

Awareness of Loan Defaulters of LAMPS about Membership and Loans : A Review

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Abstract

The study assessed the level of awareness, particularly about membership and loans, of loan defaulters among scheduled tribe members of large-sized multi-purpose cooperative societies. The research was conducted in two of the five large area multi-purpose societies (LAMPS) functioning in Salem district in Tamil Nadu. A structured interview schedule was prepared to collect data from 187 defaulters, and the analysis was done with chi-square as a core statistical tool. The results showed that the level of awareness among the respondents toward their membership and loans differed considerably. Awareness was high among males (38.90%), followed by those with an education qualification of at least higher secondary (34.10%); whereas, in terms of occupation, farmers (47%) showed considerable awareness. While 40.60% of the respondents who had an annual family income between INR 2 lakhs – 3 lakhs had awareness, the highest level of awareness was seen among the respondents holding more than 3 hectares of agricultural land (87.50%). The level of awareness was found to have a positive correlation with social status and repayment of loans; whereas, it was negative when defaults were high. Non-payment of loans threatens the very purpose of the existence of LAMPS and should be regulated through valid measures of LAMPS and voluntary initiatives of members.

Keywords : LAMPS, tribal, membership, loans, knowledge, awareness

JEL Classification Codes : D8, D83, R13, G21, I32, J15

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Large-sized multi-purpose societies (LAMPS) were established in India since 1973 as a cooperative organization to cater to monetary as well as non-monetary needs of tribal people by providing banking and non-banking services. LAMPS come under the category of primary agriculture co-operative bank/society (PACB/S) and function under the leadership of National Bank for Agriculture and Rural Development (NABARD). By being members of the LAMPS, the tribal people can avail numerous financial and non-financial services free of cost. To avail such services, they should however have adequate knowledge about the rights and responsibilities of a member, availability of loans, and ways to access them.

Awareness is one of the core elements to understand a concept better and respond wisely to get the expected outcome. De Mello (1992, p. 58) defined awareness as a “means to watch, to observe what is going on within you and around you.” The level of awareness varies based on people's ability of perception and external influences such as education, worldly experience, health, finance, living environment, receptive mentality, thirst for knowledge, and understanding capacity act as important factors in this. As opined by Heuer (1999, p. 7), “Perception implies understanding as well as awareness. It is a process of inference in which people construct

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their own version of reality on the basis of information provided through the five senses.” Perceptions get altered due to fluctuation in physical and mental health of person. Being optimally aware of the environment and events helps a person to enhance his or her socio-economic wellbeing.

Awareness helps in reducing conflict by refining perception and produces beneficial results. In the field of banking, it is imperative that the knowledge of a borrower is far more important than that of the provider; as a result it ensures the efficient use of loans. In this context, Esther Krupa and Rajasekaran (2015, p. 230) stated that a “customer should have complete knowledge and awareness on various products and services of bank and the employees should identify the type of services needed by a customer and provide the same to his satisfaction.”

The institutions that provide loans are subject to various social dynamics because of the different ethnicity of the customers. They also need to tackle their varying needs, apart from handling various schemes with varying demands as well as dynamics of internal and external economy, innovative strategies of competitors, and so on. These are all threats to their survival. Tonape (2015, p.2) opined that awareness of customers has improved because of the arrival of new banking channels as an outcome of upgraded technology. Taujanskaite et al. (2016, p. 413) opined that it is possible to increase the benefits and minimize the chance of losses for both the financial institutions and the people by improving the latter's level of awareness.

Adequate knowledge and understanding ability of customers ensure the increase in their level of awareness and can be beneficial for them in terms of availing better services and increase in the chances of repayment of loans. In contrast, if low awareness level can become a threat to the organization as that can lead to loss of their loans and fall in their capital base. Mohandas and Satheesh (2017, p. 24) stated, “The ignorance of the borrowers leads to conflicts and often it causes for clashes between bank staff and borrowers. Further, lack of proper awareness on the part of the borrower is an important reason for the poor repayment performance of the scheme. Hence, a customer with a good level of awareness is indispensable to every financial institution and can be achieved only by educating customers and refining their ability to understand scenarios optimally.

Review of Literature

Ghazali and Yasuoka (2018) conducted a research to measure the awareness level among owners or managers of small and medium enterprises and new start-ups toward alternative financing such as peer-to-peer lending and crowd-funding provided through Fin Tec, a non-banking organization (NBO) in Malaysia. The results showed that the popularity of PayPal and crowd-funding among the respondent was inadequate and the awareness level was poor (26.7%). The mean score on the idea to use peer-to-peer financing was 1.17% while it was 1.27% in the case of crowd funding. The researchers found that alternative financing had not reached the targeted population adequately; hence, they preferred NBOs and the Government of Malaysia to promote awareness level of public by way of increasing their literacy.

Satheesh Kumar (2017) checked the awareness level of consumers toward green banking. His null hypothesis claimed that motivation of bankers and their effectiveness are not strongly related. He interviewed 100 respondents for testing the level of awareness toward an 11-core initiative of green banking and the results showed that online savings account and net banking have high reach, avoidance of paperwork and e-investment have moderate reach, and awareness toward environment policy and loans for building green commercials has low reach. It was proved by the observed value of p as 3.64 against the table value at 5% significance level. Hence his null hypothesis was accepted.

Shukla (2017) conducted a study in Lucknow city, post demonetization, to understand the reach of mobile-wallet payment system among the users of value cards with a smart-phone. He used stratified random and convenience sampling and chose 445 respondents having familiarity with cashless transactions. Discriminant analysis was done to test six core attributes of debit card payment that showed variation in the preference to m-wallet payments. Toward availability of this service, he found that only two major telecom companies had

provided the platform and the rest had failed to do so. Also, lack of awareness among the public was one of the major factors that impede gaining confidence with the telecoms. He recommended that telecoms should conduct regular awareness drives to increase the reach of m-wallet payments in the future.

Vijay (2018) evaluated the perception of customers on green banking on a sample of 625 individuals from the customers of various banks in Cuddalore district, Tamil Nadu. The analysis revealed that the mean score of awareness among women is higher by 0.39% than in male respondents and the consistency of awareness level with males stood at 7.25%. Age, when compared with awareness level, showed that high-level awareness prevailed among the age group above 50 years, and more consistency of awareness was found in the age group of 31–40 years. The researcher recommended that the banks engaged in green banking should implement innovative strategies in order to positively impact the perception of customers.

Verma and Garg (2016) expressed the need of financial inclusion and equality for making financial services accessible for the downtrodden. The study was conducted in Ajmer district with one among its objectives to test the awareness of people toward PMJDY, a Government of India scheme that targeted poverty elimination and financial literacy among the masses. By conducting an interview with 210 individuals of the targeted category, the researchers found that educational and financial illiteracy, when added with poverty, caused low awareness toward this scheme. The findings exhibited that 86% of total respondents had only primary knowledge of the scheme and 70% did not have a bank account to avail the benefits. Lack of awareness also led to the bank account of the targeted people get dormant. Researchers recommended the government to ensure financial literacy among the target groups.

Our literature review provided an understanding of awareness among the people dealing with banking institutions to avail various financial services. The review showed that the level of awareness adequately has a positive correlation with the beneficiaries' level of understanding, perception, and satisfaction. It also showed that the responsibility of increasing the awareness rests with the users first, and then with the financial institutions, the government, and all other stakeholders in the economy.

Research Gap and Need for the Study

Numerous studies have been conducted in the past to test the awareness of customers toward various services provided by banks and in different sectors. However, hardly any studies have been conducted on testing the awareness of the defaulters from the tribal members of LAMPS. The population size of tribes in India was 10.43 crore as per Indian Statistical Census 2011 (Ministry of Tribal Affairs, 2018). LAMPS were promoted based on the recommendations provided by Sri Bawa Committee constituted in the year 1971 (Samal, 1979, p. 29). Statistical data on Indian Cooperatives 2018 showed that in the financial year 2016–2017, India had 1,707 LAMPS (National Cooperative Union of India, 2018, p. 48). The total count of tribal members in those societies at the end of the financial year 2018–19 was 9.08 crore (National Federation of State Cooperative Banks Ltd., 2019, p. 6) and the count of borrowers was 2.96 crore (p. 8). The total loans provided amounted to INT 2058.95 crore (p. 10). The total overdue of those societies stood at 519.53 crore (p. 18). Thus, the percentage of overdue to loans stood at 25.23%. It shows that even though LAMPS have been providing interest-free loans, the borrowers have not been able to realize the importance of these loans. It was hence felt necessary to conduct a study by concentrating on a niche group (i.e., the defaulters) to know their level of awareness toward membership and loans to examine the factors contributing to the said scenario.

Objectives of the Study

(1) To find out the awareness level of loan defaulters toward their membership and loan transactions with LAMPS.

(2) To provide possible solutions to balance the difference in the awareness level, if any.

Method of the Study

The methodology adopted for this study is both descriptive and analytical. We have tried to depict the actual scenarios related to the topic and to test the data to get clear interpretations.

The geographical area covered in the study is located in the Salem district in the Indian state of Tamil Nadu. Two hills, namely Aranuthumalai Hills in Valappady taluk and Pachamalai Hills in Gangavalli taluk were considered appropriate for conducting the study.

The population includes only the active loan defaulters among the tribal members of the two select LAMPS for the financial year 2017–18 and it covered defaulters for a period of six years from 2012–13 to 2017–18. The interviews for collecting primary data were conducted in the months of January, February, June, and July in 2019.

Sampling Method

The method used to determine the size of the sample was taken from Yamane (1967). The formula provides more reliable results only when the population size is absolute.

Formula used to arrive at the sample size : $n = N / (1 + N(e)^2) = [351 / (1 + 351(.05)^2)]$

where n – size of sample; N – population; e – margin of error

Sample

The population size of defaulters of the scheduled tribe (ST) members of the two LAMPS was 351 as per the yearly accounting records for the financial year 2017–18. The confidence level considered for the study was 95% and the margin of error was 5%. Thus, by the application of the said formula, the size of sample was arrived at 187. The said sample was then divided between the two LAMPS proportionately based on their respective numbers of defaulters. Table 1 shows how the sample size was determined for the two LAMPS.

Sources of Data

Primary data were collected with the help of a structured interview schedule, which was pre-tested through a pilot study conducted on ten respondents of each LAMPS. The source for secondary data was the Short Note Record maintained by the LAMPS for the financial year 2017–18. Apart from this, several research articles, dissertations, theses, and periodicals published by the apex institutions also provided secondary data. The statistical tools used for analysis of the data included simple percentage and chi-square test applied with the help of SPSS 21.

Table 1. Population and Proportion of Sample of the LAMPS Studied

| Name of the LAMPS | Total Members | ST Members | Borrowed ST Members | Defaulted ST Members | Arriving at the Proportion | Size of Sample |
|----------------------------|---------------|------------|------------------------|-------------------------|-------------------------------|-------------------|
| S.S. 9. Arunuthumalai Hill | 4667 | 3937 | 1048 | 197 | $187/351 \times 197$ | (104.95) 105 |
| S. 1389 Pachamalai Hill | 3864 | 3156 | 819 | 154 | $187/351 \times 154$ | (82.04) 82 |
| Total | 8531 | 7093 | 1867 | 351 | 52.28 | 187 |

Source : S.S.9 - Arunuthumalai Hill Tribes LAMPS (2018); S. 1389 – Pachamalai Hill Tribes LAMPS (2018).

Glimpse of LAMPS Studied

Salem district was recorded as having the highest scheduled tribe population among all the districts of Tamil Nadu as per the Statistical Census of India 2011 (Directorate of Census Operations Tamil Nadu, n.d., p. 12).

The SS.9–Arunuthumalai Hill Large Sized Multi-Purpose Co-operative Society is located in Arunuthumalai Hills in Valappady Taluk. The Society was established in the year 1978 and has currently 20 revenue villages and two hamlets under its catchment area. The Society has 4,667 active members, of which ST population is the majority, followed by other castes, while Scheduled Caste (SC) people is the minority. People of Arunuthumalai hills are engaged in agriculture and allied activities and very few of them are employed in the valleys. Varagu, called Kodo millet in English, is a major agricultural produce of these hills and the LAMPS is one of the major supplier of Kodo millet to several millet markets functioning in the state of Tamil Nadu (S.S.9 – Arunuthumalai Hill Tribe LAMPS, 2018). Based on the decennial census data of 2011, the scheduled tribe population of Valappady taluk was found to be 52.10% (Directorate of Census Operations Tamil Nadu, n.d., p.141).

The S.1389 Pachamalai Hill Large Sized Multi-Purpose Co-operative Society has been functioning from two separate offices, one in the Pachamalai Hills station and another in its taluk headquarters, Gangavalli, in the Salem district. The LAMPS of Pachamalai started operating in the year 1986 and covers 25 hamlets in the hill station and 29 small villages in base station. The Society had 3,864 active members in 2019, that is, the year when field survey was conducted. The major commercial crop cultivated in the hamlets and villages is Cassava tubers. Also, little millets (Samai) and Kodo millet (Varagu) are cultivated in some parts of the hills (S.1389 – Pachamalai Hill LAMPS, 2018). The literacy rate of the ST population of Gangavalli taluk is calculated by using the data of decennial population census 2011 and was found to be 52.34% (Directorate of Census Operations Tamil Nadu, n.d., p. 141).

Hypotheses of the Study

The analysis was aimed at checking the validity of five null hypotheses framed with a select of demographic variables such as gender, education status, occupation, annual income, and agricultural landholdings of the respondents and is presented here along with the tables. The alternative hypotheses were not shown but presumed to be contradicting the assumptions made in the null hypotheses.

Analysis and Results

Table 2 shows the demographic division of the sample studied. It shows that the male population is higher by

Table 2. Demographic Description of Sample Members of LAMPS

| Demographic Variables | Proportion | Percentage (in %) |
|-----------------------|------------|-------------------|
| Gender | | |
| Male | 126 | 67.4 |
| Female | 61 | 32.6 |
| Age | | |
| 20 – 30 | 41 | 21.9 |
| 31 – 40 | 60 | 32.1 |
| 41 – 50 | 66 | 35.3 |
| Above 50 | 20 | 10.7 |

| | | |
|---|-----|------|
| Education Status | | |
| Illiterate | 69 | 36.9 |
| Upto Primary | 50 | 26.7 |
| Upto Higher Secondary | 44 | 23.5 |
| Diploma/Graduation | 24 | 12.8 |
| Marital Status | | |
| Married | 144 | 77 |
| Unmarried | 43 | 23 |
| Occupation | | |
| Farmer | 68 | 36.4 |
| Daily Labor | 53 | 28.3 |
| Salaried Employee | 30 | 16.0 |
| Self-Employed | 36 | 19.3 |
| Agricultural Landholding in Hectare | | |
| No Agri. Land | 76 | 40.6 |
| Less than 1 Hectare | 65 | 34.8 |
| 1 – 3 Hectare | 38 | 20.3 |
| Above 3 Hectares | 8 | 4.3 |
| Family Income | | |
| Upto INR 1,00,000 | 82 | 43.9 |
| INR 1,00,001 – 2,00,000 | 69 | 36.9 |
| INR 2,00,001 – 3,00,000 | 32 | 17.1 |
| Above INR 3,00,000 | 4 | 2.1 |
| Membership Holding of Family Members | | |
| 1 | 33 | 17.6 |
| 2 | 81 | 43.3 |
| 3 | 48 | 25.7 |
| Above 3 | 25 | 13.4 |
| Membership Holding in Years | | |
| Less than 5 years | 32 | 17.1 |
| 6 – 10 years | 46 | 24.6 |
| 11 – 15 years | 59 | 31.6 |
| Above 15 years | 50 | 26.7 |
| Source of Loan | | |
| LAMPS only | 91 | 48.7 |
| LAMPS and others | 96 | 51.3 |
| Number of Loans Availed | | |
| Less than 3 | 47 | 25.1 |
| 3 – 5 | 59 | 31.6 |
| 6 – 8 | 58 | 31.0 |
| Above 8 | 23 | 12.3 |

34.8% than the female. A majority (35.3%) of the respondents were in the age group of 41–50 years, and only 10.7% were aged above 51 years. As far as educational qualification is concerned, 36.9% were illiterate, and only 12.8% were qualified up to the graduation/diploma level. The marital status shows that 77% were married, and the rest were unmarried. Farmers ranked first by having 36.4% in the occupation status, while salaried employees were less (16%). Nearly 41% had no agricultural land, and only 4.3% had agricultural land above 3 hectares. Around 44% earned less than INR 1 lakh per annum as family income, and only 2.1% earned more than INR 3 lakh per annum. As far as membership is concerned, 43.3% of the respondents had two persons in their family as members, and 13.4% had more than 3 persons as members of LAMPS. Table 2 also shows that 26.7% of the respondents were members for more than 15 years, and 17.1% had the same for less than five years. As far as sources of loans are concerned, 51% of the respondents had multiple sources, and the remaining had LAMPS as their only source. As far as the number of loans availed from the LAMPS is concerned, 31.6% had availed loans between 3 – 5 times, and only 12.3% had availed the same for more than 8 times.

☞ H_{01} : There is no strong disparity in the awareness among respondents toward their membership and loans with LAMPS based on their gender.

As shown in Table 3, the p -values (.0) related to the awareness of respondents about membership and loans is less than the table value at 5% significance. Hence, H_{01} is rejected. To conclude, there exists a strong disparity in the level of awareness between male and female respondents about their membership and loans with LAMPS.

☞ H_{02} : There is no strong disparity in the awareness among respondents about their membership and loans with LAMPS based on their educational status.

As shown in the first part of Table 4, the p -value (.01) of membership is lower than the table value at the 5% significance level, but the p -value of loans is higher (.07) than the table value at the 5% significance level. Thus, the part of H_{02} dealing with awareness about membership stands rejected, but proves firm disparity among the respondents of different education statuses. In the case of awareness of loans, H_{02} is accepted. Thus, it is agreed that there is no firm disparity among respondents related to their awareness of loans with LAMPS.

☞ H_{03} : There is no strong disparity in the awareness among respondents about their membership and loans with LAMPS based on their occupation.

As shown in Table 5, the p -values of awareness about both membership and loans are at .0 and less than the table value (0.05) at the 5% significance level. Thus, H_{03} is rejected, and it is observed that strong disparity exists among respondents in having awareness about membership and loans with LAMPS based on their occupation.

Table 3. Gender and Level of Awareness of Membership and Loans

| Gender | Low Awareness (%) | Medium Awareness (%) | High Awareness (%) | Chi-square | <i>p</i> - value |
|---------------|-------------------|----------------------|--------------------|------------|------------------|
| On Membership | | | | | |
| Male | 18(14.3) | 59(46.8) | 49(38.9) | 47.617 | 0.001 |
| Female | 33(54.1) | 28(45.9) | 0(0) | | |
| Total | 51(27.3) | 87(46.5) | 49(26.2) | | |
| On Loans | | | | | |
| Male | 18(14.3) | 62(49.2) | 46(36.5) | 43.777 | 0.001 |
| Female | 35(57.4) | 23(37.7) | 3(4.9) | | |
| Total | 53(28.3) | 85(45.5) | 49(26.2) | | |

Table 4. Educational Status and Level of Awareness of Membership and Loans

| Education | Low | Medium | High | Total | Chi - Square | p - Value |
|-----------------------|---------------|---------------|---------------|-------|--------------|-----------|
| Status | Awareness (%) | Awareness (%) | Awareness (%) | | | |
| On Memberships | | | | | | |
| Illiterate | 25(36.2) | 25(36.2) | 19(27.5) | 69 | 15.822 | 0.015 |
| Upto Primary | 14(28.0) | 29(58.0) | 7(14.0) | 50 | | |
| Upto Higher Secondary | 11(25.0) | 18(40.9) | 15(34.1) | 44 | | |
| Diploma/Graduation | 1(4.2) | 15(62.5) | 8(33.3) | 24 | | |
| Total | 51(27.3) | 87(46.5) | 49(26.2) | 187 | | |
| On Loans | | | | | | |
| Illiterate | 25(36.2) | 26(37.7) | 18(26.1) | 69 | 11.316 | 0.079 |
| Upto Primary | 17(34.0) | 22(44.0) | 11(22.0) | 50 | | |
| Upto Higher Secondary | 10(22.7) | 23(52.3) | 11(25.0) | 44 | | |
| Diploma/Graduation | 1(4.2) | 14(58.3) | 9(37.5) | 24 | | |
| Total | 53(28.3) | 85(45.5) | 49(26.2) | 187 | | |

Table 5. Occupation and Level of Awareness about Membership and Loans

| Occupation | Low | Medium | High | Total | Chi - Square | p - Value |
|-------------------|---------------|---------------|---------------|-------|--------------|-----------|
| | Awareness (%) | Awareness (%) | Awareness (%) | | | |
| On Memberships | | | | | | |
| Farmer | 5(7.4) | 31(45.6) | 32(47.1) | 68 | 67.322 | 0.000 |
| Daily Labor | 31(58.5) | 22(41.5) | 0(0) | 53 | | |
| Salaried Employee | 1(3.3) | 17(56.7) | 12(40.0) | 30 | | |
| Self-Employed | 14(38.9) | 17(47.2) | 5(13.9) | 36 | | |
| Total | 51(27.3) | 87(46.5) | 49(26.2) | 187 | | |
| On Loans | | | | | | |
| Farmer | 9(13.2) | 23(33.8) | 36(52.9) | 68 | 68.017 | 0.000 |
| Daily Labor | 31(58.5) | 22(41.5) | 0(0) | 53 | | |
| Salaried Employee | 2(6.7) | 20(66.7) | 8(26.7) | 30 | | |
| Self- Employed | 11(30.6) | 20(55.6) | 5(13.9) | 36 | | |
| Total | 53(28.3) | 85(45.5) | 49(26.2) | 187 | | |

↪ **H₀₄** : There is no strong disparity in the awareness among respondents about their membership and loans with LAMPS based on their family income.

Table 6 shows an identical *p*-value (.0), which is less than the table value at a 5% significance level, on awareness about both membership and loans. Consequently, null hypothesis H₀₄ is rejected. To conclude, there exists a firm disparity in the level of awareness among respondents towards membership and loans with LAMPS based on their annual family income.

↪ **H₀₅** : There is no strong disparity in the awareness among respondents about their membership and loans with LAMPS based on their agricultural landholding.

Table 6. Income and Level of Awareness of Membership and Loans

| Family Income | Low | Medium | High | Total | Chi - Square | p - Value |
|-----------------------|-----------------|-----------------|-----------------|------------|--------------|-----------|
| | Awareness (%) | Awareness (%) | Awareness (%) | | | |
| On Memberships | | | | | | |
| Upto1,00,000 | 36(43.9) | 39(47.6) | 7(8.5) | 82 | 35.584 | 0.001 |
| 1,00,001 – 2,00,000 | 12(17.4) | 31(44.9) | 26(37.7) | 69 | | |
| 2,00,001 – 3,00,000 | 3(9.4) | 16(50.0) | 13(40.6) | 32 | | |
| Above 3,00,001 | 0(0) | 1(25.0) | 3(75.0) | 4 | | |
| Total | 51(27.3) | 87(46.5) | 49(26.2) | 187 | | |
| On Loans | | | | | | |
| Upto1,00,000 | 41(50.0) | 33(40.2) | 8(9.8) | 82 | 48.522 | 0.001 |
| 1,00,001 – 2,00,000 | 9(13.0) | 39(56.5) | 21(30.4) | 69 | | |
| 2,00,001 – 3,00,000 | 3(9.4) | 11(34.4) | 18(56.2) | 32 | | |
| Above 3,00,001 | 0(0) | 2(50.0) | 2(50.0) | 4 | | |
| Total | 53(28.3) | 85(45.5) | 49(26.2) | 187 | | |

Table 7. Agricultural Landholding and Awareness of Membership and Loans

| Agricultural | Low | Medium | High | Total | Chi - Square | p - Value |
|------------------------|-----------------|-----------------|-----------------|------------|--------------|-----------|
| Landholding in Hectare | Awareness (%) | Awareness (%) | Awareness (%) | | | |
| On Memberships | | | | | | |
| No Agri. Land | 37(48.7) | 34(44.7) | 5(6.6) | 76 | 62.928 | 0.001 |
| Less than 1 | 13(20.0) | 36(55.4) | 16(24.6) | 65 | | |
| 1 – 3 | 1(2.6) | 16(42.1) | 21(55.3) | 38 | | |
| Above 3 | 0(0) | 1(12.5) | 7(87.5) | 8 | | |
| Total | 51(27.3) | 87(46.5) | 49(26.2) | 187 | | |
| On Loans | | | | | | |
| No Agri. Land | 40(52.6) | 31(40.8) | 5(6.6) | 76 | 76.135 | 0.001 |
| Less than 1 | 10(15.4) | 41(63.1) | 14(21.5) | 65 | | |
| 1 – 3 | 3(7.9) | 12(31.6) | 23(60.5) | 38 | | |
| Above 3 | 0(0) | 1(12.5) | 7(87.5) | 8 | | |
| Total | 53(28.3) | 85(45.5) | 49(26.2) | 187 | | |

Table 7 shows the p -value of .0 for both membership and loans when correlated with the agricultural landholding of members. The calculated p -value is less than the table value at the 5% significance level. Thus, hypothesis H_{05} is rejected, and it is ascertained that there exists firm disparity among respondents in terms of their awareness about membership and loans with LAMPS based on their landholdings.

Findings and Suggestions

From the analysis, it becomes clear that awareness about membership among the male respondents was higher than the female respondents in both high and medium levels, whereas the count of female respondents in the

low-level awareness was higher than their male counterparts. Interestingly the count of females is nil in high-level awareness. In the case of awareness toward loans, the male members have a lead score in both high and medium levels. The reason for such variation, however, is the high level of exposure to the external environment found with male members.

✧ LAMPS should initiate special steps to educate the female members on various merits of having membership and loans, which can be achieved by conducting awareness programs at intervals by stage shows (dramas) and through meets of self-help groups. The women members, on their part, need to increase their awareness by way of increasing their literacy level and by approaching employees to clarify their doubts regarding membership and loans.

✧ Awareness of respondents about their membership with LAMPS shows a positive correlation when there is a high level of education ; whereas, it is negative in the case of low education status. In terms of awareness about loans, members who have taken more loans possess a high level of awareness. On the other hand, respondents who have availed less number of loans possess less awareness.

✧ The awareness about membership is positive with highly educated respondents, while it is negative with poorly educated and illiterate respondents. It can be balanced by conducting awareness programs for the latter groups to make them realize the benefits of membership. Members with a good education should provide voluntary support to the other members so as to increase their literacy level.

✧ The analysis of awareness level about membership, when correlated with occupation, shows that farmers scored good both in high and medium levels, followed by salaried employees, self-employed, and then daily laborers. In the case of awareness about loans, the rank order follows the same pattern as that of membership.

✧ The findings confirm that awareness toward membership and loans was poor in case of daily labors and moderate with self-employed. It is suggested that LAMPS need to initiate steps to educate these two categories by conducting special meets and camps to narrow down the difference in awareness level with the other two categories. It is recommended that farmers and salaried persons need to support the initiatives of LAMPS in raising the awareness level of wage earners and self-employed.

✧ The analysis of awareness about membership and loans on the basis of annual family income shows that the respondents having a considerable amount of income had higher awareness compared to those having a low annual family income.

✧ LAMPS needs to make additional efforts to increase the awareness about membership and loans among members with low and moderate annual income. It can be achieved through cordial measures such as voluntary support and friendly interactions. It is further suggested that members with low family income could strive more with the support of LAMPS and co-members to find ways to increase their income.

✧ The level of awareness of members about membership and loans is found to be positive with the size of agricultural landholding. It implies that members owning considerable agricultural land possessed a high level of awareness. The level of awareness varies depending on the size of the landholding of the members.

✧ The prime goal of the existence of LAMPS is to maximize the benefits to the landless and the marginal farmers. In order to succeed in this, awareness about membership and loans should be enhanced among the said groups by means of identifying their actual needs through counseling camps and grievance redressal camps conducted at regular intervals.

Conclusion

The study provided ample scope to learn and understand the awareness level of defaulters of loans from among the tribal members of the LAMPS in the study area. The required data included primary information on awareness about membership and loans of LAMPS, which was collected by means of interviews with the target groups. The analysis indicated the existence of disparity in the awareness level between the two categories of gender, educated, and the illiterates. While farmers showed good awareness levels than self-employed and laborers, members having an annual family income of more than two lakh rupees displayed more awareness than the other categories. The size of agricultural landholding seemed to have a positive correlation with the level of awareness.

To conclude, the respondents having good socio-economic status had a high level of awareness about membership and loans than those having poor socio-economic status, thereby having more defaulters of loans. The suggestions given against each finding will help in reducing the imbalance in the level of awareness among the defaulters. The suggestions include “many programmes such as awareness campaigns, adult literacy, counseling camps, etc., which may not conform to the requirements of formal educational mode but are equally important and are carried out with specific aims and objectives. These alternative modes are called non-formal modes of education” (National Council of Educational Research and Training, 2014, p. 83). If there is any negligence in implementing the suggestions, the consequence will equate the results of the study conducted by Shanmugavadivel (2015, p. 2638) provided the view that a low level of awareness, if not treated at the time, leads farmers to divert their attention toward the loans provided by the unorganized sector.

Policy Implications

The recommendations provided in this study will help achieve the expected results of increasing the awareness level of the borrowers about their membership and loan transactions with LAMPS and will help them realize the importance of timely repayment of loans. The study showed ways to enable the survival of LAMPS for the benefit of their stakeholders.

Limitations of the Study and Scope for Future Research

Due to the limited time available for research, the study focused only on the loan defaulters from the ST members of the LAMPS of the study area. Thus, the study failed to get a broad view of various services and other categories of the LAMPS.

The study covered only a single parameter of defaulters and their awareness level about membership and loans. However, the LAMPS have been serving the SC and Other caste categories, too. Moreover, the LAMPS also provide non-financial services related to the supply of inputs and marketing of agricultural produces, minor forest produces, as well as distribution of basic needs through a primary distribution system. Thus, the scope for conducting further research is wide.

Authors' Contribution

The study has been conducted as a part of the doctoral study on the “*Empirical Analysis on the Stressed Asset Burden of LAMPS in Tamil Nadu.*” The basic framework to test the awareness level of tribes in the Salem district was by Dr. D. Thiruniraiselvi and Mr. S. Senthil, who was chosen as suitable scholar ready to work for empirical analysis. With the maximum support of the head office of DCCB in Salem and the Secretaries of LAMPS studied, it became possible for the researchers to contact and collect data from the tribal members of LAMPS. With the dedicated work of Dr. G. Prabu as a statistical analyst to bring results with the use of SPSS 21 and with the support of Mrs. K. Venketa Lakshmi, it became possible to produce a meaningful manuscript.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

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