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MONEY LENDERS SURVEY

INTRODUCTION

Indeed it is a fact that thousands of the poor and the marginalized population in India are building their lives, their families and their society through Self help group movement in India. This has played as a great leveller in the field of financial inclusion. However, unfortunately till date no Government could completely wipe out the practice of poor people depending on money lenders to meet their emergencies. Reasons could be various namely delay in delivery of service, cumbersome procedure to avail the financial services, unavailability of financial products that could meet their immediate needs and so on. But while considering Kerala, in several social parameters it is at par with the developed West. Well established SHG movement and cooperative movement indeed are some of the ingredients that Kerala could achieve this unbelievable feat in spite of a lesser per capita income and lack of industrial back up. But it is sad to note that despite strong presence of formal financial institutions like commercial banks and cooperatives, in Kerala, money lenders (informally known as 'blade companies') form an important segment of the financial sector of the State as they are engaged in deposit taking and money lending activities in a significant way. This has created a situation where poor people take loans from moneylenders and rich people who tend to exploit these people by charging higher interest ranging from 15 to 30 percent per year and thus it becomes a vicious circle where the poor keep paying interest whole life and in some cases even his or her children also have to repay the debt of their parents. A conscious effort is very much essential at this juncture to wipe out this practice.

1. ABOUT THE ORGANIZATION.

Kudumbashree is the poverty eradication and women empowerment programme implemented by the State Poverty Eradication Mission (SPEM) of the Government of Kerala. It has a state level and district level offices to plan, execute and monitor various activities. It has touched the lives of more than 45 lakhs families through the three tier structure with Neighbourhood Groups (NHGs) at the lowest level, Area Development Societies (ADS) at the middle level, and Community Development Societies (CDS) at the local government level. Kudumbashree was an enormous step of Government of Kerala through poverty alleviation and women empowerment.

BACKGROUND OF STUDY

The study arose initially from a opinion of Department of Cooperation, Govt of Kerala to join hands with Kudumbashree to curb practice of money lending among people on low incomes.

2. THE FOCUS OF THE STUDY

The study focused to understand the money lending practice existed among Kudumbashree Members in following parameters

- To know whether the Credit activities in Kudumbashree Neighbourhood Group is enough to satisfy their credit needs
- To know whether Kudumbashree Members are dependent on other firms to fulfil their savings and credit needs.
- If they are depending on other firms then to study the types of loan they are availing so that Kudumbashree can suggest a suitable loan product.

3. PROCEDURE ADOPTED TO CONDUCT THE STUDY

Kudumbashree District Mission, Palakkad had conducted study on the prevailing practice of lending and other financial products for which people are approaching

money lenders. The study included extend of loan availed by Kudumbashree members, whether they have any specific service area, Nature of the product whether only lending, or savings. Nature of disbursement, Loan Size, Interest Rate, Period of Repayment(daily, monthly so on), Document collected , selection of customers, time limit to sanction and disburse the loan and so on.

The Main method of the study was interview with a sample of Kudumbashree members. The decision to include only Kudumbashree members were taken due to the sensitive nature of the subject matter under study and the likelihood of people would be afraid to talk is more.

5. SELECTION OF RESPONDENTS

Selection of respondents were a difficult task as there were no ready sampling frame was existed because no known list of people approaching moneylenders or other credit institution is available. In addition there was the consideration that a conventional door to door random sample was unlikely going to be successful because of the fear and anxiety. Hence it was decided to select minimum 10 Kudumbashree members (each representing various wards) from all Local bodies so that representative from all the geographical areas will be covered.

4. ANALYSIS OF STUDY

Table 1: No. Respondents Local Body wise

SL NO	NAME OF PANCHAYATH	TOTAL ENTERED FORMS
1	ALATHOOR	100
2	ANAGANADI	84
3	ANAKKARA	100
4	CHALISSERY	65
5	ELAPPULLI	99
6	ERIMAYUR	104
7	KADAMBAZHUPURAM	97
8	KARAKURUSSI	96
9	KARIMBA	101
10	KAVASSERY	99
11	KIZHAKKENCHERRY	100
12	KONGAD	100
13	KOTTOPADAM	108
14	KUMARAMPUTHUR	100
15	KUZHMANTHAM	100
16	MALAMPUZHA	100
17	MARUTHACODE	97
18	MANKARA	79
19	MATHOOR	101
20	MUNDOOR	100
21	MUTHALAMADA	101
22	MUTHUTHALA	101
23	ONGALLUR	102
24	PALLASSANA	101
25	PARALI	100
26	PATTACHERY	99
27	PERUNGOTTUKURISSI	70
28	POLPULLY	100
29	PUKKOTTUKAVU	100
30	PUDUNAGARAM	100
31	PUDUPARIYARAM	100
32	PUTHUSSERY	97
33	THACHAMPARA	101

Kudumbashree Writeshop

34	VADAKARAPPATHY	97
35	VADAKKENCHERY	99
36	VADAVANOOR	100
37	VANDAZHI	100
38	VANIYAMKULAM	102
39	VELLINEZHI	100
40	VILAYUR	100
41	Chalavara CDS	100
42	KANNADI	96
43	PATTAMBI	102
44	PIRAYIRI	100
45	PALAKKAD SOUTH	74
46	NORTH PALAKKAD	100
47	ERUTHEMBATHY	100
48	THARUR	100
49	PERUMATTY	100
50	MANNUR	28
51	PUTHUR	97
52	KODUMBU	100
53	KOLLENGODE	100
54	KANJIRAPUZHA	96
55	KODUVAYUR	100
56	AMBALAPARA	100
57	KUTHANUR	40
58	LAKKIDIPERUR	50
59	AGALI	88
60	NALLEPILLY	100
61	PERUVEMB	104
62	AKATHETHARA	100
63	KARIMPUZHA	98
64	KOZHINJAPARA	101
65	NELLAYYA	99
66	THACHANATTUKARA	94
67	THIRUVEGAPURA	100
68	THIRUMITACODE	47
69	VALLAPUZHA	73
70	AYILUR	100
71	NAGALASSERY	51
72	CHERPULASERY	53
73	PARUTHOOR	77
74	THRIKATTIRY	22
75	THENKURISI	50
76	MELARKODE	53
77	KOPPAM	75
78	KANNAMBRA	31
79	SREEKRISHNA PURAM	95
	TOTAL	7094

Table 2: No. Of times loan availed by respondents from Kudumbashree

The information on the total number of loan availed by Kudumbashree members , confirms that over 65% of the members could avail only loan maximum for three times in a span of 10-15 years. Less than 10% of members could avail loan more than 4-10 times .

No of times	No of respondents	percentage
Once	1606	22.64
Twice	1749	24.65
Thrice	1241	17.49
Fourth	526	7.41
Fifth	340	4.79
Sixth	190	2.68
Seventh	64	0.9
Eighth	39	0.55
Nineth	16	0.23
Tenth	133	1.87
More than tenth	282	3.98
No comments	908	12.8
	Grant Total	100

Graph: I

No. Times Loan received from Kudumbashree

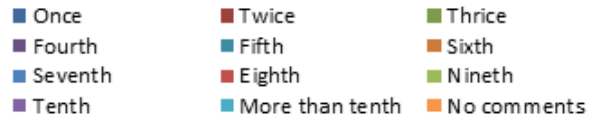


Table 3- size of loan taken by Kudumbashree Members from Neighbourhood Group

Highest loan size	No of respondents	Percentage
No comments	1061	14.96
less than 50000	2299	32.41
50000-100000	662	9.33
100000-150000	258	3.64
150000-200000	492	6.94
200000-250000	188	2.65
250000-300000	1050	14.8
More Than 300000	1084	15.28
Total	7094	100

Graph: II

Highest amount of Loan received

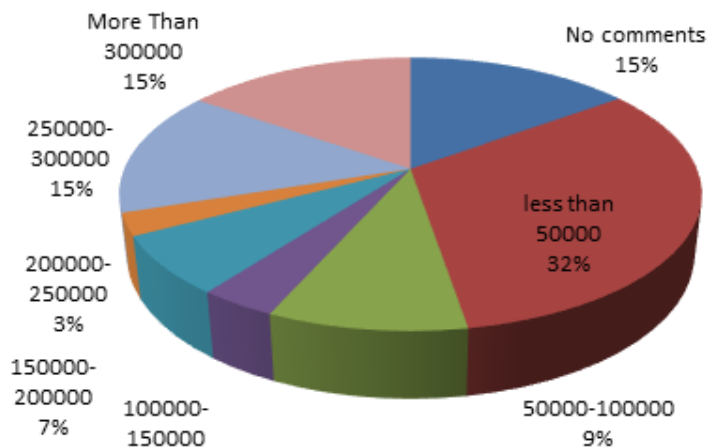
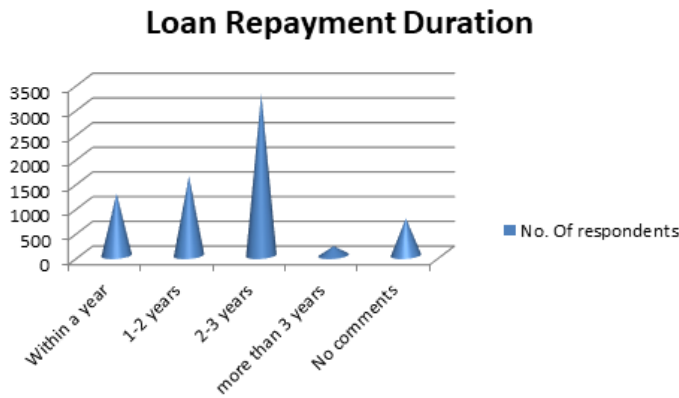


Table-4: Loan Repayment Duration in Neighbourhood Group

Repayment period in kudumbashree	No of respondents	Percentage
Within a year	1259	17.75
1-2 years	1609	22.68
2-3 years	3282	46.26
more than 3 years	189	2.66
No comments	755	10.64
Total	7094	100

Table 4 reveals 80% of the respondents repay the loan within 3 years time. Other 11% has not given their opinion where as only 3% takes over 3 years time to complete the loan. This could be high ticket loan.

GRAPH:3



Repayment of loan	No of respondents	Percentage
No comments	596	8.4
Yes	5701	80.36
No	797	11.23
Total	7094	100

This table shows Out of 7094 respondents 80% of them pay loan regularly. 11% did not respond to the questions. 11% of them are irregular in loan repayment

Table-6- Total Amount received to a respondent as Loan till date