiaries in Chittagong (Mean variation 10.15 per cent) are better than that of Kerala (Mean variation 42.69 per cent).
17. A substantial section of the beneficiaries in Kerala (23 per cent) and Chittagong (9 per cent) were highly aware about resistance to dowry before joining micro finance programme. However, there has found much change in the post micro finance period. Three fourth of the beneficiaries in Kerala (75 per cent) and Chittagong (76 per cent) have acquired high awareness. When overall improvement is concerned, beneficiaries in Chittagong (Mean variation 65.83 per cent) are better than that of Kerala (Mean variation 35.17 per cent).
18. Age has no positive impact over the level of social consciousness. It doesn’t prove the claim that increasing the age will improve the level of social consciousness of the beneficiaries. Majority of the responses of the beneficiaries with ‘low level’ answers fall in the highest age groups of >50

and 41-50 years. Again, in the case of ‘medium level’, responses are scattered. The maximum responses in this regard also fall in the highest and lowest age groups of >50 and 30 years respectively. These observations have been found in the case of both the beneficiaries in Kerala and Chittagong.

19. Duration of the membership has a positive impact over the social consciousness issues. The majority of the beneficiaries with ‘low level’ responses are having only three years working experience. The maximum beneficiaries who have acquired medium level awareness are also having three year experience. In the case of >4 years of experience, almost all the beneficiaries have achieved high consciousness. Even, out of the beneficiaries with four years of experience, majority of them have acquired full empowerment. This phenomenon has been observed among the beneficiaries in Kerala and Chittagong.
20. There has not been found any relation between *education and variables of* social consciousness that can increase or decrease the level of social consciousness of the beneficiaries. It doesn’t support the claim that more education can increase the level of social consciousness. The maximum beneficiaries with ‘low awareness’ are having the highest education (S.S.C/ S.S.L.C) or ten standard education. Again, in the case of ‘medium level’, most of the beneficiaries in Kerala and Chittagong are having medium level of education (eight). Further, all the beneficiaries with highest education are not fully empowered.
21. Before joining micro finance, while 67 per cent of the beneficiaries in Kerala had acquired high level of financial capability which helped them in educating their children, they were 12 per cent in Chittagong. However, after joining micro finance the beneficiaries in Chittagong made a significant improvement. As against 85 per cent in Kerala, 60 per cent in Chittagong have acquired high ability. But, in the case of overall (pre and post-MF period) development, the improvement of beneficiaries in Chittagong is higher than that of Kerala.
22. While, 71 per cent in Kerala had acquired high or medium level of ability in getting employment for their children before joining micro finance, near about three fourth of the (72 per cent) beneficiaries have acquired the high ability in

this regard during the post MF period. In the case of Chittagong, though they were 51 per cent who had acquired high or medium level of ability in pre MF period, 54 per cent have claimed to have acquired high ability in the post MF period. But, in terms of pre and post micro finance changes, the beneficiaries in Chittagong (Mean variation 44.72 per cent) have found higher than that of Kerala (Mean variation 28.29 per cent).

23. While, more than one third of the beneficiaries in Kerala (36 per cent) were able to arrange the marriage of their children even before joining micro finance, they were just one tenth (10 per cent) of the total sample in Chittagong. Even after joining micro finance, the percentage of the beneficiaries with 'high ability' is more in Kerala (82 per cent) than in Chittagong (63 per cent). But, in the case of pre and post-MF improvement, the beneficiaries in Chittagong (Mean variation 52.17 per cent) are better than that of Kerala (Mean variation 30.80 per cent).
24. Age has no impact over the issues of aspiration. Data don't support the claim that higher age increases the level of aspirations. Majority of the beneficiaries in Kerala with 'low level' fall in the higher age groups of 41-50 years and followed by some responses in the middle age groups of 31-40 years. Again, in the case of 'medium level', answers are scattered. Further, in the highest age groups of 41-50 & >50 years, all the beneficiaries have not acquired high empowerment. In the case of Chittagong also majority of the beneficiaries with 'low level' fall in the middle age groups of 31-40 years followed by some responses in the highest age groups of >50 years.
25. Duration of the membership has a positive impact over the issues of aspiration. The majority of the beneficiaries with more working experience are highly empowered. Again, there are least number of 'low empowered' beneficiaries who have 4 or >4 years of working experience. By increasing the year of duration of membership, the percentage of low empowered and medium empowered beneficiaries has been reduced. The beneficiaries with highest >4 year experiences, in Kerala all of them and in Chittagong majority of them have high aspirations for their children.

26. Education has also been found related with variables of aspirations. With high level of education, the level of aspiration of beneficiaries is also found to be improving. Majority of the beneficiaries with ‘low level’ and medium level of aspiration are having low level of education (primary). The beneficiaries who have Ten to S.S.C/S.S.L.C level of education, the majority of them have achieved high level of aspiration.
27. While, 42 per cent of the beneficiaries in Kerala had ‘high level’ of awareness about increase in income even before joining micro finance, they were just 15 per cent of the total sample in Chittagong. Even after joining micro finance, the percentage of the beneficiaries with ‘high level’ are more in Kerala (77 per cent) than in Chittagong (65 per cent). But, in the case of pre and post-MF improvement, the beneficiaries in Chittagong (Mean variation 67.78 per cent) are better than that of Kerala (Mean variation 23.28 per cent).
28. Before joining micro finance, while, 83 per cent of the beneficiaries in Kerala had ‘high’ or ‘medium’ level of ability to improve the basic facilities and amenities in the family, they were 35 per cent in Chittagong. However, after joining micro finance, 72 per cent beneficiaries in Kerala and 54 per cent in Chittagong have acquired ‘high’ ability to improve the basic facilities. But, in the case of relative increase, the improvement of beneficiaries in Chittagong is higher than that of Kerala.
29. While, 37 per cent beneficiaries in Kerala had ‘high level’ of negotiations skills before joining micro finance, more than three fourth of the (79 per cent) total beneficiaries have acquired the same during the post MF period. In the case of Chittagong, though they were just 8 per cent earlier, 68 per cent have claimed positively in this regard during the post MF period. But, in terms of pre and post micro finance increase, the beneficiaries in Chittagong (Mean variation 80.57 per cent) are higher than that of Kerala (Mean variation 34.65 per cent).
30. Near about four fifth of the beneficiaries in Kerala (79 per cent) and less than half of the beneficiaries in Chittagong (42 per cent) had ‘high’ or ‘medium level’ capacity about healthy relation with the family members before joining micro finance. However, after availing micro finance, three fourth of the

beneficiaries in Kerala (75 per cent) and 62 per cent in Chittagong have claimed to have acquired ‘high level’ of awareness in this regard. And when overall improvement is concerned, the beneficiaries in Kerala (71.42 per cent) have acquired more improvement than that of Chittagong (51.26 per cent).

31. There was a big difference between the beneficiaries in Kerala and Chittagong regarding the ability to provide nutritious food to the family members. While, 43 per cent in Kerala had ability with ‘high level’ in this regard, they were only 8 per cent in Chittagong. However, in the post micro finance period, 78 per cent beneficiaries in Kerala and 59 per cent in Chittagong have acquired the ‘high level’ with regard to the ability. But in case of pre and post micro finance improvement, the beneficiaries in Chittagong (Mean variation 37.35 per cent) are higher than that of Kerala (Mean variation 23.28 per cent).
32. In spite of big difference with beneficiaries in Kerala in the pre micro finance period, beneficiaries in Chittagong have brought huge changes in their living standard during the post micro finance period. While, 47 per cent beneficiaries in Kerala had maintained high living standard, they were only 9 per cent in Chittagong. However, during the post micro finance period, 76 per cent in Kerala and 62 per cent beneficiaries in Chittagong have acquired ‘high level’ in this regard. But, in the case of relative increase, the improvement of beneficiaries in Chittagong is higher than that of Kerala.
33. With regard to the responses of the education and family empowerment, it shows that education has no positive influence over the variables of family empowerment. Data don’t support that high education will increase the level of family empowerment. Majority of the beneficiaries with ‘low level’ fall under the category of both high (class ten) and medium (class eight) level of education. This phenomenon has been observed both in the beneficiaries in Kerala and Chittagong.
34. Income has a positive influence over the variables of the family empowerment. It shows that majority of the beneficiaries with ‘low level’ responses are in the low income groups. In the case of ‘medium level’ responses also majority of the beneficiaries fall in the low or medium income level. It is also noticeable that the maximum beneficiaries having high income

level of 10000 and above have 'high level' of family empowerment. This observation has been found among the beneficiaries in Kerala and Chittagong.

35. Majority of beneficiaries in Kerala with high empowerment are in the age group of 31-40 years. The rest of the highly empowered beneficiaries fall in the age group of 41->51 years. In the case of medium level of empowerment, maximum are in the age group of 15-20 years. The highest number of beneficiaries with low empowerment comes under the age group of 21-30 years. In terms of Chittagong also, most of beneficiaries with high empowerment come under the age group of 31-40 years. In the case of medium and low empowerment, higher number of beneficiaries falls in the age group of 15-20 years.
36. The maximum number of beneficiaries in Kerala with high empowerment is married. Out of the total 70 per cent beneficiaries with high empowerment, two-third (62 per cent) of the beneficiaries are married. In the case of divorced and widowed beneficiaries, all are highly empowered. The same phenomenon has also been observed in the case of Chittagong. A noticeable thing is that the majority of the beneficiaries both in Kerala and Chittagong with low level of empowerment are single.
37. With high level of empowerment, most (36 per cent) of the beneficiaries in Kerala are having either class Ten or S.S.L.C followed by 33 per cent with class eight level of education. In the case of medium and low level of empowerment, most of them have primary education. In Chittagong, majority (23 per cent) of the beneficiaries with high empowerment has primary education followed by 14 per cent class eight and 16 per cent with Ten to S.S.C. In the case of medium and low level of empowerment, maximum of them have primary or signing knowledge.
38. Majority of the beneficiaries in Kerala with high level of empowerment are self-employed (49 per cent). From the remaining, majority of them are fisherwomen. In the case of medium level of empowerment, maximum beneficiaries are also self-employed. In respect of Chittagong, a greater number of beneficiaries with high empowerment are also self-employed (47

per cent). A noticeable thing is that most of the beneficiaries with low empowerment are housewives.

39. For both Kerala and Chittagong, nuclear family is predominant in nature. Majority of the highly empowered beneficiaries are from the nuclear family. Most of the beneficiaries with medium level of empowerment are also from nuclear family. In the case of low level of empowerment, maximum beneficiaries live in the extended or joint family. A perceptible thing is that a significant number of beneficiaries (25 per cent) in Chittagong live in the joint family traditionally and most of them are with medium level of empowerment.
40. Most of the women beneficiaries with high level of empowerment are having their own houses. According to the percentage, maximum number of beneficiaries with medium and low level of empowerment lives in the rented or in the leased houses. These observations have been formulated from the beneficiaries in Kerala and Chittagong.
41. The percentage of the beneficiaries with high empowerment in Kerala and Chittagong is more in the higher income groups. The maximum 36 per cent beneficiaries in Kerala with high empowerment are in the income level of  $10000 < 15000 \& \text{more}$ . Rest of the 26 per cent are in the income level of  $8000 < 10000$ . In the case of medium level of empowerment, majority of the beneficiaries are from the income level of  $6000 < 10000$ . In terms of Chittagong, maximum number of the beneficiaries with high empowerment is in the income level of  $10000 < 15000 \& \text{more}$ . Besides it, the rest of the 30 per cent are in the income level of  $6000 < 10000$ . In respect of medium level of empowerment, majority of the beneficiaries come under the income level of  $6000 < 8000$ . A significant number of beneficiaries in Chittagong (19 per cent) with low level of empowerment come under the income level of  $< 4000 < 6000$  whereas in Kerala there is none of them in the income range of  $< 4000$ .
42. There is no significant change in the pattern of homestead size since they become micro finance clients. After joining micro finance, only one third (35 per cent) of the beneficiaries in Kerala have minimum 500 square feet houses, whereas in Chittagong, they are 92 per cent. Again, near about half of the (47

per cent) beneficiaries in Kerala live in a house with 501-600 square feet whereas they are very few in Chittagong.

43. Regarding reasons for failure to buy or extend homestead, while, in Chittagong the highest 38 per cent have mentioned loan repayment is the first reason, they are just 8 per cent in Kerala. Further, while near about one third of the total sample in Chittagong (30 per cent) have marked limited income as 2<sup>nd</sup> reason; they consist of 10 per cent of the total sample in Kerala.
44. While, 39 per cent beneficiaries in Kerala are able to change the roof and 17 per cent repairing floor, in the case of beneficiaries in Chittagong, only 26 per cent are able to change roof, and 9 per cent are able to repair the floor. Again, while 41 per cent in Kerala can afford to bear the expense of repairing windows, entrance doors and changing bamboos, wood, they are 57 per cent in Chittagong.
45. Regarding the sources of money to renovate the house, two third (61 per cent) of the beneficiaries in Kerala spend money from their savings and rest of the 39 per cent collect money as loan. But in the case of beneficiaries in Chittagong, 50 per cent take loan from the MFIs to renovate the houses and 31 per cent spend money from their savings.
46. While, 90 per cent beneficiaries in Kerala can afford to bear the cost of buying sufficient cereals, veg. with occasional fish, meat etc. it is 76 per cent for beneficiaries in Chittagong. Again, in the case of sufficient food with fish, meat or others, 68 per cent of Kerala and only 48 per cent of Chittagong are able. A noticeable thing is that while, 15 per cent beneficiaries in Chittagong suffer from shortage of rice, wheat, as basic food, there is no body in Kerala.
47. Before joining micro finance, 25 per cent beneficiaries in Kerala couldn't afford to consult doctors or took treatment from quack, whereas it was 57 per cent in the case of beneficiaries in Chittagong. But, after joining micro finance, 87 beneficiaries in Kerala and 58 per cent beneficiaries in Chittagong have got treatment from government hospital or NGO-run clinic. With regard to the ability to visit qualified doctors, there was no change in Kerala, but in Chittagong it has been increased. A noticeable matter is that while in Kerala,

nobody goes to village quack, in Chittagong still 21 per cent either don't consult doctor or go to village quack even after joining micro finance.

48. *In the case of opinion about girls' education in the households of the beneficiaries* for the first four negative statements, more than two third of the beneficiaries in Kerala disagreed even before joining micro finance whereas; they were 13-16 per cent in Chittagong. However, in the post micro finance, 92- 93 per cent in Kerala and 69-72 per cent beneficiaries in Chittagong have opposed those negative statements. Again, for the last three positive statements, 68-71 per cent in Kerala and only 10-11 per cent in Chittagong agreed even before their enrollment in micro finance. However, the post micro finance shows an increase to 91-93 per cent in Kerala and 72-74 per cent in Chittagong.
49. In the case of girls also going to school, two third of the beneficiaries (61 per cent) in Chittagong have chosen MFIs awareness programmes as 1<sup>st</sup> reason. In Kerala, the highest one third (30 per cent) have revealed about government initiatives. The second highest 25 per cent beneficiaries in Chittagong have mentioned regarding the government intervention. But in the case of Kerala, the second maximum 21 per cent have selected gradual changes of society's view toward women whereas it gets the least attention by the beneficiaries in Chittagong.
50. While four fifth (82 per cent) beneficiaries in Kerala are in good condition, 15 per cent are somewhat better or same as before, in Chittagong, two third (67 per cent) of the beneficiaries live in good condition and 27 per cent in somewhat good or same as before. A noticeable thing is that 4 per cent in Chittagong have informed their much worse condition that didn't happen in Kerala.
51. In the case of verbal altercation, while 55 per cent in Kerala were able to protest or complaint, they were 29 per cent in Chittagong. In respect of negligence and mental harassment, 21 and 24 per cent in Kerala and 15 and 16 per cent in Chittagong could protest even before joining micro finance. However, in the post micro finance period, verbal altercation to psychological

violence, 76 to 81 per cent in Kerala and 77 to 82 per cent in Chittagong have been able to protest.

52. While on average 39.6 per cent beneficiaries in Kerala had already obtained recognition and had value for their opinion in the family, in Chittagong they were on an average 8 per cent before joining micro finance. However, the post micro finance witnessed on an average 77 per cent in Kerala and 78 per cent in Chittagong who have revealed that they get recognition, importance and respect from the husbands.
53. In the case of pre and post enrollment experiences of beneficiaries over micro finance, while on average 44 per cent beneficiaries in Kerala strongly agreed or agreed, in Chittagong they were 21.17 per cent. In the case of disagree with above statements, while they were 23 per cent in Kerala, 52.83 per cent in Chittagong didn't agree in this regard. However, in the post micro finance period, on an average 86.76 per cent in Kerala and 84.32 per cent in Chittagong have revealed that they agree with all these statements. Further, in the case of overall evaluation of level of empowerment in the post micro finance period, more than three fourth of the beneficiaries in Kerala and Chittagong have achieved high level of empowerment.

## **7.2 Recommendations**

Based on the findings, the following recommendations are forwarded to the policymakers, micro finance providers and beneficiaries of the micro finance.

### **To the Policymakers**

1. The study has revealed that there is a significant difference in the level of education between the beneficiaries in Kerala and Chittagong. The education level of beneficiaries in Kerala is better than that of Chittagong. In spite of less education, the beneficiaries in Chittagong have made the remarkable improvement in the post-MF period as compared to pre-MF period. But percentage-wise, beneficiaries are more in Kerala than in Chittagong who have acquired good improvement in the post-MF period. Though, government of Bangladesh has made education for all girls students, pre-school to class five level, still there is some deficiency in implementing the policy in the respective field. So it is suggested that the government should take initiatives

to ensure education to all beneficiaries with proper monitoring systems. Without education, development of women will not be achievable.

2. Since in terms of income, the beneficiaries in Kerala are in far better condition than that of Chittagong, government of Chittagong should launch government sponsored income generating activities especially for the low income people in the rural areas where the poor people can participate and make regular earnings. They can appoint an expert committee to study the income generating activities under microfinance in Kerala. The recently rekindled relationship between India and Bangladesh under the new leadership in India can be used to revitalize the microfinance activities.
3. The study has observed that beneficiaries in Kerala have less number of dependents, when compared to the beneficiaries in Chittagong. More dependents create financial strains and leads to obstacles in the smooth running of family. So government has to take a number of awareness programs to motivate the beneficiaries not to make a large family. The Kerala experience in effectively implementing the small family program can be emulated as a model in Chittagong.
4. A modest house is necessary to lead a healthy and secured life. For that Government of India implements housing project especially for the Economically Weaker Section (EWS), lower Income Groups (LIGs) and minorities with the collaboration of all states governments. The main motto of the project is to help the people of below poverty line (BPL) in making a house. It gives up to Rs. 2, 00,000 to the poor people to make a house on own land. Government of Bangladesh also can take such programs. Though, the MFIs like Grameen Bank has a house loan with easy installment, but the government initiatives with least interest rate will make it more viable for the poor.
5. In the case of health facilities, the beneficiaries in Chittagong are far away from the beneficiaries in Kerala. It is observed that the majority of the beneficiaries in Kerala get health facilities from the government hospitals. But in respect of beneficiaries in Chittagong, it is not satisfactory. The majority of the beneficiaries in Chittagong get primary health services from the NGOs run

clinic. Due to the financial constraint, beneficiaries even visit village quack. So, government should more concentrate on the rural health sector where the majority poor people live.

6. Conducting training programs with a regular interval is prerequisite for making the beneficiaries psychologically and socially aware. From the study, it is revealed that in the case of relative increase (pre and post-MF increase), beneficiaries in Chittagong are higher than that of Kerala. But percentage-wise in the post micro finance period, while average 70 per cent beneficiaries in Kerala have achieved psychological and social empowerment, they are on average 55 per cent in Chittagong. So along with NGOs-MFIs activities, Government can involve its resources like Ministry of Social Welfare, Ministry of Women and Children Affairs to arrange more training programmes to make beneficiaries psychologically developed and socially aware. It is also added here that along with the training programmes, government has to make sure the availability of the necessary facilities within the surroundings of the poor beneficiaries so that they can get the chance to avail these facilities.
7. It is observed from the ‘purpose of getting loan’ that a large number of beneficiaries in Chittagong took loan for other than the business purposes. Generally, loan is given for the income generating activities. But the unstable financial condition has forced the beneficiaries to use the loan for other than the business purposes and later they face difficulties to repay the loans. That’s why government should strongly instruct to micro finance providers to verify the business potentiality of the plan of clients before sanctioning loans.
8. In the case of family empowerment, significant difference has been observed between the samples areas selected for the present study. With regard to post micro finance improvement, the beneficiaries in Chittagong have been found better when compared to Kerala. However, percentage-wise, beneficiaries are higher in Kerala than in Chittagong. While, on average they are three fourth (75 per cent) in Kerala, in Chittagong, on average less than two third (62 per cent) have acquired full family empowerment. That’s why for achieving family empowerment with regard to ensure nutritious food, educate children, improving living standard etc., government can give subsidized food to the

low income people and can give education loans to the children of the rural poor with minimum interest rate.

9. Government should have the central monitoring systems to monitor the all kinds of activities of micro finance providers from their charging interest rate to flow of foreign funds, source of funds, to training programs. In Bangladesh, there is a Micro Credit Regulatory Authority (MRA), passed in the parliament in 2006, a microcredit act and a supreme authority to supervise the whole micro finance industry. But, in India, there is no single authority to supervise whole micro finance industry.
10. In Kerala, government run micro finance activities is more than the NGOs-MFIs. However, given their strong local familiarity and network, NGO-MFIs are more fruitful in reaching to the interior part of the state to provide micro finance services, and are cost-effective. So government of Kerala should encourage the NGOs-MFIs to aggravate their programs in the areas not served so far. The tie up between India and Bangladesh in trade, commerce and international can be extended to microfinance activities.

#### **To the Micro Finance Providers**

1. Though, the micro finance practices of Bangladesh and Kerala is well known in the micro finance industry, currently the market shows a sign of stagnation and faces high competition in the market. Hence, the micro finance providers have to search new market and have to expand their working territory to the areas untouched so far. It is essential for their better growth and increasing the number of new clients.
2. Since the majority market share (70 per cent of the total micro finance portfolio) is under the largest three MFIs in Bangladesh, the big three players have to innovate new products and services to attract the new clients. Besides these, the other MFIs also have to come with new and innovative product to reach the new market to offer better services.
3. To eradicate poverty and to empower women, both the governments have chosen the private micro finance providers as main player and have permitted them to practice micro finance activities. For that governments have made special provision and roles. But some NGO-MFIs pollute the business

environment of the micro finance. To stop this, all the service providers should be care full in this regard. It has to remember that micro finance activities are not for profit.

4. For innovating new ideas, products and services, all micro finance providers must have a Research and Development (R&D) cell from where they can analyze the previous data of the beneficiaries related to the beneficiaries' trend of income, their progress over awareness programmes and living standard etc. It helps the MFIs to get more understandable picture about their clients' and improvement.
5. It is observed that there is a significant difference between the living condition of beneficiaries in Kerala and Chittagong after joining micro finance. While, 82 per cent beneficiaries in Kerala are in good condition, they are 67 per cent in Chittagong. To improve the living standard, The NGOs-MFIs in Chittagong have to take more care and if necessary, can launch tailor-made products.

#### To the Beneficiaries

1. Since the beneficiaries in Chittagong are financially weak than that of Kerala, they have to take more care over their business activities and have to concentrate more on increasing the income. They have to engage themselves in more and more microfinance activities with the support of their respective governments
2. Though, in most of the aspects there was a significant difference between the beneficiaries in Kerala and Chittagong before joining micro finance, after availing micro finance, the beneficiaries in Chittagong have been able to minimize the differences and have attained remarkable success. The mean variation between pre and post micro finance period has proved the high improvement of beneficiaries in Chittagong over the beneficiaries in Kerala. But, in the case of post micro finance improvement with regard to the economic, psychological, social, family empowerment and aspirations, the percentage of beneficiaries in Kerala is more than that of Chittagong. Thus ultimately, it is the beneficiary who has to utilize the credit facilities and other necessary services provided by the Micro Finance providers with utmost care so that beneficiary can overcome the above problems.