

## **ACCESS, USE AND REPAYMENT OF MICRO-CREDIT IN KERALA – AN ANALYSIS**

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### **ABSTRACT**

*Kerala is the South Asian leader in achievements in women's education and health, especially reproductive health. Nine out of every ten women can read and write and the State produces the largest number of women post-graduates in India. But, Kerala is a society where patriarchal values are so deep-rooted restraining involvement of women in social and political spheres. Acute unemployment among women makes the matters worse. While the total work participation increased during the last decade (Census 2001) in both urban and rural areas of the State, in the case of women, a reverse trend has set in. The female work participation rate decreased from 15.9 per cent in 1991 to 15.3 per cent in 2001 (2001 census). Moreover, poverty has become a serious evil both in the rural and urban subsets of the population of Kerala. Micro-credit programmes targeting women have been a welcome corrective to the above neglect of women's productive role. The present study can justify its significance on the ground that there is now mounting hope that micro-credit can be a large scale poverty alleviation tool and also an empowerment mechanism especially for the rural households. Moreover, in the present day specific situation of Kerala characterised by rampant unemployment, falling income from cultivation, agony experienced by the lease cultivators, escalating costs of health needs, increased education costs, and the steady withdrawal of State from public sphere, the entry of micro-credit was a safety valve in providing livelihood to the poor. Noticeably, banks and other financial institutions too are shedding their old reluctance to lend to the poor, and are looking to tap the expertise of micro-credit groups to create a new market. In this context, the present study is a pragmatic effort to review the characteristics of beneficiaries and to assess the access, use and repayment of micro-credit by them.*

### **Introduction**

The State of Kerala has achieved success in poverty reduction over the past thirty years, yet considerable number of people still live in poverty. It is an agricultural State with more than half of the rural households not owning land (63 per cent) compared to only 36 per cent of landless households in India. There is little industry (both large scale and small to medium size enterprises) and material production which

contribute to a persistent unemployment crisis. Kerala is a food-deficient State and nearly 50 per cent of its grains are to be imported to feed the population. In short, the overall economy of Kerala can be characterised by insufficient production and high unemployment rates. The NSSO survey 2008-09 reveals that among the Indian States, Kerala has highest unemployment rate (16.7 per cent) followed by Nagaland (15 per cent). In Kerala, the unemployment rate among males was 12.7

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per cent and that of females 25.9 per cent. In the rural areas of the State, the rate is estimated at 17.3 per cent (males 12.9 per cent and females 27.4 per cent); whereas in urban areas it is estimated at 14.8 per cent (males 12.1 per cent and females 21.3 per cent). Kerala's unemployment problem is not only a problem of educated unemployed but also a serious problem of lack of skilled workers. Noticeably, unemployment among women is acute than men. Women constituting 51.4 per cent of the total population of Kerala (2001) have a favourable sex ratio (1058 women compared to 933 for the country as a whole), higher life expectancy (76 years for women in Kerala while it is 61.8 years at the all India level) and lower infant mortality rate (14 per thousand for Kerala while it is 58 at the all India level). Despite these achievements, the system of patriarchy has conditioned the majority women of Kerala to play a secondary role to men in social, economic and political activities. As a result, they lag behind in empowerment despite their achievements in education and health (Government of Kerala, 2007). Right from the mid-eighties of the past century, micro-credit has become a key strategy for poverty alleviation and empowerment of women in Kerala. Formation of Neighbourhood Groups (NHGs) and Self-help Groups (SHGs), and availing of micro-credit through all possible channels to the members of the groups has become a very popular poverty alleviation and women empowerment model in Kerala.

### **Review of Related Literature**

Micro-credit dispensation targeting poverty alleviation and women empowerment is of hot debates especially during the era of globalisation characterised by inequality in income and wealth. Studies examining micro-credit dispensation and its impact on empowerment of beneficiaries are plenty across the globe. Micro-studies examining the intricacies of micro-credit dispensation and its impact on the empowerment of women in Kerala are also plenty. However, full-fledged

macro-studies examining the matter in depth are almost rare. Among the available studies, studies examining the details of access, use and repayment of micro-credit especially relating to Kerala are also found to be a few in number and non-comprehensive in nature. The present study is an endeavour comprehensively examining the access, use and repayment of micro-credit by members of women groups.

### **Methodology**

#### **Objectives of the Study**

1. To observe the characteristics of existing micro-credit beneficiaries of Neighbourhood Groups (NHGs) and Self-Help Groups (SHGs) in Kerala.
2. To examine the access, use and repayment of micro-credit by the women beneficiaries of Neighbourhood Groups (NHGs) and Self-Help Groups (SHGs) in Kerala.

#### **Hypotheses**

1. Micro-credit dispensation in the form of internal loans by the women groups in Kerala possesses moderate easiness to access by their members.
2. Micro-credit dispensation to the members of the women groups by banks as part of their linkage with the groups possesses moderate easiness to access by their members.
3. Major chunk of the micro-credit availed of by the members of the women groups has been utilised for meeting household expenditure.

The study is descriptive in nature. Women groups of formal nature sponsored by the Government of Kerala (i.e. Neighbourhood Groups – NHGs) and registered NGOs (i.e. Self-help Groups – SHGs) are the sources of selection of women beneficiaries of micro-credit. A sample of 600 respondents is selected using multi-stage random selection process. First, out

of the fourteen districts of the State, three districts viz; Kollam (Southern region), Ernakulam (Central region) and Kozhikkode (Northern region) were randomly selected for the survey. Then, two revenue blocks each were selected on random basis from each of the selected districts to constitute altogether six revenue blocks. Next, two panchayats each were selected on random basis from each of the revenue blocks to constitute altogether twelve panchayats. Then, ten women groups each were selected on random basis from each of the panchayats to constitute altogether 120 women groups. Finally, five women beneficiaries each were selected

on random basis from each women group to constitute a final sample of 600 beneficiaries. Women groups having at least three years of continuous existence were included in the sample. The details of sample selection process are given in Table 1. A structured interview schedule was administered among the respondents as part of collection of primary data. Field survey for the study was undertaken during the last six months of the year 2010. Simple tools such as percentage and average are primarily used to examine the data. One sample Student's t-test and Paired Sample Student's t-test are used to test the hypotheses.

**Table 1: Sample Selection Process**

Random Selection Stages					
Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	
(3 districts out of the 14 districts)	(2 blocks from each district)	(2 panchayats each from each block)	(10 WGs each from each panchayat)	(5 members from each women group)	
<b>Kollam</b> (Comprising 12 Blocks)	Karunagappally (Comprising 4 panchayats)	Manayappally	10 WGs	50 WBs	
	Anchal (Comprising 8 panchayats)	Thodiyur	10 WGs	50 WBs	
		Edamulakkal	10 WGs	50 WBs	
	<b>Ernakulam</b> (Comprising 15 Blocks)	Vadavukode (Comprising 6 panchayats)	Themmala	10 WGs	50 WBs
Mulamthuruthy (Comprising 6 panchayats)		Aikkaranadu	10 WGs	50 WBs	
		Thiruvaniyur	10 WGs	50 WBs	
<b>Kozhikkode</b> (Comprising 12 Blocks)	Vadakara (Comprising 6 panchayats)	Amballoor	10 WGs	50 WBs	
		Edakkattuvayal	10 WGs	50 WBs	
	Balusseri (Comprising 6 panchayats)	Vadakara	Eramala	10 WGs	50 WBs
		Onchiyam	10 WGs	50 WBs	
Ulliyeri	Panangad	10 WGs	50 WBs		
	Ulliyeri	10 WGs	50 WBs		
3 Districts	6 Blocks	12 Panchayats	120 Women Groups	600 Women Beneficiaries	

Note: WGs = Women Groups; WBs = Women Beneficiaries

**RESULTS AND DISCUSSION**

The results and related discussion are presented in four parts. Part I deals with the non-financial and financial profile of the micro-credit beneficiaries. Parts II and III describe the access and use of micro-credit by the beneficiaries. Part

IV depicts the repayment details of micro-credit by the beneficiaries.

**Part I – Profile of Micro-credit Beneficiaries**

The non-financial and financial profiles of the beneficiaries follow in Tables 2 and 3, respectively. These are self-explanatory in nature.

**Table 2 : Non-financial Profile of Respondents**

S.No.	Profile	Frequency	Per cent	
1	2	3	4	
1	Age of Respondents (Yrs)	20-30	33	5.5
		31-40	259	43.2
		41-50	213	35.5
		Above 50	95	15.8
		<b>Total</b>	<b>600</b>	<b>100</b>
2	Years of Association with NHG	Less than 3	35	5.87
		3-6	256	42.67
		Above 6	309	51.46
		<b>Total</b>	<b>600</b>	<b>100</b>
		3	Religion	Hindu
Muslim	54			9.0
Christian	85			14.17
<b>Total</b>	<b>600</b>			<b>100</b>
4	Social Category			OBC
		SC	115	19.17
		General	116	19.33
		ST	33	5.5
		<b>Total</b>	<b>600</b>	<b>100</b>
5	Education	No Education	25	4.2
		LP	94	15.7
		UP	115	19.2
		HS	247	41.2
		+2	93	15.5
		Graduation	26	4.3
		<b>Total</b>	<b>600</b>	<b>100</b>
		6	Marital Status	Married
Single	10			1.66
Widow	46			7.67
<b>Total</b>	<b>600</b>			<b>100</b>

*(Contd.)*

**Table 2 : (Contd.)**

1	2	3	4
		1	2.5
		2	5.67
7	Number of Members in the Family	3	17.5
		4	30.0
		Above 5	44.33
		<b>Total</b>	<b>100</b>
		Women	10.2
8	Family Headship	Men	89.8
		<b>Total</b>	<b>100</b>
		Agriculture and allied	9.00
		Daily labour	34.14
		Salaried	4.5
9	Main Occupation	Self-employed	2.1
		House wife	50.2
		<b>Total</b>	<b>100</b>
		Volunteer	13.83
10	Officiating Capacity	Non-volunteer	86.17
		<b>Total</b>	<b>100</b>

Source : Primary Data (Author's Collection).

**Table 3: Financial Profile of Respondents**

S.No.	Profile	Frequency	Per cent	
1	Monthly Income (₹)	Less than 2000	13	2.2
		2000 to 2500	28	4.7
		2500 to 3000	73	12.2
		3000 to 3500	81	13.5
		3500 to 4000	119	19.8
		4000 to 4500	190	31.7
		More than 4500	96	16.0
		Total	600	100
2	Size of Landholdings (in cents)	No Land	54	9.00
		Less than 10	298	49.66
		10 to 20	136	22.67
		21 to 35	58	9.67
		36 to 50	24	4.00
		50 to 75	10	1.67
		More than 75	20	3.33
Total	600	100		
3	Possession of Gold (Ownership)	Yes	556	92.67
		No	44	7.33
		Total	600	100
4	Financial Investment	Post Office Savings	476	79.33
		Chits/Private Savings	162	27
		Insurance	322	53.67
		Others	22	3.67
		Cum.Total	1582	163.67

Source : Primary Data (Author's Collection).

**Part II – Accessing Micro-credit****Access Rate of Micro-credit and Reasons for Non-access:**

The access rate of micro-credit by the members of the women groups (Table 4) reveals that large majority of the members (86.5 per cent) availed of micro-credit direct from the groups or through groups using linkage with commercial banks. The non-borrowers (13.5 per cent of total) primarily comprise those who do not need money (65.4 per cent of non-

borrowers – see Table 5). While 4.9 per cent of non-borrowers were not able to contribute their share of margin to make them eligible to get loans, 6.2 per cent were found ineligible due to technical reasons. Another 3.7 per cent were targeting to begin enterprises, but they could not find a suitable venture to be financed. The rest 19.8 per cent of the respondents remain unexplained about the reasons for not availing of loans.

**Table 4: Access to Micro-credit**

S. No.	Access to Micro-credit	Number	Percentage
1	Yes	519	86.5
2	No	81	13.5
3	Total	600	100.0

Source: Primary Data (Author's Collection).

**Table 5: Reasons for Not Availing of Loans**

S. No.	Loan from SHGs/NHGs	Number	Percentage
1	Not needed	53	65.4
2	Not able to take my share	4	4.9
3	I can't get a bank loan	5	6.2
4	Could not select suitable enterprise	3	3.7
5	Unexplained reasons	16	19.8
6	Total	81	100

Source: Primary Data (Author's Collection).

**Magnitude of Micro-credit – Internal Loan :**

The amount of internal loans so far availed of by members out of the savings pooled from the members themselves (Table 6) discloses that among the 510 respondents who availed of internal loans, 89.8 per cent of the respondents availed up to ₹ 25,000, 4.9 per cent availed between ₹ 25,000 and ₹ 50,000, 0.6 per cent availed between ₹ 50,000 and ₹ 75,000, 1.9 per cent availed between ₹ 75,000 and ₹ 1,00,000, 0.6 per cent availed between ₹ 1,00,000 and

₹ 1,25,000 and the rest 2.2 per cent availed above ₹ 1,25,000. This is the total amount of loans availed of by the members during their entire period of association with the groups. The average amount of internal loan per member so far sanctioned amounts to ₹ 12,482.

**Table 6: Internal Loans Availed**

S. No.	Amount of Internal Loan (₹)	Number	Percentage
1	Up to 25000	458	89.8
2	25001-50000	25	4.9
3	50001-75000	3	0.6
4	75001-100000	10	1.9
5	100001-125000	3	0.6
6	Above 125000	11	2.2
8	Total	510	100
9	Average Internal Loan	₹ 12482	

Source: Primary Data (Author's Collection).

**Magnitude of Micro-credit – Bank Loan :** The details of bank loans so far availed of by the members through linkage with banks show that only 170 respondents availed of such facilities (Table 7). Out of those who availed of bank loans, 80 per cent availed of an amount less than ₹ 25000. While 8.2 per cent availed of between ₹ 25000 and ₹ 50000, loans ranging between ₹ 75001 and 100000 were availed of by 7.6 per cent of the respondents. Respondents aggregating 2.9 per cent took the bank loan ranging between ₹ 125000 and 150000. The average bank loan per member amounts to ₹ 22,734.

**Table 7: Bank Loans Availed**

S. No.	Amount of Bank loan (₹)	Number	Percentage
1	Up to 25,000	136	80
2	25,000-50,000	14	8.2
3	50,001-75,000	2	1.2
4	75001-100000	13	7.6
5	100001-125000	0	0
6	125001-150000	5	2.9
7	Total	170	100
8	Average ₹ 22,734		

Source: Primary Data (Author's Collection).

**Easiness in Accessing Micro-credit :** The views of the 510 members of the women groups, who availed of internal loans, regarding the ease of accessing the internal loans from their respective groups (out of the savings of the members) on the three variables on a three-point Likert-type scale are given in Table 8. The variables assessing the easiness of accessing micro-credit are; i.e., procedures for obtaining loans, terms and conditions for obtaining loans and



disbursement formalities of the obtained loans. It is quite evident that the ratings on the level of satisfaction on procedures (mean score 2.56), terms and conditions (mean score 2.49), and the disbursements (mean score 2.49) of micro-credit which decide the ease of accessing loans are exceptionally above the medium level (higher than central value of the scale i.e.2). The Student's t-test results (Table 9) confirm that the mean score of all of the variables indicating easiness

of accessing micro-credit are significantly higher than the central value of the expected score i.e. 2. Therefore, the hypothesis set for the study "micro-credit dispensation in the form of internal loans by women groups in Kerala possesses moderate easiness to access by its members" stands accepted. It is also quite clear that the dispensation process of internal loans possesses above moderate easiness to access by members.

**Table 8: Easiness in Accessing Internal Loans**

Variables	Satisfactory	Neutral	Not Satisfactory	Total
Procedures	379 (74.31)	36 (7.06)	95 (18.63)	510 (100)
Terms and Conditions	358 (70.19)	43 (8.44)	109 (21.37)	510 (100)
Disbursement	358 (70.19)	43 (8.44)	109 (21.37)	510 (100)

Note : Figures in parentheses are percentage to total.

Source : Primary Data (Author's Collection).

**Table 9 : Student's t-Test Results - Easiness in Accessing Internal Loans**

Variables	Mean Score	t-value	P value
Procedures	2.56	15.913	0.000*
Terms and Conditions	2.49	13.336	0.000*
Disbursement	2.49	13.336	0.000*

\* Significant difference at 95 per cent confidence level.

Source : Primary Data (Author's Collection).

Similarly, the views of the 170 members of the women groups who availed of bank loans, regarding the ease of accessing the bank loans through the groups' linkage with banks on the three variables on a three-point Likert type scale are given in Table 10. It is quite evident from the Table that the ratings on the level of satisfaction of procedures (mean score 2.41), terms and conditions (mean score 2.29), and the disbursements (mean score 2.27) of micro-credit which decide the ease of accessing bank credit

are exceptionally above the medium level (higher than central value i.e.2). The Student's t-test results (Table 11) confirm that the mean score of all of the variables indicating easiness of accessing micro-credit are significantly higher than the central value of the expected score i.e. 2. Therefore, the hypothesis set for the study, "micro-credit dispensation to the members of women groups by the commercial banks as part of their linkage with women groups possesses moderate easiness to access by their members"

stands accepted. It is fairly clear that the dispensation processes by banks possesses above moderate easiness to access by the members of the women groups.

**Table 10: Easiness in Accessing Bank Loans**

Variables	Satisfactory	Neutral	Not Satisfactory	Total
Procedures	96 (56.47)	49 (28.82)	25 (14.71)	170 (100)
Terms and Conditions	85 (50)	50 (29.41)	35 (20.59)	170 (100)
Disbursement	83 (48.82)	51(30)	36 (21.18)	170 (100)

Note: Figures in parentheses are percentage to total.

Source: Primary Data (Author's Collection).

**Table 11: Student's t-Test Results - Easiness in Accessing Bank Loans**

Variables	Mean Score	t-value	P value
Procedures	2.41	7.316	0.000*
Terms and Conditions	2.29	4.772	0.000*
Disbursement	2.27	4.446	0.000*

\* Significant difference at 95 per cent confidence level.

Source: Primary Data (Author's Collection).

### Part III – Use of Micro-credit

#### **Use of Micro-credit– Household Consumption :**

One of the leading purposes for which the micro-credit has been availed of is for domestic consumption (Table 12). Out of the 366 respondents availed of loans for household consumption, large majority of them (87.1 per

cent) availed of an amount up to ₹ 25000. While six per cent of the respondents availed of loans between ₹ 25001 and ₹ 50000, 2.8 per cent availed of between ₹ 50,000 and ₹ 1,00,000, and the rest 4.1 per cent availed of above ₹ 1,25,000 for household consumption.

**Table 12: Use of Micro-credit – Household Consumption**

S. No.	Amount (₹)	Number	Percentage
1	Up to 25000	319	87.1
2	25001-50000	22	6
3	50001-75000	5	1.4
4	75001-100000	5	1.4
5	100001-125000	0	0
6	Above 125000	15	4.1
11	Total	366	100

Average ₹ 17577

Source: Primary Data (Author's Collection).

**Use of Micro-credit – Private Asset Creation :** Out of the 100 respondents who availed of micro-credit for private assets creation, 76 per cent of them availed up to ₹ 25,000, six per cent availed between ₹ 25001 and ₹ 50000. Another 6 per cent availed between ₹ 50,001 and ₹ 75,000, again another 6 per cent availed of between ₹ 75,001 and ₹ 1,00,000 and the rest six per cent availed of above ₹ 1,00,000 (Table 13). The average micro-credit availed of per member for private asset creation amounts to ₹ 29,220.

**Table 13 : Use of Micro-credit – Private Asset Creation**

S.No.	Amount (₹)	Number	Percentage
1	Up to 25000	76	76
2	25001-50000	6	6
3	50001-75000	6	6
4	75001-100000	6	6
5	Above 100000	6	6
6	Total	100	100
7	Average	₹ 29,220	

Source : Primary Data (Author's Collection).

**Use of Micro-credit – Education of Children :** The micro-credit availed of by members (183 respondents) for the education of their children is detailed in Table 14. It reveals that, 66.1 per cent availed up to ₹ 10,000, 33.3 per cent between ₹ 10,001 and ₹ 25,000, and the rest, a meagre 0.6 per cent availed of above ₹ 50,000 (Table 14).

**Table 14: Use of Micro-credit – Education of Children**

S.No.	Amount (₹)	Number	Percentage
1	Up to 10,000	121	66.1
2	10,001-25,000	61	33.3
3	Above 25000	1	0.6
4	Total	183	100
5	Average	₹ 5839	

Source : Primary Data (Author's Collection).

**Use of Micro-credit – Marriage of Children :** The details of the ten respondents who availed of micro-credit for the marriage of their children are given in Table 15. While 60 per cent of such loanees so far availed up to ₹ 25,000, the rest 40 per cent availed above ₹ 25000. The average amount of such loan amounts to ₹ 43,200.

**Table 15: Use of Micro-credit – Marriage of Children**

S.No.	Amount (₹)	Number	Percentage
1	Up to 25000	6	60
2	Above 25000	4	40
3	Total	10	100
	Average	₹ 43200	

Source : Primary Data (Author's Collection).

**Use of Micro-credit – Fixed Assets Creation for Income Generation :** The details of micro-credit availed of by members as term loans for income generation activities are given in Table 16. A

meagre number of 15 members availed of fixed term loans for income generation activities. The average amount of such loans came to ₹ 22,667.

**Table 16 : Use of Micro-credit – Fixed Assets Creation for Income Generation**

S. No.	Amount (₹)	Number	Percentage
1	Up to 25000	10	66.7
2	25001-50000	5	33.3
3	Total	15	100
4	Average	₹ 22,667	

Source : Primary Data (Author's Collection).

**Use of Micro-credit – Current Assets Creation for Income Generation :** The size of cash credit availed of by members for their group or individual micro-enterprises is given in Table 17. It is seen, only six members have availed of the

cash credit facility for creation of current assets. While four of the six members availed of the facility up to ₹ 25000, the rest two members availed between ₹ 25001 and ₹ 50000.

**Table 17 : Use of Micro-credit – Current Assets Creation for Income Generation**

S. No.	Cash Credit Amount (₹)	Number	Percentage
1	Up to 25000	4	66.7
2	25001-50000	2	33.3
3	Total	6	100
4	Average	₹ 10,667	

Source : Primary Data (Author's Collection).

**Use of Micro-credit among Members – Consolidated Position :** A consolidated view of the use of micro-credit by the members of the women groups is given in Table 18. It shows that 57 per cent of the total micro-credit availed of by the members has been used for domestic consumption. Next to household consumption,

26 per cent of the credit availed of has been used for creation of private assets. Of the rest, 9 per cent utilised micro-credit for education of children, 4 per cent for marriage of children, 3 per cent for creation of fixed assets and 1 per cent for creation of current assets for their own micro-businesses.

**Table 18 : Average Use of Micro-credit by Members**

S.No.	Use of Micro-credit	Use-wise Average (1) ₹	Number of Members Availed (2)	Product (3) = (1*2)	Pooled Average (3/519*)	% to Pooled Average
1	Household Consumption	17577	366	6433182	12395.34	57
2	Private Asset Creation	29220	100	2922000	5630.05	26
3	Education of Children	5839	183	1068537	2058.83	9
4	Marriage of Children	43200	10	432000	832.369	4
5	Fixed Asset Creation for Business	22667	15	340005	655.116	3
6	Current Assets Creation for Business	10667	6	64002	123.31	1
7	Total	-	-	11259726	21695	100

\* Total number of members availed of micro-credit for different purposes i.e.519.

Source : Primary Data (Author's Collection).

In order to test the hypothesis, major chunk of the micro-credit availed of by the members of the women groups has been utilised for household expenditure, the average amount of micro-credit utilised for meeting household expenditure (Highest use – See Table 18) and the average amount of micro-credit utilised for creation of private assets (Second highest use –

See Table 18) have been used. The result of the Paired Samples Student's t-Test (Table 19) confirms that there is significant difference between the averages of amount utilised for household consumption and creation of private assets. As such, the above hypothesis stands accepted (P value 0.000).

**Table 19 : Paired Samples t-Test Result – Usage of Micro-credit**

Pairs	Mean	Std. Error Mean	Paired Differences 95% Confidence Interval of the Difference		t	df	P value (2-tailed)
			Lower	Upper			
Household Consumption and Private Asset Creation	6765.29	1423.06	3327.86	8917.46	4.302	518	0.000*

\* Significant difference at 95 per cent confidence level.

Source : Primary Data (Author's Collection).

**VI. (4). Part IV – Repayment of Micro-credit**

**Micro-credit Outstanding by Members :** The amount of micro-credit outstanding by the members of the women groups, both internal loans and bank loans, as on 31 March 2010 is given in Table 20. It reveals that the average

micro-credit loans outstanding by the members against credit availed amounts to ₹ 11,448 against the average internal loans and bank loans of ₹ 12,482 and ₹ 22,734, respectively (See Tables 6 and 7). Majority of the respondents (91.5 per cent) have a repayment obligation less than ₹ 10,000.

**Table 20: Micro-credit Outstanding by Members**

S.No.	Outstanding Micro-credit (₹)	Number	Percentage
1	Up to 10,000	100	47.2
2	10,001- 25000	94	44.3
3	25001-50000	6	2.8
4	50001-75000	3	1.4
5	Above 75000	9	4.3
6	Total	212	100
7	Average	₹ 11448	

Source : Primary Data (Author's Collection).

**Sources for Repayment :** The different sources through which loan repayment was made by the respondents are depicted in Table 21. Out of the 519 respondents, 63.3 per cent made the repayment out of the income of other members in the family. While 12.2 per cent find their own

income generated (using the micro-credit) and income of others in the family as sources for repayment, 9.4 per cent made repayment out of their own other income. A meagre 3.1 per cent could make repayments solely out of the income generated using the micro-credit.

**Table 21: Sources For Repayment of Micro-credit**

S.No.	Sources of repayment	Number	Percentage
1	Out of own income generated using loan	16	3.1
2	Out of others' income in family	329	63.3
3	Out of own other income	49	9.4
4	Out of other Loans	0	0
5	Out of (1) and (2)	63	12.2
6	Out of (3) and (4)	9	1.7
7	Out of (1), (2) and (3)	39	7.5
8	Out of (1), (2), (3) and (4)	14	2.8
9	Total	519	100

Source : Primary Data (Author's Collection).

**Default in Repayment :** The default trends in repayment by the 519 respondents who availed of the micro-credit either as internal loans or as bank loan as part of linkages with commercial banks reveal that 56.9 per cent never made any default in the repayment, 10.6 per cent very rarely made default, 31.2 rarely made default and 1.2 per cent often made default (Table 22).

**Table 22: Frequency of Default in Repayment of Loan**

S. No.	Default in Repayment	Number	Percentage
1	Never	304	56.9
2	Very Rarely	53	10.6
3	Rarely	156	31.2
4	Often	6	1.2
5	Total	519	100

Source : Primary Data (Author's Collection).

**Magnitude of Default :** Out of the 519 respondents who availed of micro-credit, 215 members have at present dues with their micro-credit. While 89.3 per cent of the defaulted respondents made a default ranging up to ₹ 1000, 6 per cent made default between ₹ 1,000 and ₹ 2,000, 4.2 per cent made default between ₹ 2000 and ₹ 3000 and the rest 0.5 per cent made default exceeding ₹ 3,000.

**Table 23: Magnitude of Default in Loans**

S. No.	Amount (₹)	Number	Percentage
1	Up to 1000	192	89.3
2	1001-2000	13	6.0
3	2001-3000	9	4.2
4	Above 3000	1	0.5
	Total	215	100

Average 3965

Source : Primary Data (Author's Collection).

**Reasons for Default:** Out of the 215 respondents who made default in the repayment of loans, a large majority (95.3 per cent) viewed that they made the default due to lack of income and the rest 4.7 per cent had some other unexplained reasons (Table 24).

**Table 24: Reasons for Defaulting Loans**

S. No.	Reasons	Number	Percentage
1	Lack of income	205	95.3
2	Unexplained Reasons	10	4.7
3	Total	215	100

Source : Primary Data (Author's Collection).

### Conclusion

The analysis made above incorporating the details of access, use and repayment of micro-credit by the members of the women groups in Kerala provided relevant information to conclude about the ease in accessing micro-credit, different uses of micro-credit by the loanees and also the repayment behaviour of the micro-credit beneficiaries. Micro-credit dispensation through women groups aiming at poverty alleviation and women empowerment is, no doubt, hitting the target in Kerala. However, whether it is resulting in sustainable

improvement in the standard of living and empowerment of women is not clear? A lion's share of the micro-credit disbursed to the beneficiaries of the women groups is used for non-income generation purposes, generation of surplus income using the micro-credit which is an essential requisite for sustainable empowerment is a missing phenomenon. Though, credit dispensation for non-income generation purposes can make changes in the lives of the poor women, permanent income generation modes alone can bring sustainable positive changes in livelihood promotion.

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