

## **Executive Summary of the Minor Research Project**

**Conducted by**

**Minnie Mary Ninan, Assistant Professor, CMS College Kottayam**

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### **AN IMPACT ANALYSIS OF THE MICROFINANCE SCHEMES OF KUDUMBASREE ON ITS BENEFICIARIES WITH SPECIAL REFERENCE TO KUMARAKOM PANCHAYAT**

This study is conducted for analyzing the role of Kudumbasree Project in the empowerment of women in Kerala through micro financing. The study has attempted to analyze the economic, political, social/cultural, personal and familial empowerment of women at the micro and macro levels

Alleviation of poverty, the core of all developmental efforts has remained a very complex and critical concern for developing countries. Experience has shown that many of the poverty alleviation programmes have not achieved the expected success. In spite of considerable improvement in the status of women, they still comprise the largest section of deprived population. Empowerment of women is seen as one of the most important means of poverty eradication. Lack of capital is a serious constraint to the development of poor women in rural and urban areas who find little or no access to credit. Credit can help women take-up farm and allied activities such as keeping milch cattle, poultry or independent small enterprises, enabling them to respond to the opportunities created by the process of development.

Micro credit for women has been the mantra that has worked like nothing else in pulling the poor women out of poverty and empowering them wherever it was introduced. The Government of Kerala launched Kudumbasree with the active support of Government of India and NABARD for wiping out absolute poverty from the State within a period of 10 years

through micro finance. Kudumbasree aims at the empowerment of women, giving them the central place in the programmes meant for their benefit. This project is implemented through the Local Self Governments formed and empowered by the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments. At present all the poverty alleviation schemes in Kerala– both Centrally sponsored and State schemes – are implemented through Kudumbasree. The Kudumbasree project, if effectively implemented has the potential to achieve empowerment of women in Kerala in a big way. As the project has been in operation in the State since 1999, it is necessary to analyse the performance of the project and to understand how far the project has succeeded in empowering women through micro financing.

### **1.3 Objectives of the study**

1. To understand the status of the various schemes under Kudumbasree.
2. To find out the effectiveness of the schemes on the overall development of the beneficiaries.
3. To find out the change in the socio-economic status of the beneficiaries.
4. To find out the challenges faced by Kudumbasree projects.
5. To analyse the factors contributing to the slow pace growth of financial Inclusion..

## **Methodology of the Study**

### **1.5 Methodology of the Study**

The methodology of the study has been discussed under the following heads:

#### **(a) Collection of Data**

The study is both analytical and descriptive. Primary and secondary data have been made use of for the analysis. The overall progress of the Kudumbasree Project is being assessed with the help of secondary data which are collected from published sources like Annual Reports and Records of SPEM (State Poverty Eradication Mission) and Economic Review, books,

periodicals, newspapers, internet, etc. Primary data have been collected through a field survey. The sample population for the field survey comprises a total of 60 respondents from Kumarakom Grama panchayath in Kottayam districts. The sample comprises 200 Kudumbasree members from different wards in Kumarakom Grama Panchayath. Convenience sampling method has been used for selecting the respondents for the purpose of this study. One set of pre-tested Interview Schedule has been prepared and executed for the collection of data from the sample population. They were administered during the period of April & May 2015. The general information and performance of the Kudumbasree have been analysed with the help of primary data collected from among the respondents through structured schedules. Likewise, the Economic, financial, social/cultural, Leadership and familial empowerment of the non-kudumbasree members have also been analysed on the basis of primary data. The thrift and credit operations of Kudumbasree project have been analysed with the support of secondary data. The tools applied for data analysis are: Percentages and chi square test.

## **Summary of Findings**

- **Educational Empowerment:** From this study, the investigator was able to prove that there was significant educational empowerment through Kudumbasree. This was evident in willingness of parent in their children's education, their educational insight, the improvements in reading habits etc.
- **Financial Empowerment:** From this study, the investigator was able to prove that there was considerable empowerment financially. They inculcated saving habits. The women in the area, started supporting their families financially which was a add advantage. They were also more aware about the financial transactions. As Financial Empowerment as whole, the detailed analysis shows that Kudumbasree Respondents have an overall upper hand than non-kudumbasree Respondents.

- **Social Empowerment:** From this study, the investigator was able to prove that the highest empowerment had happened in the social aspect of life of the selected members through Kudumbasree. The interpersonal relationship between families, the team effort in franchising, decision-making, problem solving etc were adequate instances in this regard. As social Empowerment as whole, the detailed analysis shows that Kudumbasree Respondents have a clear cut upper hand than non-kudumbasree Respondents
- **Health Empowerment:** From this study, the investigator was able to prove that there was high level of empowerment in health too. They took considerable interest in keeping their areas clean, their hygienic conditions were improved, took lot of interest in drinking water schemes etc
- The income of the members played an important role in the case of health empowerment. For lower income members, they were unable to utilize the health empowerment to its effect, as they had to pay some money. However, the better income members were able to successfully utilize the benefit of health empowerment.
- Last 15 years of kudumbasree projects in Kerala especially in kumarakom had made a remarkable difference in the overall living standard of kudumbasree members

## **Conclusion**

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

the most powerful, cost effective and yet democratic, transparent model for micro financing and women empowerment.

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

### **Achievements of the Project**

Through this study, the impact of Kudumbashree, with special reference to Microfinance schemes was analysed, and the impact was studied in detail. The study also suggests various measures to be adopted to improve the performance of Kudumbasree

### **Contribution to the Society**

Kudumbashree has been effective in Kerala for more than 15 yerars, but it still remains an ongoing activity. The empowerment has not reached the nook and corner of the society. The empowerment among Kudumbasree members was analysed by segmenting , hence the performance of the Kudumbashree self help groups and the standard of living of the members involved can be improved by the following suggestions made in the study.Kudumbasree members should be encouraged to save higher amounts.

- The banks should take necessary steps to see that the linkage loans are utilized properly.
- Kudumbasree units should be encouraged to setup more micro-enterprises.

- Kudumbasree units should give more importance to welfare activities.
- Kudumbasree units should participate more in kudumbasree melas & each kudumbasree units should take initiation towards organizing more melas in their localities.
- Kudumbasree members should be encouraged to save a higher amount.
- Steps must be initiated to cover all the members through micro insurance policy.
- Only few respondents are covered by social security schemes, the remaining members may also be encouraged to join different social security schemes.
- Only few respondents have attained high degree of empowerment regarding improvement in health, steps must be initiated to improve the health of all the members. The Health Insurance Scheme for the poor must be expedited.
- The local self governments should initiate steps to converge the available services and resources to mitigate the problems of those who do not have basic amenities like safe drinking water, own house, household electrification, etc. on a time bound basis.

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