

Role of Kudumbasree Micro-Lending on Women's Economic Empowerment in Kerala – A Case Study

Rekha V

Research Scholar, Department of Economics, Pondicherry University (India)

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*Corresponding Author

Email: [economicsrekha\[at\]gmail.com](mailto:economicsrekha[at]gmail.com)

ABSTRACT

Kudumbasree is an innovative mission to eliminate the Poverty founded by Kerala on the strong platform of the 'Shree' of the family that is women in 1998. As the name itself indicates, it indicates 'prosperity of the family' through women empowerment. It seeks to capitalize through small saving mobilization and micro enterprises. This paper examined the role of Kudumbasree's micro-credit for capability development and economic empowerment of women in Koduvayur Panchayat, Kerala, India, and also examine the socio economic conditions of the members their saving and borrowing capability, and the major issues and benefits experienced by the members. Study was based on primary survey conducted among 64 poor women in rural areas of Koduvayur Panchayat, Kerala. For the purpose of analysis simple average, ratios, percentage, paired t test and garret ranking method were used.

The findings revealed that sample respondents are from poor socio-economic background. Majority of them were engaged in traditional and less remunerative non-farm activities. Access of Kudumbasree credit significantly improved their employment opportunity, annual income, and saving during the post-credit period. Loan mainly used for unproductive uses. Their major problems were work not regular, low price, low profits, marketing problem, insufficient loan amount, and competition from mechanized products. They benefited from easy access of credit facility. The study concluded that Kudumbasree helps the rural women for economic empowerment but still the economic inclusion strategy combined with capabilities development among rural women should go a long way in the study area.

1. Introduction

Inaccessibility of finance even in the form of debt may lead many households to the absolute poverty. Micro finance is a solution for it. It is addressing the financial issues of micro-entrepreneurs. Microfinance means "Provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards" (Biswas Tiyas and Sengupta 2009). It helps to develop saving habits, providing consumption assistance and insurance, and also training for skill enhancement (Nirmala and Kavika 2014). Micro financing programs popularised by non-governmental organizations (NGOs) and they have the potential to provide adequate access of banking services to the poor (Rajasekhar 2000). Rajasekhar (2000), Kumaran (2001), Hashemi (1996), Lathif (2001), Kaladhar (1997), Majumdar (1997), NABARD (2002), found that through Self Help Groups poor peoples have achieved the savings habits. Lathif (2001), Khandkar (2000) found micro-credit through Self Help Groups enabled members to start remunerative activities, it helps to their empowerment and enhance saving capacity and reduce the reliance on exploitative local moneylenders. Micro-credit means a small loans that helps to meet the immediate credit needs. Susheela and Aashima (2018) found that SHGs plays a significant role in meeting economic needs and empowerment of its members.

1.1 Kudumbasree and Financial Accessibility

"Kudumbasree", it is an innovative model for poverty eradication through socio-economic empowerment of the women, began in 1998 with the combined effort of Kerala and NABARD and working under the guidance of Local Self Governments (LSGs). It is a community based organizations. The mission of Kudumbasree was, 'To eradicate absolute poverty in ten years through concerted community action under the leadership of local governments, by facilitating organization of poor for combining self help with demand led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty holistically'. It aims to reach families through women and to the society through their families Kalyani and Seena (2012) Kudumbasree reached to the position of leading women-empowering project in India and it covered 43 lakh followers and more than 50% of the families in Kerala (Kudumbasree.org 2019).

Kudumbasree help the women to financial issues of the family and to improve their families' living standard and their own development through their saving, credit and loan facilities provided by Kudumbasree. Under the SHG-bank linkage scheme, Kudumbasree groups are entitled to open savings accounts and apply for bank loans. This implies that given an SHG with a group size of 10–20 members, one savings account and one loan account would be opened with the bank in the name of the entire group. They contribute equal amount of savings and it deposit regularly into group savings account in bank. Likewise, when the group avails the bank loan, there is equal right and opportunity to each member regarding bank

loan. In this context, all group members can be said to be financially included in terms of having access to savings and credit facilities from banks. (Bhanot, Bapat 2016). There is two type of loans, one is from their own savings and the other is from banks by the base of total amount saved by the group. Bank amount is four times of their savings, higher the savings higher amount will be grant by the bank as a loan without collateral facility to the group as a whole. Individual loans are giving to the members whenever they what that is 24*7 hours services as an informal bank, that means it helps to meet the immediate financial needs of the group members. Usually it starts from Rs.1000. Both loans are providing at the least interest rate of four percent for bank loans and two or one percent for Individual loans.

Kudumbasree enhance the thrift and credit through prioritized loan disbursement and collect the repayment amount weekly. In total Kudumbasree reached the total thrift of Rs. 2983 crore and the credit of Rs. 12094 crore (Kudumbasree.org 2019). Inclusive growth through bank linkage program improved the access bank loans without any physical collateral the interest of nine percent or below. Through this programme Rs. 4204 crores were mobilized and 1,72,824 Kudumbasree members benefitted from the loans (Kudumbasree.org 2019). In total around 10099 kudumbasree groups have benefited from the scheme and disbursed Rs. 989 crore to various Neighbourhood groups (NHGs) and Joint Liability Groups (JLGs) (Kudumbasree.org 2019). Both loans are helping the kudumbasree members a lot to meet the financial needs of the family. So this paper tried to bring out the impact of these loans on poor women economic empowerment.

No study conducted regarding the availability of loans, its usage, problems and benefits of kudumbasree members in Koduvayurpanchayat, Kerala. So this paper tried to fill this gap. Following are the major objectives of this paper:

2. Objectives

1. To examine the socio economic characteristics of the kudumbasree members
2. To study the micro-lending features and usage of loans among the kudumbasree members.
3. To examine the impact of productive activities on economic empowerment of the Kudumbasree members
4. To find out the problems and benefits facing by Kudumbasree members.

3. Methodology

The study used primary data for analysis. A field study was conducted in Koduvayurpanchayat in Palakkad district Kerala. Data collected through personal interview with successfully working five Kudumbasrees by using the pre-tested interview schedule on September 2016. Total 64 members interviewed. The study used averages, percentages, Paired t Test, Garret Ranking Technique (1969) to analyze the objectives.

4. Results and Discussions

Table – 1 provides the socio-economic background of the kudumbasree members.

TABLE – 1
SOCIO-ECONOMIC BACKGROUND OF THE SAMPLE RESPONDENTS

| Sl.No | Particulars | Mean | Standard Deviation |
|-------|--|-----------|--------------------|
| 1 | Age (in Years) | 44.50 | 13.18 |
| 2 | Education (in Years) | 7.64 | 4.11 |
| 3 | Marital Status dummy, 1 = if married | 0.82 | 0.38 |
| 4 | Nature of family dummy, 1 = if nuclear family | 0.75 | 0.43 |
| 5 | Family size (No.) | 3.96 | 1.20 |
| 6 | Dependency Ratio | 2.04 | 1.35 |
| 7 | Land Ownership dummy, 1 = land owned | 0.26 | 0.44 |
| 8 | Value of land (in Rs.) (Before joining Kudumbasree) | 284375.00 | 1307625.52 |
| 9 | Value of land (in Rs.) (After joining Kudumbasree) | 713750.00 | 2277325.42 |
| 10 | Jewelry Ownership (Before joining Kudumbasree) | 0.84 | 0.36 |
| 11 | Jewelry Ownership (After joining Kudumbasree) | 0.78 | 0.41 |
| 12 | Ownership of the Jewels in Weight (Before joining Kudumbasree) | 6.87 | 7.25 |
| 13 | Ownership of the Jewels in Weight (After joining Kudumbasree) | 6.14 | 7.98 |
| 11 | Value of Jewelry in Rs. (Before joining Kudumbasree) | 127562.00 | 150352.87 |
| 12 | Value of Jewelry in Rs. (After joining Kudumbasree) | 141255.46 | 183568.97 |

On an average respondents are in the age of 44 years, they completed eighth standard and married. Majority of them lived in nuclear households with the average family size of four members. Dependency ratio was 2.04. Land ownership was low among the respondents, but it improved after join to

Kudumbasree. On an average they own six sovereign with the value of Rs. 141255.00 after join.

4.2 Details of Loan Received through Kudumbasree

Savings, credit and loans are the backbone of the Kudumbasree. Table – 2 reveals the details of the loans taken by the sample respondents.

TABLE – 2
DETAILS OF LOAN RECEIVED THROUGH KUDUMBASREE

| Sl. No | Details | Individual Loan (Percent) | Group Loan (Percent) |
|---|----------------------------|---------------------------|----------------------|
| A. Source of Loan: | | | |
| 1 | Kudumbasree-Linked Bank | - | 64 (100) |
| 2 | Own Savings | 64 (100) | 64 (100) |
| B. Recommendation for Loan?: | | | |
| 1 | Yes | 64 (100) | 64 (100) |
| C. Whom Recommended? | | | |
| 1 | Group Members | 55 (85.9) | 55 (85.9) |
| 2 | Self | 2 (3.1) | 2 (3.1) |
| 3 | Kudumbasree Chairperson | 7 (10.9) | 7 (10.9) |
| | Total | 64 (100) | 64 (100) |
| D. Period of Loan (in Years) | | | |
| 1 | 1-2 | 64 (100) | 45 (70.3) |
| 2 | 2-3 | - | 19 (29.7) |
| | Total | 64 (100) | 64 (100) |
| E. Rate of Interest (in Percent) | | | |
| 1 | 1 | 10 (15.6) | - |
| 2 | 2 | 54 (84.4) | - |
| 3 | 3 | - | - |
| 4 | 4 | - | 64 (100) |
| | Total | 64 (100) | 64 (100) |
| F. Mode of Payment | | | |
| 1 | Weekly | 64 (100) | - |
| 2 | Monthly | - | 64 (100) |
| | Total | 64 (100) | 64 (100) |
| G | Average Loan amount | 8125.62 | 18773.43 |

Note: Bracket shows percentages

Table shows that all respondents availed loan at the lower interest rate of 1-2 percent for individual loan and four percent under group loan. Group loan providing through the Self-help Group bank linkage programme from Kerala Grameen Bank and Union bank. Individual loans had received under the savings of the Group. The mode of repayment is weekly for Individual loan and monthly for Group loans. Most of the loans were repaying within one to two years. Group loan can extent up to three years. The average kudumbasree group loan per

member was Rs.18773.43 and Rs. 8125.62 under individual loan and on an average total of Rs.26899.06 credit benefitted by each respondents. Most of them are taking loan with the recommendation of their own group members. Hardly 3.1 percent receiving loan by their own decision.

4.3 Details of the Usage of the Kudumbasree Loan

Table – 3 shows the usage of loans by sample respondents.

TABLE - 3
OVERALL USAGE OF LOANS

| Sl.No | Purpose of Loan | Group Loan | Individual Loan |
|-------|----------------------|------------|-----------------|
| 1 | Productive Purpose | 18 (28.1) | 15 (23.4) |
| 2 | Unproductive Purpose | 46 (71.9) | 49 (76.6) |
| | Total | 64 (100) | 64 (100) |

Table shows that majority of the respondents using the loan for unproductive purposes. Usage of individual loans are more unproductive than group loan. A quarter of the respondents used their group loan for productive uses. The low

income status force the respondents to use their credit to their daily needs.

The table -4 shows the usage of the loan in detail.

TABLE – 4
USAGE OF THE LOAN BY THE RESPONDENTS

| Sl. No | Usage of Loan | Individual Loan | Group Loan |
|-----------------------------------|-------------------------------|-----------------|------------|
| A. Productive Purpose | | | |
| 1 | Business | 9 (14.1) | 14 (21.87) |
| 2 | Raw materials purchase | 7 (10.9) | 12 (18.8) |
| 3 | Agricultural Land Development | 1 (1.6) | 2 (3.1) |
| 4 | Purchase of Cultivation Land | 1 (1.6) | 1 (1.6) |
| B. Unproductive Activities | | | |
| 1 | Marriage | 15 (23.4) | 12 (18.8) |
| 2 | Purchase of Assets | 21 (32.8) | 19 (29.7) |
| 3 | Festivals | 13 (20.3) | 8 (12.5) |
| 4 | Education of the Children | 23 (35.9) | 21 (32.8) |
| 5 | Food Expenditure | 27 (42.2) | 19 (29.7) |
| 6 | House Construction | 10 (15.6) | 13 (20.3) |
| 7 | House Renovation | 5 (7.8) | 7 (10.9) |
| 8 | Loan Repayment | 19 (29.7) | 26 (40.6) |
| 9 | Health Expenditure | 2 (3.1) | 2 (3.1) |

Note: Bracket shows the percentage

Productive usage of loans limited to small business (21.87%), and raw materials purchase (18.8%). Group loan is spending more on productive purposes than individual loan. When considering unproductive purpose individual as well as group loan influence significantly. Food expenditure (42.2%), loan repayment (40.6%), education of the children (35.9%), purchase of house hold assets (32.8%), marriage (23.4%), and festivals needs (20.3%) are the influencing

expenditures of the individual loan. Home construction (20.3%) and home renovation (10.9%) are the major unproductive uses by group loan.

4.4 Kudumbasree and its Impact Specifically to Women

The present employment status of the respondents is showing the table-5.

TABLE – 5
EMPLOYMENT STATUS OF THE RESPONDENTS

| Sl.No | Activity | Respondents | Percent |
|-------|-----------------|-------------|------------|
| 1 | Credit Activity | 25 | 39.06 |
| 2 | House wife | 22 | 34.38 |
| 3 | Coolie | 14 | 21.88 |
| 4 | Service private | 3 | 4.68 |
| | Total | 64 | 100 |

Table shows that only a quarter of the respondents engaging any credit activities specifically related to Kudumbasree productive activities. Some are working as coolie or in private jobs or be as house wife.

4.5 Credit Activities and Monthly Income Generation

Table – 6 shows the credit activity of the respondents and the respective income range.

TABLE - 6
CREDIT ACTIVITIES AND INCOME GENERATION

| Sl. No | Activity | No. | Min (Rs.) | Max (Rs.) | Mean (Rs.) | SD |
|--------|-----------------|-----|-----------|-----------|------------|---------|
| 1 | Tailoring | 11 | 1200 | 6000 | 3336.36 | 1691.75 |
| 2 | Milk Production | 5 | 3000 | 10500 | 5400 | 3110.46 |
| 3 | Sweets Making | 4 | 1680 | 3000 | 2058.75 | 634.19 |
| 4 | Candle Making | 3 | 750 | 750 | 750 | - |
| 5 | Pappad Making | 2 | 750 | 6000 | 3375 | 3712.31 |

Note: No. -number, Min- Minimum, Max- Maximum, SD- Standard Deviation.

The table shows that majority of the respondents have engaged in tailoring, followed by milk production and sweets making. Some have engaged in candles making and pappad making. It shows that the credit activities by the members were traditional and less remunerative in nature. Among this the

most remunerative activity is milk production they can earn the maximum of Rs. 10500 per month followed by pappad making, tailoring, sweets making and candle making.

4.6 Choice of Credit Activities and Assistance

Table – 7 provides the details of choice and assistance for credit activities.

**TABLE – 7
CHOICE OF CREDIT ACTIVITIES AND ASSISTANCE**

| SI. No | Details | Members |
|--|---------------|----------|
| A. Who chose the Credit Activity? | | |
| 1 | Group Leader | 1 (4.0) |
| 2 | Self | 24 (96) |
| | Total | 25 (100) |
| B. Who Assists in Credit Activity | | |
| 1 | Group Members | 5 (20) |
| 2 | Self | 16 (64) |
| 3 | Husband | 4 (16) |
| | Total | 25 (100) |

Table shows that most of the respondents choose their credit activity by themselves according to their production capabilities. Only 25 percent are doing their credit activities with help of group members and few are receiving the help from their husbands especially milk producers.

4.7 Impact of Kudumbasree on Economic Empowerment of the Respondents who are engaging Credit Activity

Table -8 shows the improvement of the days of employment, income and savings of the members who are engaging any productive activities between two situations before and after credit activities.

4.7.1 No of Days of Employment

**TABLE – 8
CHANGES IN EMPLOYMENT DAYS PER ANNUM (BEFORE AND AFTER CREDIT ACTIVITY)**

| SI.No | Details | Mean | Total Respondents | Standard Deviation |
|-------|---|--------|-------------------|--------------------|
| 1 | No. of days employed before a credit Activity | 149.32 | 25 | 133.53 |
| 2 | No. of Days Employed After a Credit Activity | 214.76 | 25 | 214.76 |

Paired t test results

| SI.No | Pair 1 | Respondents | Mean Difference | t | P value |
|-------|--|-------------|-----------------|--------|---------|
| 1 | No. of Days employed before Credit Activity- No. of Days employed after Credit Activity | 25 | -65.440 | -3.091 | 0.005 |

The mean number of days employed before Credit Activity is 149.32 after credit activity is 214.76 and the difference between their mean is -65.440 and it is significant at 0.005 level, so the null hypothesis rejected at 0.05 percent level and

there is a significance difference between the number of day's employment before and after the credit activities.

4.7.2. Annual Income

**TABLE – 8.1
CHANGES OF ANNUAL INCOME OF KUDUMBASREE MEMBERS**

| SI.No | Details | Mean | Respondents | Standard Deviation |
|-------|--------------------|----------|-------------|--------------------|
| 1 | Pre yearly Income | 10792.00 | 25 | 13988.17 |
| 2 | Post Yearly Income | 31454.00 | 25 | 24356.45 |

Paired t test results

| SI.No | Pair 1 | Respondents | Mean Difference | t | P value |
|-------|---------------------------------------|-------------|-----------------|--------|---------|
| 1 | Pre yearly Income- Post Yearly Income | 25 | -20662.00 | -5.553 | .000 |

The mean pre yearly income of the respondents who are engaging productive activities is Rs.10792.00 and the mean post yearly income is Rs. 31454.00 and the difference between their mean is -20662.00. The significant value is 0.000 and it is lesser than 0.05 so reject the null hypothesis and there is a

significance difference between pre yearly income and post yearly income of the respondents who are engaging any productive activities.

4.7.3 Saving

TABLE – 8.2
SAVING CAPACITY OF THE MEMBERS

| Sl.No. | Details | Minimum | Maximum | Mean | SD |
|--------|----------------|---------|---------|---------|---------|
| 1 | Monthly Saving | 80 | 400 | 164.37 | 106.93 |
| 2 | Yearly Saving | 960 | 4800 | 1972.50 | 1283.18 |

a. Monthly and Yearly saving of the all respondents

| Sl. No | Monthly Saving | | Yearly Saving | |
|--------|------------------|-----------|------------------|-----------|
| | Range of Savings | Members | Range of Savings | Members |
| 1 | 0-100 | 19 (29.7) | 0-1000 | 19 (29.7) |
| 2 | 100-200 | 35 (54.7) | 1000-2000 | 35 (54.7) |
| 3 | 200-300 | - | 2000-3000 | - |
| 4 | 300-400 | 10 (15.6) | 3000-4000 | - |
| 5 | 400-500 | - | 4000-5000 | 10 (15.6) |
| | Total | 64 (100) | Total | 64 (100) |

Table shows that on an average respondents monthly saves Rs. 164.37 and yearly they save Rs. 1972.50. Majority of them monthly save in the range of Rs. 100-200 and yearly save between Rs. 1000-2000. Very few were able to save monthly in the range of Rs. 300-400 and yearly between Rs.

4000-5000. But this small saving helps them to be financially independent.

4.8 Issues facing by the Kudumbasree members in their Credit Activities

Table – 9 presents the problems experienced by the Kudumbasreemembers during their productive activity.

TABLE – 9
ISSUES OF KUDUMBASREEMEMBERS

| Sl.No | ISSUES | Total Score | Mean Score | Rank |
|-------|---|-------------|------------|------|
| 1 | Work not Regular | 3637 | 56.8281 | 1 |
| 2 | Low price | 3423 | 53.4844 | 2 |
| 3 | Low profit | 3274 | 51.1563 | 3 |
| 4 | Marketing problem | 3245 | 50.7031 | 4 |
| 5 | Insufficient loan amount | 2965 | 46.3281 | 5 |
| 6 | Competition from mechanized/better quality products | 2900 | 45.3125 | 6 |
| 7 | Non-availability of common work shed | 2802 | 43.7813 | 7 |
| 8 | Lack of transport facilities | 1322 | 20.6563 | 8 |
| 9 | Difficulty in Getting raw materials | 1273 | 19.8906 | 9 |
| 10 | Distance of Market | 1156 | 18.0625 | 10 |
| 11 | Loan not received in time | 875 | 13.6719 | 11 |
| 12 | Labor problems | 612 | 9.5625 | 12 |
| 13 | High interest Rate | 359 | 5.60938 | 13 |
| 14 | Non co-operation of group members/leaders | 325 | 5.07813 | 14 |

The respondents reported work not regular as the major issue, due to the marketing problem of the product many workers are keeping the product with them. Members are from low income family and they have to go for other jobs to meeting their daily expenses. Low price mentioned as the second issue, because of the theirless remunerative products less competitive to the low price products in markets. Low profit, marketing problem, insufficient loan amount are allotted the third, fourth and fifth ranks respectively. The sixth issue is competition from mechanized/better quality products. Seventh

and eighth are non-availability of common work shed and lack of transport facilities. The least major problems are difficulty to get raw materials, distance in market, labour problems, absence of timely loan and high interest rate. The non-cooperation among group members is not much problem among the respondents.

4.9 Benefits under Kudumbasree

Table -10 reveals the benefits enjoying as a member of Kudumbasree.

TABLE – 10
BENEFITS ENJOYED BY KUDUMBASREE MEMBERS

| Sl.No | Benefits | Total Score | Mean Score | Rank |
|-------|---|-------------|------------|------|
| 1 | Better access to credit facility | 4637 | 72.45313 | 1 |
| 2 | Better status & decision making power | 4021 | 62.82813 | 2 |
| 3 | Participation in social services & organized action | 3890 | 60.78125 | 3 |
| 4 | Repaid Loans | 3315 | 51.79688 | 4 |
| 5 | Increased Income | 3120 | 48.75 | 5 |
| 6 | Better housing | 3043 | 47.54688 | 6 |
| 7 | Bought more assets | 3036 | 47.4375 | 7 |
| 8 | Received new skills/training | 2759 | 43.10938 | 8 |
| 9 | Increased food expenditure | 2612 | 40.8125 | 9 |
| 10 | Better education for children | 2226 | 34.78125 | 10 |
| 11 | Reduced work load | 2188 | 34.1875 | 11 |

Better access to credit facility at low interest rate has been ranked first by all respondents, it helps the members to avoid to buy loans from other exploitative sources like private money lenders, land lords. The second rank is assigned to better status and decision making power. Kudumbasree helps the respondents to come out from the kitchen and engage developmental activities and be proud themselves for they are a helping agent to family as well as society. The third rank is assigned to participation in social services & organized action, followed by repaid loans, increased income and better housing.

Purchased more assets is given the seventh rank and received new skills and training the eighth rank. Increased food expenditure, better education for children, reduced work load are allotted the following ranks. Thus, the table evidently reveals that the kudumbasreemembers have gained social and economic empowerment, moreover improved well-being of their household.

4.10 Suggestions of the Kudumbasree Members

Table – 11 provides the details of the suggestions of the respondents.

TABLE – 11
SUGGESTIONS FOR BETTER IMPLEMENTATION OF KUDUMBASREE SCHEME

| Sl.No | Suggestions | Total | Mean Score | Rank |
|-------|--|-------|------------|------|
| 1 | Provide training to produce remunerative commodity | 4229 | 66.078125 | 1 |
| 2 | Ensure regular employment opportunities | 3717 | 58.078125 | 2 |
| 3 | Grant more amount of loan to expand production | 3263 | 50.984375 | 3 |
| 4 | Need recognition in the country through increased group activity | 3185 | 49.765625 | 4 |
| 5 | Grant loan to start any business | 2876 | 44.9375 | 5 |
| 6 | Need further increase in savings | 2831 | 44.234375 | 6 |
| 7 | Provision for common work shed | 2484 | 38.8125 | 7 |

Table shows that majority of the respondents suggested the need of training to produce remunerative commodity. Secondly they wish to get more work and regular employment opportunities with a suitable amount of income. The third rank goes to grant of more amount of loan for expanding production because by using less amount of loan only less remunerative activities can start. The fourth rank for the activities through group level. Grant loan to start any business, need further increase in savings, provision for common work shed are assigned the fifth, sixth and seventh ranks respectively.

4.11 Opinion

Over all opinion of the Kudumbasree members about the scheme of Kudumbasree, its working, and loan advance is showing the table-12.

OPINION ABOUT KUDUMBASREE

| Sl. No | Details | Members |
|--------|----------------|----------|
| 1 | Strongly Agree | 64 (100) |

All the members unanimously supporting the scheme of Kudumbasree for their empowerment, loans advancement, its repayment and all other activities doing through Kudumbasree.

5. Findings and Conclusion

The study examined the impact of micro lending on economic empowerment among poor women in Koduvayurpanchayat in Palakkad District of Kerala. The study also analyzed the problems and benefits facing by Kudumbasree members. Averages, percentages, paired t test, garret ranking technique were used for analysis.

The study founded that sample respondents belong to low socio-economic background own less land assets.

TABLE - 12

Kudumbasree group and individual loans helps the members to meet their financial needs at very low interest especially at the time emergencies. Majority of the respondents are using this credit for unproductive purposes, especially individual loans. Low income status of the members was the main reason behind this. Productive activities limited to business and raw materials purchase. House wives help their husbands business, by this loan and repay the loan successfully by help of the husband through this they contribute to the financial security of the family. Food expenditure, loan repayment, education of the children, purchase of household assets and marriage are the major unproductive activities by individual loan. House construction, house renovation and loan repayment are the unproductive activities by group loan.

The study found that only a small portion of the respondents engaging any productive activities. The credit activities engaging by the respondents were traditional and less remunerative activities. Their choice of credit activities and assistance did by themselves and it helps them to be independent and confident.

There is a significance difference between the number of days' of employment before and after the credit activities. The

study found that there is a significance difference between pre yearly income and post yearly income of the respondents. Kudumbasree helps the members to develop saving habit voluntarily.

Work not regular, low price, low profit, marketing problem, and insufficient loan amount were the major problems facing by the respondents. Better access to credit facility to avoid the exploitation from private money lenders, better status and decision making power, participation in social services and organized action, repaid loans, increased income and better housing are the major benefits enjoyed by the members of the Kudumbasree in the study area. The need of training to produce remunerative commodity, more work and regular employment opportunities, more loan to expand the existing production activity and the promotion of more group activities are the major valuable suggestions of the respondents for improving their performance under Kudumbasree.

Kudumbasree was very helpful to get loans at low interest rates with easy repayment and overall economic empowerment among women.

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