



Management

**POVERTY REDUCTION THROUGH MICROFINANCE – AN
EMPIRICAL STUDY OF SHGS IN TAMILNADU**

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ABSTRACT

After independence of India, women have ever important role to economic development of our country. In the recent year Indian women give to equal opportunity, they can equal men. In 2011 census 35.98 million are women living Tamilnadu may be equal population to men, near by 10 to 20 percent are women incomes are based on agricultural, there are no other income particularly village women .That, they affecting their own expenses as well as family expenses. In this occasion, women become entrepreneurial due to poor financial strength, they are converting into entrepreneurial dream into reality. Self – Help Groups is an organization of poor people, emerging from rural population. The SHGs scheme was introduced in Tamilnadu in 1989. Thus study aims to poverty reduction through microfinance with SHGs in Tamilnadu.

Keywords:

Status of Women in Tamilnadu, fact of women, Analysis.

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1. INTRODUCTION

As our India major of population of people living village's area, whereas based on agricultures business. Agriculture is backbone of the country. Overall Indian population 72.14 million (Census 2011) peoples are living in Tamilnadu, out of 35.98 million (Census 2011) are women's and 36.16 million (Census 2011) are males, nearby women's equal population to male population. In this women's 16 percent to 20 percent of women are agriculture labourers to find out these research work. As such women's have an important role to economic role in the development of the society as well as country economy. In Indian women have been traditionally suppressed and particularly women belong to the economically and social weaker sections of

society have been even more repressed. In this reason Self Help Group scheme (SHGs) was introduced in Tamilnadu In 1989. This SHGs concept is serves to underline the principle “for the people, by the people and of the people”.

The aim of frame of this SHGs to empowerment of women to lead to benefits of individual, at the same time family and community. SHGs have a linkage of the NGOs (Non-Government Organizations) and other worldwide. A Self Help Group is defined as a voluntary group valuing personal interaction and mutual aid as means of altering or ameliorating problems perceived as alterable, pressing and personal by most of its participants.

Microfinance is the provision of financial services to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related services. More broadly, it is a movement whose object is “a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance, and fund transfers.” Those who promote microfinance generally believe that such access will help poor people out of poverty.

Microfinance is considered as a tool for socio-economic development and can be clearly distinguished from charity. Families who are destitute, or so poor they are unlikely to be able to generate the cash flow required to repay a loan, should be recipients of charity. Others are best served by financial institutions.

STATUS OF WOMEN IN TAMILNADU

In the total population of Tamilnadu, women population contributes one half. Even though they are equal in population they are not economically empowered as men. The following table gives the particulars regarding total population, men and women population and the percentage of women population on total from 1961 to 2011 at ten years interval.

Year	Women Population in Tamilnadu (in millions)			
	Women	Men	Total	% of women population
1961	16.8	16.9	33.7	49.8
1971	20.4	20.8	41.2	49.5
1981	23.9	24.5	48.4	49.4
1991	27.6	28.3	55.9	49.4
2001	31.0	31.4	62.4	49.7
2011	35.98	36.16	72.14	49.9

Source: Directorate of census operations, Tamilnadu.

Facts of Women in Tamilnadu

Particulars	Total	Rural	Urban
Sex ratio	996	993	1000
% of women population	100	51.5	48.5
Female Literacy Rate (%)	73.4	65	82.3
Decadal change in			

population	(2001-2011)		
Total (%)	15.6	6.6	27.0
Men (%)	15.1	6.5	25.9
Women (%)	16.1	6.7	28.2

Source: Census 2011

2. REVIEW OF LITERATURE

Naila kabeer (2005) in a study apparently concludes that while access to financial services can and does make important contributions to the economic productivity and social well-being of poor women and their households, it does not “automatically” empower women – any more than do education, political quotas, access to waged work or any of the other interventions.

M. Anjugam (2007) observed that socially backward, landless and marginal farm house holds participate more in the self help group programme. Possession of livestock and consumer goods by the member households has been found to deter the joining of group.

Gladis Mary John (2008) found that membership in SHG inculcated a great confidence in the mind of majority of women to succeed in day to day life. Positive change was found in the attitude of relatives and friends towards the women in self help groups.

Harlod Welsch Earl Young (2009) have focused on a comparative analysis of male and female entrepreneurship along selected demographic, psychological and behavioral dimensions in the article “Male and Female Entrepreneurial Characteristics and Behaviours: A Profile of Similarities and Differences”. The major findings of this study are that no difference exists in personality characteristics between male and female entrepreneurs and it has several important implications such as, female entrepreneurs do not necessarily view themselves as victims of their environment more so than male entrepreneurs.

S.Subramanian (2010) in the article “Empowerment of Women through SHGs in Tirunelveli District, Tamil Nadu-A SWOT Analysis” has identified strengths, weaknesses, opportunities and threats by conducting SWOT analysis of SHGs. Field observation methods were used to identify observable physical data. Moreover, group discussion with women who were involved in activities and group functions were conducted to elicit the information in detail. The study reveals that capacity buildings exercise taken up by the promoting agencies are not adequate to meet the need of SHGs members. They lack proficiency in soft skills, technical skills and managerial skills. The article suggested that the promoting agencies like government and non-government agencies can contribute effectively for the success and sustainability of SHGs.

Lalit Kumar Sharma (2011) through the article “Self Help Group as an Effective Strategy and Feasible Approach to Empower Women in India” has highlighted the benefits of psychological, social and economical factors accrued by women participating in SHGs and to explore the merits of SHGs as strategy and approach to empower women in India. Empowerment is a process of awareness and capacity building leading to greater participation, greater decision making power and control and transformative action. The study concludes that women participation in SHG have created tremendous impact upon the life pattern and style of poor women especially in rural

areas and empower them at various level not only as individual but also as member of family, community and society as whole.

3. OBJECTIVES OF THE STUDY

- To study the status of women in Tamilnadu.
- To find the role of SHGs in empowering women in Tamilnadu.
- To analysis the reason for joint SHGs.
- To examine the Pre-SHG and Post-SHG status of SHG members

4. METHODOLOGY

- The study required both primary and secondary data used.
- Primary data collected through questionnaires and direct interview and secondary data collected from newspapers, Journals, Magazines, Online sources and various reports.
- To select for the study Tamilnadu and taken for sample size of 200 respondents.
- In this study used for simple percentage tool used.

5. LIMITATION OF STUDY

- To research work covered Tamilnadu only.
- To researcher taken for period of one year, for selected area.

6. ANALYSIS AND INTERPRETATION OF DATA

Table 1: Sex wise classification

Sex	Frequency	Percentage
Female	200	100
Total	200	100

Source: Primary Data

Above table represent that sex wise classification of respondents. 100 percent of respondents are female.

Table 2: Age wise classification

Age	Frequency	Percentage
Less than 20	28	14.00
20 – 40	76	38.00
40 – 50	65	32.50
More than 50	31	15.50
Total	200	100

Source: Primary Data

From the table shows that age of the respondent, 38 percent of respondents are under age of 20 – 40, 32.50 percent of respondents are comes under age of 40 – 50, 15.50 percent of respondents are age more than 50 age and 14 percent of respondents are less than 20 age.

Table 3: Monthly Income wise classification

Income (Rs)	Frequency	Percentage
Below 10,000	42	21.00
10,000 – 20,000	85	42.50
20,000 – 40,000	53	26.50
Above 40,000	20	10.00
Total	200	100

Source: Primary Data

Above table mention that monthly income of respondent, totally 200 respondents out of 42.50 percent of respondent earn a monthly income of Rs.10, 000 to Rs.20, 000, 26.50 percent of respondent earn monthly income of Rs.20, 000 to Rs.40, 000, 21 percent of respondent earn a monthly income of below Rs.10,000 and balance 10 percent of respondent earn monthly income of above Rs.40,000.

Table 4: Education Qualification wise classification

Community	Frequency	Percentage
Upto +2	74	37.00
UG	69	34.50
PG	43	21.50
Others	14	7.00
Total	200	100

Source: Primary Data

From this table clearly that qualification of respondent. 37 percent of respondents education qualification is upto plus two levels, 34.50 percent of rural respondents are studied UG degree, 21.50 percent of rural respondents are studied PG degree and 7 percent of rural respondents are studied others.

Table 5: Community wise classification

Community	Frequency	Percentage
BC	88	44.00
MBC	53	26.50
SC/ST	40	20.00
Others	19	9.50
Total	200	100

Source: Primary Data

Above table mention that 44 percent of respondents are BC community, 26.50 percent of respondents are MBC community, 20 percent of the respondents are SC/ST community and 9.50 percent of respondents are other community.

Table 6: Types of family wise classification

Community	Frequency	Percentage
Nuclear	148	74
Joint	52	26

Total	200	100
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Source: Primary Data

From above table represent that 74 percent of respondents are Nuclear and 26 percent of respondents are Joint family.

Table 7: Occupation wise classification

Occupation	Frequency	Percentage
House wife	122	61.00
Agriculture labourer	47	23.50
Private employee	21	10.50
Self employee	10	5.00
Total	200	100

Source: Primary Data

The above table state that occupation of the respondent. 61 percent of respondents are House wife, 23.50 percent of respondents are agriculture labourer, 10.50 percent of respondents are private employee and 5 percent of self employee.

Table 8: Sources of funds wise classification

Sources of funds	Frequency	Percentage
Family	28	14.00
Relative	19	9.50
Banks	112	56.00
Own fund	41	20.50
Total	200	100

Source: Primary Data

From the table indicate that 56 percent of respondents are source of funds collect from bank, 20.50 percent of respondents are own fund, 14 percent of the respondents are family and 9.50 percent of the respondents funds from relative.

Table 9: Period of repayment of loan

Repayment Period	Frequency	Percentage
Upto 1 year	96	48.00
1 to 2 years	47	23.50
2 to 3 years	39	19.50
Above 3 years	18	9.00
Total	200	100

Source: Primary Data

Above table mention that period of repayment loan time. 48 percent of respondents are repayment period of upto 1 year, 23.50 percent of respondents are repayment period Of 1 year to 2 year, 19.50 percent of the respondents are repayment period of 2 to 3 year, 9 percent of respondents are repayment period of above 3 year.

Table 10: Opinion of this job

Opinion	Frequency	Percentage
Highly satisfied	63	31.50
Satisfied	122	61.00
Poor	10	5.00
No idea	5	2.50
Total	200	100

Source: Primary Data

From the table reflex that 61 percent of respondents are satisfied do this job, 31.50 percent of respondents are highly satisfied do this job, 5 percent of respondents are feel to poor do this job and 2.50 percent of respondents are tell no idea.

7. FINDS AND SUGGESTION

- 100 percent of respondents are female
- Majority SHGs respondents are under age 20 -40 year age.
- Most of SHGs members monthly salary of Rs.10,000 to Rs.20,000.
- 74 out of 200 respondents are studied upto plus two level.
- Maximum no of respondents are BC community.
- 74 percent of respondents are Nuclear.
- 61 percent of respondents are House wife.
- 56 percent of respondents are sources fund collect from bank
- Maximum no of respondents are repayment of loan period of upto 1 year
- Most of respondents are satisfied do this job.

8. CONCLUSION

Microcredit and microfinance have received extensive recognition as a strategy for poverty reduction and for economic empowerment through SHGs in rural areas. Most of the people in the world are poor people living in rural areas. Accessing small amounts of credit at reasonable interest rates gives poor people an opportunity to set up their own small business. Microfinance services can also contribute to the improvement of resource allocation, promotion of markets, and adoption of better technology; thus, microfinance helps to promote economic growth and development.

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