

Employment Creation through Micro Finance and Self-Help Groups with special reference to West Region of Tamil Nadu

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Abstract

Framing gatherings is normal among individuals who share something practically speaking. Individuals have constantly attempted to beat their troubles aggregately and observed to be fruitful in their endeavors. Self-improvement Gathering is one such gathering that is gone for assisting the lady's people with facing their life challenges on the whole in the general public where they live in. Over the most recent three decades the Self-Help Movements has mushroomed in India. The poor do have inborn limit in them to improve their living conditions. Smaller scale acknowledge is perceived as a viable device to move the poor into another space of monetary strengthening. Miniaturized scale credit will be credit reached out to the poor for independent work, money related administrations like reserve funds and limit working among ladies' society. In the vast majority of the nation's helpful developments were set up to stretch out money related administrations to its' individuals since long.

Key Words: Self Help Group, Employment Creation, Microfinance

I. INTRODUCTION

Microfinance is for the most part observed as an approach to fix credit advertises and releases the gainful limits of destitute individuals subject to independent work. The microfinance division developed rapidly since the 1990s, making ready for different types of social venture and social speculation. In any case, late proof shows just unobtrusive normal effects on clients, producing a reaction against microfinance. We rethink the cases about microfinance, featuring the decent variety in proof on effects and the significant (however constrained) job of appropriation. We finish up by portraying an advancement of speculation: from microfinance as barely understood enterprising account toward microfinance as comprehensively interpreted family fund. In this vision, microfinance yields benefits by giving liquidity to a wide scope of requirements as opposed to exclusively by boosting business pay. Microfinance was first trumpeted as an approach to release the profitable limits of destitute individuals subject to independent work.

Pay age and work production of the less fortunate area of the general public is legitimately related with the neediness mitigation of a country. In India, the administration has been executing various pay creating and destitution easing projects to battle with neediness since beginning of monetary arranging. In our nation where about 21.9 percent of the populace (2011 enumeration) is as yet living underneath neediness line, the money related prerequisite is one of the essential needs of this segment for taking up of salary and work creating exercises. In such manner, Microfinance to Self Help Groups might be considered as a fundamental choice for gathering the budgetary needs of the less fortunate area of the general public.

Self Help Group (SHG) is a methodology through which poor destitute borrower can satisfy their monetary necessities for performing different business and pay creating exercises. The SHG is a casual association of people from the homogeneous more unfortunate segment of the general public. It is controlled and overseen by the individuals itself. The job of SHG is extremely noteworthy in advancing investment funds and making acknowledge linkage for credit foundations for performing pay and work creating exercises of its individuals. In this way Microfinance to SHG might be appraised as a conspicuous enemy of destitution program. As a noticeable enemy of destitution program and commitment towards pay age, the need of investigating the present status on microfinance through SHG program has been felt.

Several studies have been conducted in different part of the world on microfinance and Self-Help Groups and have documented mixed economic impact on the respondents. Robinson reported that Bank Rakyat Indonesia's (BRI) unit desa microfinance programme helped Indonesia to reduce the poverty from 40 percent in mid-1970s to about 11 percent in 1996 (Robinson, 2001, p. 30).

According to Arjun Y. Pangannavar, SHG programme is the right approach to create self-employment opportunities to supplement the income and assets of the rural poor. The SHG programme provides the rural poor to access the micro credit. It encourages the rural women entrepreneurship and rural women empowerment (Pangannavar, 2008, pp.12-15). But according to A. Kour, SHGs has not played a significant positive role in rural development of studied area (Kour, 2008, pp.25-29). Various studies show that there is a mixed result of impact of microfinance and Self-Help Groups on income and employment generation of poor people. Therefore, in this paper an attempt will be made to carry out a detail study on impact of micro finance through Self Help Groups on income and employment generation in Tamilnadu state.

Objectives of the Study

1. To analyze the purpose of Employment creation through micro finance of the beneficiaries.
2. To analyze the problems in availing the micro finance in Tamilnadu
3. To assess the extent of effective management of micro finance utilization in the study area.
4. To study the socio-economic conditions of the SHGs beneficiaries of micro finance scheme in the study area.

Scope of the Study

The present study is for the most part bound to the ladies SHGs in Tamilnadu. It incorporates an examination of the profile of SHG individuals, their pay and investment funds, insights regarding acquiring and reimbursement of smaller scale account, issues in getting the miniaturized scale money credit and reimbursement of advance, fulfillment and effect of small-scale account in the investigation territory based on the suppositions of SHG individuals gathered.

Working Definitions

Micro finance: A sort of banking administration that is given to jobless or low-salary people or gatherings who might some way or another have no different methods for increasing budgetary administrations. Eventually, the objective of miniaturized scale fund is to offer low pay individuals a chance to end up independent by giving methods for setting aside cash, acquiring cash and protection.

Micro Credit: Smaller scale acknowledge has been characterized as the arrangement of frugality, credit and other money related administrations and results of extremely modest quantity to the poor in country, semi-urban and urban zones for empowering them to raise their salary levels and improve their expectations for everyday comforts. Miniaturized scale credit foundations are those, which give these offices.

Self Help Group: A SHG is a gathering of around 10 to 20 individuals, normally ladies, from a comparable class and district, who meet up to shape an investment funds and credit association. They pool money related assets to make little enthusiasm bearing advances to their individuals. This procedure makes an ethic that spotlights on investment funds first. The setting of terms and conditions and bookkeeping of the credit are done in the gathering by assigned individuals.

The Self-Help Group (SHG) Bank Linkage Programme: The SHGs linkage program is treated as a typical business movement of the banks. Likewise, the banks are prompted that they may consider loaning to SHGs as a major aspect of their standard credit activities both at the strategy and execution level. They may incorporate SHG linkage in their corporate methodology plan, preparing educational program of their officials and staff and execute it as a standard business movement and screen and audit it intermittently.

NGO: NGOs have developed as key players in field of miniaturized scale fund. They act fundamentally as go-between among contributors and recipients. The despites the fact that they have been dealing with advancement of different areas. In miniaturized scale account, they have put generous exertion in making mindfulness about different smaller scale fund exercises.

Hypothesis of the Study

1. Ho= There is no association between demographic variables and level of impact of micro finance.
2. Ho= There is no significant association between the number of years in SHG of the respondents and the overall satisfaction regarding micro finance.
3. Ho= There is no significant association between the educational qualification of the respondents and the overall satisfaction regarding micro finance.
4. Ho= There is no significant association between the occupation of the respondents and the overall satisfaction regarding micro finance.

Research Methodology

The validity of any research depends on the systematic method of collecting the data and analysing the same in a logical and sequential order. In the present study, an extensive use of both primary and secondary data was made.

Research Design

In the present study, both exploratory research and descriptive research have been used in accomplishing the objectives of the study. Exploratory Research has been used to gain insight into various problems faced by the self-help group members while availing the micro finance loan in the study area. Descriptive

Research has been used to analyze the impact of micro finance loan on empowerment of self-help group members.

Sampling Design

In West Region of Tamil Nadu, districts have been selected for the purpose of collecting the primary data. In order to study Management of Micro Finance by Self Help Groups in Coimbatore, Erode Namakkal, Nilgiris, Salem, and Tiruppur. Each district 20 SHGs in collective data and sample size 160 probability sampling methods have been used. Stratified random sampling techniques have been adopted in this survey.

Data Analysis and Interpretation

Table -1
Demographic characteristics of self-help group members

Demographic Variables	Category	Number of Respondents	Percentage
Age of the borrower	18-25	30	19
	26-35	36	23
	36-45	43	27
	46-55	51	31
	Total	160	100
Education	Illiterate	29	18
	Primary	35	22
	Higher Secondary	56	35
	Graduation	40	25
	Total	160	100
Occupational status of the borrower	Agriculturist	58	36
	Industrialist	42	27
	Employee	31	19
	Business	29	18
	Total	160	100

Source: Primary Data

The demographic characteristics of self-help groups are classified as age, education and marital status. As many as 31% of the respondents belonged to the age group of 46-56 years and 27% Of them belonged to 36-45 age groups. The respondents with Higher Secondary were found to be dominant group accounting for 35% and it was closely followed by the respondents 22% with Primary

qualification. Occupational status of the respondents was found to be the maximum Agriculturist 36 %.

Table 2
Rank the following Reasons behind in the use micro finance products in SHGs

S.No	Factors	1	2	3	4	5	Total
1.	Agriculture	34	24	39	37	26	160
2.	Animal Husbandry	37	21	63	11	28	160
3.	Income generating activates	24	29	39	25	43	160
4.	Starting own business and its development	45	31	22	26	36	160
5.	Farm Mechanization	43	21	52	19	25	160

Sources: primary data

Table 3
Garret value

$100(R_{ij}-0.5)/N_j$	CV	GV
$100(1-0.5)/5$	10	75
$100(2-0.5)/5$	30	60
$100(3-0.5)/5$	50	50
$100(4-0.5)/5$	70	40
$100(5-0.5)/5$	90	25

Sources: primary data

Table 4
Garret value

Factors	1	2	3	4	5	Total
Agriculture	2550	1800	2925	2775	1950	12000
Animal Husbandry	2220	1260	3780	660	1680	9600
Income generating activates	1200	1450	1950	1250	2150	8000
Starting own business and its development	1800	1240	880	1040	1440	6400
Farm Mechanization	1075	525	1300	475	625	4000

Sources: primary data

Table 5
Garret Score

Factors	G. S	A. S	Rank
Agriculture	12000	75	1
Animal Husbandry	9600	60	2
Income generating activates	8000	50	3
Starting own business and its development	6400	40	4
Farm Mechanization	4000	25	5

Sources: primary data

Inference:

From the above table shows the Garrett ranking test, it is found that majority of respondents are belong to the agriculture business in uses microfinance and, second rank Animal Husbandry, and third Income generating activates in SHGs support to microfinance, and starting own business development currently successful. And finally Farm Mechanization changes the SHGs in currently.

Concept of Self-Help Groups (SHGS)

A Self-Help Group is considered as a little, monetarily homogenous and liking gathering of poor, intentionally meeting up with the targets viz. to spare limited quantities consistently, commonly consented to add to a typical store to meet their crisis needs and to furnish guarantee free credits to individuals with terms chosen by gatherings and resolve clashes through aggregate administration and shared dialog. NABARD in its handbook on shaping Self Help Groups, terms a family poor if any at least one of the accompanying trademarks is available in it: A family having only one earning member, A family bringing drinking water from a faraway place, Family women are compelled to go far in the open in the absence of latrine, A family having any old illiterate members, A family having permanently ill members, A family having children who don't go to school

II.CONCLUSION

The SHG-Bank Linkage Program (SBLP) and Micro Finance Institutions drove Program (MFIP) have had noteworthy effect on the business creation West Region of Tamil Nadu. These projects have brought them into formal money related framework and made them 'bankable' today. The NABARD's methodology of SHG advancement through Micro Finance Institutions and SBLP has come too extensively among the work creation in West Region of Tamil Nadu. Be that as it may, for an economical improvement of these rustic ladies, the exercises of these establishments should be checked through legitimate information base of SHG exercises. Both SBLP and MFIP that have had a huge effect on the monetary states

of these work manifestations ought to step by step make them monetarily autonomous and make the SHGs self-reasonable ones. Henceforth, they ought to urge the recipients to use the advances to wander into some Income Generating Activities.

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