

## **Chapter 5**

### **Conclusion and Discussion**

This chapter includes the conclusion of the study, discussion of the finding as well as limitations and suggestions for further research.

#### **5.1 Conclusion**

The study on factors associated with success in occupational activity of widows and impoverished women under the support of the MF activity in the Deep South provinces of Thailand (Pattani, Yala, Narathiwat, and 4 districts in lower part of Songkhla Province) from October 2008 – October 2010 with a total of 7 phases had a total of 83 clients. Most clients lived in Pattani Province (59.1 percent), were Muslims (92.8 percent), aged 40 years and older (57.8 percent), completed secondary school-level education (66.3 percent), married (50.6 percent), and had 4 or more dependents (75.9 percent). In term of funding, most the MF activity clients were in Phase 7 (34.9 percent) in the year 2009 (43.4 percent), were producing foodstuff (43.4 percent), and had previous occupational skills (95.2 percent), main income from the MF activity (73.5 percent) but have not had any market management problem (96.4 percent). Most clients had local advisors (72.3 percent), and clients peers (53.1 percent).

The study found a success rate of 56.6 percent, based on the 45 percent repayment rate and continuous business activity at 80.7 percent. Factors leading towards success were local advisor and peers.

## 5.2 Discussion

The MF activity is a microcredit program that operates during the conflict situation. The activity only gives individual loans, especially to women, with the paradigm of being a reality-based microfinance program for building their self reliance. It's a small loan with which to start a microenterprise, earn a bit of income, be able to feed and school their children, sensing a degree of self worth and able to integrate into society. The average loan repayment rate of 45 percent was higher than the repayment rate in East Timor but lower than the repayment rate in Afghanistan, likely due to the fact that the MF activity was relatively young and only operated in Pattani, Yala, Narathiwat, and Songkhla Provinces with funding provided to only 83 clients, while the programs in East Timor and Afghanistan were large, national-level programs. Thus it was possible that under situation of conflict at different magnitude, the follow-up and oversight process might not be comprehensive.

As for continuity of the business, most studies wish to investigate the continuity of the business but there had been no system for data collection. continuity of the business could be attributed to the following causes: a) Microcredit providers must allow for flexibilities in the rules according to the situation and should take care not to rush the development of their clients, as many of today's most success clients required years to reach sustainability, b) The quality of the product and service are also very important; and c) Most importantly, marketing mechanisms was the main factor which led towards continuity of the business. Therefore, aside from providing microcredit loan, the MF activity should also organize entrepreneurs training program, as well as training on savings, and book-keeping.

Factors which lead towards success were local advisors and peers, because:

1) Under the situation of unrest, aside from economic stimulus, the clients also wish to receive emotional relief and support which concurs with the study on the Rainbow model of care in Zambia in 2001, the Grameen Bank in Bangladesh and in Afghanistan. Thus both the local advisors and peers became key actors to provide advice and consultation on occupational skills, and should personally know the situation for each family, and should be able to refer not only about economical details, but even on eventual family / domestic problems. The local advisors and peer must also verify that benefits deriving from the MF activity are destined to foster in the families. They should therefore check the school attendance of the children, and their livelihood conditions. These devices being foster by the local advisors and peer.

2) Consider the details of the applicants carefully. The local advisor usually lives in the same area as the applicants, thus they would know about the applicants' background. The selection stage is also helpful to the local advisors in getting to know in applicants detail or information. More importantly, the local advisor could assess whether the loan would be misused.

3) Creating a network of fund clients, in which the local advisors would normally establish friendly relations and networking among clients for mutual business benefit. Clients share their experiences, advisors each other, support each other and help each other expand their contact networks and help support the business. For example, one client wished to produce salted egg. When the client found out that her peer was raising ducks, she no longer needed to buy eggs from the

market, thus creating a process of commensalism in the community and becoming self-reliance.

Finally, in term of repayment, local advisors and peers had an effect on creating incentive and motivation, leading towards the push for success in likelihood activity and reducing non-profitable loan or drop-outs. Local advisors and peers would help to check and remind the clients for repayment due date and helped to screen new clients. Such observations concur with those of clients in the Philippines (Gine and Karlan, 2008). In the case of prolonged periods of missed repayments, or the impossibility for a clients to continue the programme (caused for example by long term sickness) the local advisors and peer should immediately report the problem to the Mother's Fund staff, in order to co-ordinate a solution

### **5.3 Limitations of the study**

This study was on microcredit activities in Pattani, Yala, Narathiwat, and Songkhla Provinces under the unrest situation. The unrest started in 2004, while Mother's Fund did not start until 2008.

### **5.4 Recommendations for further research**

Recommendations for further research for the Mother's Fund activity are on the issues of knowledge-building and project evaluation, as follow:

1. Occupational activity support must also determine whether the occupational activity has achieved the established objective and by what means, what are the obstacles, how is the success measured due to the individual differences in perception of success, and what are the lessons and experiences gained from the occupational activity.

2. Outstanding projects should be presented by making video presentations and broadcasting to the community and the public for further extension, spin-off, and enable the learning process by the community. Images must be shown for others and interested partners to see and provide support.

3. The monitoring or evaluation should be done for other activities.

4. Further studies should be made on the outcome and impact from receiving the Fund. The title could be "Quality of Life of The MF Activity Grants Clients" with comparison and observations of changes before and after the occupational activity.

The data could be collected by the local advisors and the Mother's Fund staff on:

- Food and nutrition
- Children's education;
- Children have money for school
- Children are able to continue their education without any disruption
- Children's school supplies
- Health: the recipient is able to seek medical attention in time of illness
- Savings: discretionary income is available for savings