

**THE CONTRIBUTION OF MICROFINANCE CREDIT OF VSCO
UNDER GAMANEGUMA (GEMIDIRIYA) PROJECT TO THE
ENHANCEMENT OF WOMEN'S ECONOMIC STATUS IN
ESTATE SECTOR**

BY

SAJEETHA KANDIAH



Project Report
Library - EUSL

**DEPARTMENT OF COMMERCE
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

2014

ABSTRACT

This article investigates the contribution of microfinance credit of VSCO under Gameneguma (Gemidiriya) project to enhancement of women's economic status in Ports wood upper division in Nuwara-eliya District.

In a male dominated society, women have always been under estimated and discriminated in all spheres of life be it their family and their economic life. Moreover, the traditional duties of managing households create barriers in their social and economic enhancement. Over the years various efforts have been made by many Government and Non Government organizations to promote women enhancement in general and especially in rural areas. One such effort is the microfinance intervention. Many leading public and private sector banks are offering schemes exclusively designed for women to set up their own ventures. Even the unorganized sector has been heading into microfinance movement.

This study took six variables to achieving success towards the enhancement of women's economic status. The variables such as productivity and skills, business practice, income, consumption smoothing/ Risk, work environment and prosperity have taken to this study to measure the contribution of the microfinance. The aim of this study is to identify the contribution of micro finance credit of VSCO to the enhancement of women's economic status on the above variables.

Information was gathered from women who getting micro credit of VSCO at least one year by themselves. The sample size is 85 women in selected estate in Nuwara-eliya district. The collected data presented through the frequency table and analyzed through descriptive statistics such as mean and standard deviation, cross tabulation analysis, and ANOVA test.

According to the results obtained that the micro finance credit of VSCO contributed on the enhancement of women's economic status at high level with all variables excluding business practice and work environment. Further, it was identified there is a positive contribution of microfinance credit of VSCO to enhancement on women's economic status.

Microfinance credits have contributed to the improvement of the economic status of the women and which helps to this population to carry out income generating activities. Based on the finding and discussion were assuming that microfinance credit of VSCO is supportive to enhance the women' economic status by VSCO organization in selected estate.

Keywords: Women's economic enhancement, Productivity and skills, Business practice, Income, consumption smoothing/ Risk, Work environment and Prosperity.

TABLE OF CONTENTS

Acknowledgement	i
Abstract	ii
Table of the contents	iv
List of tables	x
List of figures	xi
Abbreviations	xi
CHAPTER ONE - INTRODUCTION	1-7
1.1. Background of the Study	1
1.2. Problem statement	3
1.2.1. Research Questions	4
1.3. Objective of the study.....	5
1.4. Significance of the Study.....	5
1.5. Scope of the Study.....	6
1.6. Limitation of the Study.....	6
1.7. Overview of the study.....	7
CHAPTER TWO - LITERATURE REVIEW	8-20
2.1. Introduction.....	8
2.2. What is Economic status.	8
2.3. What does mean 'Women economic status'.....	9
2.4. What is Enhancement of women economic status.....	10
2.5. Measuring women's enhancement of economic status.....	11
2.5.1. Productivity and skills.....	12
2.5.1.1. Individual education attainment.....	12
2.5.1.2. Business and work skills.....	12
2.5.1.3. Access to productive tools and technologies.....	12
2.5.1.4. Access to markets.....	13
2.5.1.5. Access to jobs.....	13
2.5.2. Business practice.....	13
2.5.2.1. Keep records.....	13
2.5.2.2. Separates personal and business expenses.....	13

2.5.2.3.	Diversity of product line.....	14
2.5.2.4.	Marketing.....	14
2.5.2.5.	Invest in business.....	14
2.5.3.	Income.....	14
2.5.3.1.	Level of income and revenue- Earnings, Profit.....	14
2.5.3.2.	Individual and household savings.....	14
2.5.3.3.	Safe place to save	15
2.5.4.	Consumption Smoothing/Risk.....	15
2.5.4.1.	Savings. Insurance or liquid assets.....	15
2.5.4.2.	Seasonal hunger.....	15
2.5.4.3.	Productive assets.....	15
2.5.5.	Work environment	16
2.5.5.1.	Work site accessible	16
2.5.5.2.	Work site toilet facilities.....	16
2.5.5.3.	Work hours, condition and remuneration.....	16
2.5.6.	Prosperity.....	17
2.5.6.1.	Individual and family wealth.....	17
2.5.6.2.	Housing, property, Assets.....	17
2.5.6.3.	Health and nutrition.....	17
2.6.	Village Savings and Credit Process.....	17
2.6.1.	Village savings and credit organization(VSCO).....	18
2.6.2.	Saving process.....	19
2.6.2.1.	Compulsory savings.....	19
2.6.2.2.	Voluntary savings.....	19
2.6.3.	Loan process.....	19
2.6.3.1.	Types of loan issued.....	19
2.6.3.1.1.	Instant loan.....	19
2.6.3.1.2.	Project loan.....	19
2.6.4.	Loan security fund.....	20
2.7.	Summary.....	20

CHAPTER THREE - CONCEPTUALIZATION AND OPERATIONALIZATION **21-26**

3.1	Introduction.....	21
-----	-------------------	----

3.2.	Conceptual framework.....	21
3.3.	Definition of key terms.....	22
3.3.1.	Productivity and skills.....	22
3.3.1.1.	Individual education attainment.....	22
3.3.1.2.	Business and work skills.....	22
3.3.1.3.	Access to productive tools and technologies.....	22
3.3.1.4.	Access to markets.....	22
3.3.1.5.	Access to jobs.....	22
3.3.2.	Business practice.....	22
3.3.2.1.	Keep records.....	23
3.3.2.2.	Separates personal and business expenses.....	23
3.3.2.3.	Diversity of product line.....	23
3.3.2.4.	Marketing.....	23
3.3.2.5.	Invest in business.....	23
3.3.3.	Income	23
3.3.3.1.	Level of income and revenue- Earnings, Profit.....	23
3.3.3.2.	Individual and household savings.....	23
3.3.3.3.	Safe place to save.....	23
3.3.4.	Consumption Smoothing/Risk.....	24
3.3.4.1.	Savings, Insurance or liquid assets.....	24
3.3.4.2.	Seasonal hunger.....	24
3.3.4.3.	Productive assets.....	24
3.3.5.	Work environment.....	24
3.3.5.1.	Work site accessible.....	24
3.3.5.2.	Work site toilet facilities.....	24
3.3.5.3.	Work hours, condition and remuneration.....	24
3.3.6.	Prosperity.....	25
3.3.6.1.	Individual and family wealth.....	25
3.3.6.2.	Housing, property, Assets.....	25
3.3.6.3.	Health and nutrition.....	25
3.4.	Operationalization.....	25
3.5.	Summary.....	26

CHAPTER FOUR – METHODOLOGY	27-32
4.1. Introduction.....	27
4.2. Study setting.....	27
4.2.1. Research Approach.....	27
4.2.2. Time Horizon.....	27
4.2.3. Unit of Analysis.....	28
4.2.4. Study population.....	28
4.3. Sample size and Sampling design.....	28
4.3.1. Sample size.....	28
4.3.2. Sampling design.....	28
4.4. Method of data collection.....	29
4.4.1. Primary data.....	29
4.4.1.1. Questionnaire.....	29
4.4.1.2. Structured interview.....	30
4.4.2. Secondary data.....	30
4.5. Method of data presentation and analysis	31
4.6. Method of Data Evaluation.....	32
4.7. Summary.....	32

CHAPTER FIVE - DATA PRESENTATION AND ANALYSIS	33-55
5.1. Introduction.....	33
5.2. Data presentation and analysis.....	33
5.2.1. Data presentation and analysis for personal information.....	33
5.2.1.1. Age distribution of women.....	34
5.2.1.2. Level of education of women.....	34
5.2.1.3. Marital status of women.....	35
5.2.1.4. Employment status of women.....	35
5.2.1.5. Monthly income level of women.....	36
5.2.1.6. Loan obtained period of women.....	36
5.2.1.7. Number of family members of women.....	37
5.2.2. Data presentation and analysis for research information.....	37
5.2.2.1. Productivity and skills of the women.....	37
5.2.2.2. Business practice of the women.....	39

5.2.2.3.	Income of the women.....	40
5.2.2.4.	Consumption smoothing/risk of the women.....	41
5.2.2.5.	Work environment of the women.....	42
5.2.2.6.	Prosperity of the women.....	43
5.2.3.	Data presentation and analysis for Economic status.....	44
5.2.4.	Cross tabulation analysis for personal information and research information.....	44
5.2.4.1.	Age and research information.....	45
5.2.4.2.	Education level and research information.....	46
5.2.4.3.	Marital status and research information.....	46
5.2.4.4.	Employment status and research information.....	47
5.2.4.5.	Monthly income level and research information	48
5.2.4.6.	Loan obtained period and research information.....	49
5.2.4.7.	Number of family members and research information.....	50
5.2.5.	Cross tabulation analysis for personal information and economic status.....	50
5.2.5.1.	Age and economic status.....	51
5.2.5.2.	Level of education and economic status.....	51
5.2.5.3.	Marital status and economic status.....	51
5.2.5.4.	Employment status and economic status.....	52
5.2.5.5.	Monthly income level and economic status.....	52
5.2.5.6.	Loan obtained period and economic status.....	53
5.2.5.7.	Number of family members and economic status.....	53
5.2.6.	Mean comparison between personal information and research information.....	54
5.2.6.1.	Analysis of variance (ANOVA) between personal information and research information.....	54
5.3.	Summary.....	55

CHAPTER SIX - FINDING AND DISCUSSION **56-65**

6.1.	Introduction.....	56
6.2.	Discussion on women's personal information.....	56
6.2.1.	Age of women.....	56

6.2.2. Level of education of women.....	57
6.2.3. Marital status of women	57
6.2.4. Employment status of women.....	58
6.2.5. Monthly income level of women.....	58
6.2.6. Loan obtained period of women.....	58
6.2.7. Number of family members of women.....	59
6.3. Discussion on research information.....	59
6.3.1. productivity and skills.....	60
6.3.2. Business practice.....	60
6.3.3. Income.....	61
6.3.4. Consumption smoothing/risk.....	62
6.3.5. Work environment.....	62
6.3.6. Prosperity.....	63
6.4. Discussion on overall economic status of women.....	64
6.5. Summary	65
CHAPTER SEVEN - CONCLUSIONS AND RECOMMENDATIONS	66-69
7.1. Introduction.....	66
7.2. Conclusions.....	66
7.2.1. Conclusion for objective one.....	66
7.2.2. Conclusion for objective two.....	66
7.2.3. Conclusion for objective three.....	67
7.2.4. Conclusion for objective four.....	67
7.2.5. Conclusion for objective five.....	67
7.2.6. Conclusion for objective six.....	68
7.3. Recommendations.....	68
7.3.1. Recommendations for VSCO beneficiaries.....	68
7.3.2. Recommendations for VSCO organization.....	69
7.3.3. Recommendations for further research.....	69
7.4. Summary.....	69
References	70
Appendix-J Questionnaire	xii
Appendix- II Questionnaire (Tamil translated)	xvi