

Effectiveness Of Micro Finance
Schemes And Self Help Groups: A Study
On Socio-Economic Status Of Urban
Women Working In Manufacturing Industries
At Krishnagiri District

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Abstract

Microfinance schemes and self-help groups (SHGs) have been predictable as important tools for promoting economic empowerment and financial inclusion, particularly among women and relegated communities. These initiatives intention to provide access to financial services such as savings, credit and insurance along with capacity building support to augment the socio economic well -being of individuals and communities. SHGs formed for the purpose of economically empowering women and communities engage in saving and lending deeds and often participate in bank-linkage programs to access larger groups of capital. This study will explore the socio-economic factors influencing the effectiveness of microfinance schemes and self-help groups. This includes probing variables such as income levels, educational attainment, employment opportunities and access to

resources in the context of urban women in manufacturing industries at Krishnagiri district. The statistical tool such as ANOVA test and Chi-Square test was used to bring appropriate results.

Keywords: Micro finance, Self-help group, Socio-economic well-being, Urban women, Manufacturing industries.

Introduction

Under the Micro finance scheme, micro credit is reached out to the individuals from the Self-Help Groups (SHGs), exceptionally the minority ladies dissipated in distant towns furthermore, metropolitan ghettos who can't exploit the proper financial credit as well as the NMDFC programs. We are carrying out this plan on the example of Grameen Bank of Bangladesh and Rashtriya Mahila Kosh (RMK). The plot expects that the recipients are coordinated into Self-Help Groups (SHGs) furthermore; get into propensity for Frugality and credit, but little. The plan visualizes miniature credit to the most unfortunate among the poor through NGOs of demonstrated bonafide and their organization of Self-improvement Gatherings (SHGs). It is a casual credit plot which guarantees fast conveyance of advance at the entryway steps of the recipients. Under this plan, little credits up to Rs. 1,50,000 for every individual from SHG are given through the NGOs/SHGs.

Objectives:

1. To assess the effectiveness of micro finance schemes on socio-economic status of urban women working in manufacturing industries.
2. To analyze the role of self -help groups in empowering urban women and enhancing their socio-economic status.
3. To Measure the level of financial inclusion among urban women in manufacturing industries and examine the extent to

which microfinance schemes and self-help groups contribute to their financial access and inclusion.

Literature Review

K. Manoharan Nair and Girija (2005) in their article, "Microfinance - The New Turn of events worldview for destitution annihilation and ladies strengthening", express that experience has shown that a large number of neediness lightening programs through coordinated credit channels have not made the necessary progress. Consequently to overcome any barrier between the interest and supply of assets in the lower rungs of rustic economy, the microfinance plans of NABARD have made a smooth introduction to the pretended by microfinance in destroying neediness and engaging ladies to deal with the undertakings.

C.S. Reddy (2005) in his work, "self Help Groups: A vital stone of microfinance in India, investigate that microfinance has advanced throughout the last 25 years across India into different working structures and to fluctuating level of soccer. One such type of miniature money has been the advancement of the self Help Groups development in view of the idea of "Self -improvement", little gatherings of ladies have framed into gatherings and work a saving first plan of action by which the part's reserve funds are utilized to support advances. The outcomes from these self Help Groups (SHGs) are promising and have turned into a focal point of entombs assessment as it is ending up a compelling strategy for neediness decrease.

Soundarapandian (2006) in his paper, dissected development of SHGs and the job of microfinance in fostering the country business venture and he further recommended that however there is a positive development pace of SHGs in states however as far as SHGs, there is a wide variety among states. Linkages of keeps money with SHGs is tracked down unimaginable for this varieties.

Kalavat Kamble and Gangadhar B. Sonar(2006) in his work, "The Job of SHGs in Ladies

Strengthening concentrate on chosen SHGs advanced by willful association in Gulbarga Locale of Karnataka" concentrates on that the job of financial strengthening of ladies. The financial states of the SHG ladies are expanding to a critical level independent of various foundations. Prior they used to be home and not presented to the general public and were part of the framework. Presently they can emerge and move toward the public authority hardware, lead meeting, to signature and all the more significantly have a lot of cash in their grasp. SHGs are generally engaged from monetary angles rather friendly one this pattern is more in the SHGs advanced under taxpayer supported initiative. The way that self - help groups, are progressively drawing in more youthful age, this age not just necessities social and financial strengthening yet in addition confident limit, independence from outrages and another mental self-portrait to guarantee themselves as completely human.

Lover and Wallentin (2007) concentrated on Self Help Groups in 5 states (Orissa, Tamil Nadu, Andhra Pradesh, Uttar Pradesh and Maharashtra) and reasoned that there is huge expansion in the degree of ladies strengthening throughout some stretch of time (2000-2003). In any case, it doesn't imply that each lady has been enabled similarly, yet entirely overall, the Self-help groups individuals were enabled over this period.

Rajagopalan (2009) concentrated on miniature money in Africa. His review uncovered that miniature money in Africa lingers behind when contrasted with different regions of the planet, however the area is filling in Africa. Miniature money in Asia is the biggest both regarding MFIs and outreach. He finished up that Africa is known for persistent destitution which needs neediness mitigation program and miniature money is one such program.

IPO Financial Knowledge Unit (2010) in its considered "self -help group (SHG): method for ladies strengthening", presume that development of SHGs are fundamental for the part as they guarantee better ways of life and their by the individual; family and social strengthening.

Consequently the social strengthening by the SHG individuals is moderate family strengthening accomplished by the individuals in the family are moderate. Engaging ladies is pre-remunerating for making a decent country whom are enabled, society with security expected. Enabling of ladies is fundamental as their viewpoints and their worth framework lead the improvement of a decent family and great society and eventually a decent country.

Disregarding different sacred protections and regulative measures as well as quantities of

Projects and approaches started by the public authority to improve ladies, no huge

Improvement occurred in the financial strengthening of ladies.

Reeta Rautela, Gaurao Gasp and Other (2011) in their review - "Microfinance - Another mantra for provincial turn of events", inferred that microfinance is a strong for destitution easing and improvement. To proclaim microfinance outcome in India, not in the least do a huge number of more individuals should be reached yet those administrations should affect their lives and those of their relatives. For that impressive work and nonstop endeavors are expected to variety the help of subsidizing for microfinance to draw in more unfamiliar

Ventures for deep rooted microfinance establishments (MFIs), to utilize every one of the potential channels to serve more provincial and metropolitan poor, to foster its staff as more useful and proficient to make it more neediness engaged and productive. Microfinance administrations cannot just tackle their own destitution, yet can likewise act as an integral instrument inside a more extensive procedure to diminish neediness.

V.J.R. Emerlson Moses (2011) in his examination paper of financial aspects detailed that Jawaharlal Nehru said "you can tell the state of the country by checking out at the situation with ladies", strengthening of ladies has arisen as a significant issues in our country. In India the further announced that almost 50% of the populace comprises of ladies. In India their work investment rate is not exactly around 50% of that of men. The job of ladies in the improvement of country is vital these days. SHG helps the ladies in elevating their everyday environments and furthermore incorporate the social, financial, instructive level to further develop their strengthening level. The part of strengthening of ladies level. The part of strengthening of ladies are admittance to financial assets, support in monetary navigation, amazing open doors for self-advancement, support in socio-political navigation, scope for ability advancement and effect on broad government assistance of the family and local area.

Table No:1 List of Respondents (Location wise classification)

Location	Respondents
Bargur Town	85
Denkanikottai Town	55
Hosur Town	70
Uthangarai Town	57
Shoolagiri Town	15
Kaveripattinam Town	47
Pochampalli Town	62
Sinagarapettai town	35
Total	426

Table No: 2 Respondents Age wise Classifications

Age Group	No.Of Respondents	Percentage
Between 20-30	75	17.61
Between 31-40	142	33.33
Between 41-50	110	25.82
Above 50	99	23.24
Total	426	100.00

Table No:3 Respondents Education level classifications

Education Level	No.Of Respondents	Percentage
Graduate	0	0.00
PUC	157	36.85
SSLC	234	54.93
Less than SSLC	35	8.22
Total	426	100.00

Table No:4 Respondents purpose of loan taken

Purpose of loan taken	No.Of Respondents	Percentage
Business need	138	32.39
Debit need	102	23.94
Personal need	155	36.38
Savings need	31	7.28
Total	426	100.00

Table No:5 Respondents benefitted by SHG schemes

Particulars	No.Of Respondents	Percentage
Yes, easy loans for urgent financial needs	205	48.12

Yes, easy repayments	155	36.38
Yes, encourage savings	66	15.49
Others	0	0.00
Total	426	100.00

Table No: 6 Respondents nature of business

Particulars	No.Of Respondents	Percentage
Petti shop	101	23.71
Agarbatti making	94	22.07
Laundry	45	10.56
Beedi making	140	32.86
Contract workers	46	10.80
Others	0	0.00
Total	426	100.00

Hypothesis

Ho: there is no significant relationship between socio-economic status of urban women and self-help group schemes

H1: there is a significant relationship between socio-economic status of urban women and self-help group schemes

Table No:7 After joining the self-help group there is a change in socio-economic status

Particulars	No.Of Respondents	Percentage
Yes, i am comfortable	205	48.12
Yes, purchased land	56	13.15
Yes, started business	47	11.03
Yes, educated children	98	23.00
Yes, acquired leadership	12	2.82

Yes, learnt accounting	8	1.88
Total	426	100.00

Formula:

$$X^2 = \sum (O_i - E_i)^2 / E_i$$

Expected Value $E_i = 426/6 = 71$

$$= \left[\frac{(205 - 71)^2}{71} + \frac{(56 - 71)^2}{71} + \frac{(47 - 71)^2}{71} + \frac{(98 - 71)^2}{71} + \frac{(12 - 71)^2}{71} + \frac{(8 - 71)^2}{71} \right]$$

$$= 379.35$$

Degrees of freedom = (n-1)

$$= 6 - 1 = 5$$

Alpha Value = 0.05

Table Value = 11.07

Interpretation

As per the hypothesis, the alpha value is 0.05 and degrees of freedom is 5, the null hypothesis is rejected and alternative hypothesis is accepted. Therefore there is a significant change in the socio-economic status of urban women working in manufacturing industries.

Conclusion

The unfortunate ladies working underway and producing businesses in metropolitan areas of krishnagiri district are helped by the SHGs in tracking down available resources to get credit in their neighborhoods. There are cases announced from various social orders which are examples of overcoming adversity. SHGs in Krishnagiri district likewise have ended up being a successful system for the collection of little and standard reserve funds of ladies pooled for later utilization of credits. As against 90 % of the individuals who have profited utilization or bank advances from their particular SHGs, almost 70% have taken credits for SEM. All the more frequently the ladies go about as providers and are troubled with immense obligation of dealing with their loved ones.

The majority of our respondents in the review, notwithstanding their still take up private venture and unspecialized temp jobs to help their loved ones. The review affirms that ladies through SHGs are progressively turning out to be monetarily autonomous and along these lines get dependability their own pay. The writing on microfinance has demonstrated that ladies have the potential, expertise and capacity to prevail in microenterprises. On account of Karnataka the outcome of making certainty to maintain a business of their own lies in the financial setting of the general public. An overall improvement is found in the everyday environments of the ladies individuals after they joined SHG and profited credit. Likewise there is an inclination that the utilization of credits for homegrown and family need can help improvement in their expectations for everyday comforts. The result is that they are compelled to open some sort of customary pay creating independent work undertaking

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