

THE IMPACT OF MICRO FINANCE OF SEEDS ON WOMEN

ENTREPRENEURSHIP IN BATTICALOA DISTRICT



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ABSTRACT

Microfinance provides small-scale financial products including credit, savings and insurance services to poor people who are usually excluded from formal financial institutions. Although a number of research work have been done in Sri Lanka, there are a few studies focusing on the impact of Microfinance women entrepreneurs in Batticaloa.

In this study, the researcher assess the impact Microfinance loans on women owned small businesses and the socio-economic aspect of their household. Additionally, the researcher examines the sources of finance for women small business owners and if their demand for loans has been met by the Microfinance programs. Data were collected through questionnaires and informal discussions with 100 entrepreneurs selected from a list from the Batticaloa District Regional office of as Sarvodaya Economic Enterprise Development Services Guarantee Limited. The research findings shows a moderate impact of Microfinance on the growth of the women owned small businesses in terms of turnover and increase in market share while the socio-economic aspect of their households has a moderate impact in terms of disposable income, savings and livelihood improvement and education level. Furthermore, women small business owners depend mostly on informal sources such as their own funds and money borrowed from their family members during the start up age but Sarvodaya Economic Enterprise Development Services Guarantee Limited play a major role in providing capital when their business progresses. They are highly satisfied with the group based lending system and savings facilities provided by Sarvodaya Economic Enterprise Development Services Guarantee Limited but have great displeasure towards the pre-requisites or collateral rules.

Finally if the Micro finance institution have to be effective when the institution should be strictly managed and supervised the selection criteria in the Micro finance institution process.

CONTENTS	PAGES
Acknowledgement	I
Abstract	II
Contents	III
List of figure	VII
List of tables	VIII
Abbreviation	IX
Chapter – 01 introduction	
1.1 Introduction	1
1.2 Background of the study	2
1.3 Research Problem	3
1.4 Research Questions	3
1.5 Objectives of the study	4
1.6 Significance of the study	4
1.7 Limitations of the study	4
1.8 Summary	5
Chapter – 02 literature review	
2.1 Introduction	6
2.2 Microfinance	6
2.3 The History of Microfinance	7
2.4 Non Governmental Organizations (NGOs)	8
2.5 Microfinance and its impact in development	9
2.6 Social impact analysis	11
2.7 Impacts beyond the household	12

2.8 Potential impact of micro finance at a house hold and community level	14
2.9 Micro Enterprises (MEs)	16
2.10 Small Businesses	17
2.11 Microfinance Institutions (MFIs)	18
2.12 Microfinance as a tool for poverty reduction	18
2.13 Need and Rationale for Microfinance	19
2.14 The Importance of Small Businesses and their Access to Capital	19
2.15 The Importance of Women owned Small Business	21
2.16 NGOs involvement in providing Microfinance to Women Entrepreneurs	24
2.17 Summary	25

Chapter – 03 conceptualization and operationalization

3.1 Introduction	26
3.2 Conceptualization framework	26
3.3 Variables	27
3.3.1 Growth of the business	27
3.3.2 Utilization of Loans	28
3.3.3 Utilization of Profit	28
3.3.4 Disposable Income	28
3.3.5 Saving	28
3.3.6 Food and Consumption level	29
3.3.7 Educational Expenses	29
3.3.8 Other Livelihood Improvements	29
3.3 Operationalization	30
3.4 Summary	31

Chapter – 04 research methodology

4.1 Introduction	32
4.2 Research sample	32
4.2.1 The choice of the sample	32
4.2.2 Random sampling	32
4.3 Data Collection	34
4.4 Sources of data	35
4.5 Methods of Measurements	35
4.6 Data analysis	37
4.7 Univariate analysis	37
4.8 Data evaluation	37
4.9 Summary	38

Chapter – 05 data presentation and analysis

5.1 Introduction	39
5.2 Personal Information	39
5.2.1. Civil status	39
5.2.2. Age Distribution.	39
5.2.3. Purpose of Loan	40
5.2.4 Number of family members	41
5.2.5 Total value of the loans taken from seeds	41
5.2.6 Usage for working capital	42
5.3 Research Information	42
5.3.1 Growth of the business	42
5.3.2 Utilization of loans	44
5.3.3 Utilization of Profit	45
5.3.4 Disposable income	46

5.3.5 Savings	48
5.3.6 Food and Consumption level	49
5.3.7 Educational level	50
5.3.8 Other Livelihood improvement	51
5.4 Micro finance	52
5.5 list of findings	53
5.6 Summary	54
Chapter – 06 discussions	
6.1 introductions	55
6.2 discussion: personal information	55
6.2.1 Civil status	55
6.2.2 Age	55
6.2.3 Purpose of loan	55
6.2.4 Number of family members	56
6.2.5 Size of loan	56
6.2.6 Usage for working capital	56
6.3 Discussion: research information	57
6.3.1 Growth of the business	57
6.3.2 Utilization of loans	57
6.3.3 Utilization of profits	58
6.3.4 Disposable income	58
6.3.5 Savings	58
6.3.6 Food and consumption level	59
6.3.7 Educational level	59
6.3.8 Other Livelihood improvement	59

6.4 Research Findings	60
6.5 Summary	62
Chapter – 07 conclusions and recommendation	
7.1 Introduction	64
7.2 Conclusion	64
7.3 Recommendations for increase the impact of micro finance service.	65
7.3.1 Recommendation for improve growth of the business	65
7.3.2 Recommendation for utilization of loan	65
7.3.3 Recommendation for improving utilization of profit	66
7.3.4 Recommendation for improving disposable income	66
7.3.5 Recommendation for improving savings	66
7.3.6 Recommendation for improving food and consumption level	66
7.3.7 Recommendation for improving Education	67
7.3.8 Recommendation for improving other lively hood	67
7.4 Directions for Further Research	67
References	X
Questionnaire	XV

LIST OF FIGURE

Figure 2.1 Potential impact of micro finance house hold and community level	14
Figure 3.1 the Conceptual Model	27