

Employment Creation through Microfinance and Self Help Groups with Special Reference to Thanjavur District

V. R. Palanivelu, S. Narmada



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 ladies 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 reduced for self-determining employment, money related administrations like reserve funds and limit working among ladies society. In the vast majority of the nations helpful developments were set up to stretch out money related administrations to its' individuals since long.*

Key Words: *Self Help Group, Employment Creation*

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 also the essential requirements for segment for compelling up and around of salary and work creating exercises. In such manner, Microfinance to Self Comfort Groups might be measured as a fundamental choice for gathering the budgetary requirements of the less fortunate area for general public.

Self Help Group (SHG) is a methodology by which poor destitute insolvent may satisfy their monetary necessities for carrying out different business and pay creating exercises. The SHG is a casual association of people from the same 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 current status on microfinance by SHG program had felt.

- Robinson described that Bank Rakyat Indonesia's (BRI) part desa microfinance programme helped Indonesia to decrease the lack from 40% in mid-1970s to about 11% in 1996 (Robinson, 2001, p. 30).
- According to Arjun Y. Pangannavar, SHG scheme is the correct method to make self-employment chances to increase the income and assets of the country poor. The SHG scheme offers the rural poor to access the micro credit. It inspires the rural women entrepreneurship and rural women enablement (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).

Numerous readings display that there is a varied outcome of impact of microfinance. Hence in this article an effort will be prepared to carry out a part study on impact of micro finance by Self Help Groups on salary and work group in the Thanjavur district of Tamilnadu.

Manuscript published on November 30, 2019.

* Correspondence Author

Dr. V. R. Palanivelu*, Professo –Cum –Director Periyar Institute of Management Studies (PRIMS)

Periyar University, Salem-636011, Tamil Nadu, India.

S.Narmada, Ph.D. Research Scholar, Periyar Institute of Management Studies (PRIMS) Periyar University, Salem-636011, Tamil Nadu, India.

© The Authors. Published by Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP). This is an [open access](https://creativecommons.org/licenses/by-nc-nd/4.0/) article under the CC-BY-NC-ND license [http://creativecommons.org/licenses/by-nc-nd/4.0/](https://creativecommons.org/licenses/by-nc-nd/4.0/)

II. OBJECTIVES OF THE STUDY

- To study the purpose for Employment creation through micro finance of the beneficiaries.
- To analyze the problems in availing the micro finance in Thanjavur district.
- To assess the extent of effective management of micro finance utilization in the learning area.
- To examine the socio-economic conditions of the SHGs beneficiaries of micro finance scheme in the study area.

III. SCOPE OF THE STUDY

The present study is for the most part bound to the ladies SHGs in Thanjavur region. 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 a 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 cash connected managements and outcomes of extremely modest quantity to the deprived in country, semi-urban and urban zones for authorizing them to increase their income stages and improve their expectations for everyday comforts. Miniaturized scale credit foundations are those, which give these offices.

Self Help Group: A SHG is a collection 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 create less enthusiasm attitude improvements to the persons. This procedure makes an ethic that spotlights on investment funds first.

The Self Help Group (SHG) Bank Linkage Programme: The SHGs linkage scheme is treated as a typical business movement of the banks. 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. Despite 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.

IV. HYPOTHESIS

- There is no association between demographic variables and level of impact of micro finance.
- No significant association among the number of years in SHG of the respondents and the overall satisfaction regarding micro finance.
- There is no important association among the educational requirement of the defendants and the overall satisfaction regarding micro finance.
- There is no significant association between the occupation of the respondents and the overall satisfaction regarding micro finance.

V. RESEARCH METHODOLOGY

The validity of any research depends on the systematic method of collecting the data and analyzing 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 had used in completing the purposes of the study. Exploratory Research had used to increase insight into several difficulties handled through the self help group members while availing the micro finance loan in the study area. Descriptive Research had used to study the effect of micro finance loan on empowerment of self help group members.

Sampling Design

In Tamil Nadu, Thanjavur district has been selected for the purpose of collecting the primary data. In order to study Management of Micro Finance by Self Help Groups in Thanjavur district, In taluk of Thanjavur Kudavasal, Mannargudi, Nannilam, Needamangalam, Thiruthuraiipoondi, Thiruvarur, Valangaiman, Koothanallur. Each taluk 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.

INTERPRETATION AND DATA ANALYSIS

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

Occupational status of the borrower	Higher Secondary	56	35
	Graduation	40	25
	Total	160	100
	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 defendants come below the age category of 46-56 years and 27% Of them come under the 36-45 age category. 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 %.

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

S.NO	Factors	1	2	3	4	5	Total
	Agriculture	3	2	3	3	2	160
	Animal Husbandry	4	4	9	7	6	160
	Income generating activates	3	2	6	1	2	160
	Starting own business and its development	7	1	3	1	8	160
	Farm Mechanization	2	2	3	2	4	160
		4	9	9	5	3	160
		4	3	2	2	3	160
		5	1	2	6	6	160
		4	2	5	1	2	160
		3	1	2	9	5	160

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

Factors	1	2	3	4	5	Total
Agriculture	255	180	292	277	195	1200
Animal Husbandry	0	0	5	5	0	0
Income generating activates	222	126	378	660	168	9600
Starting own business and its development	0	0	0	0	0	0
Farm Mechanization	120	145	195	125	215	8000
	0	0	0	0	0	0
	180	124	880	104	144	6400
	0	0	0	0	0	0
	107	525	130	475	625	4000
	5	0	0	0	0	0

Garret Score

Factors	G.S	A.S	Ran k
Agriculture	1200	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 similar 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 trademark is available in it:

- A family having only one earning member
- A family bringing drinking water from a faraway place
- A 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

VI. CONCLUSION

The SHG-Bank Linkage Program (SBLP) and Micro Finance Institutions drove Program (MFIP) have had noteworthy effect on the business creation Thanjavur District 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 to extensively among the work creation in Thanjavur District locale 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.

REFERENCE

1. I.S.K. Dhameja (2002). Women Entrepreneurs: Opportunities, Performance, Problems, Deep Publications (P) Ltd., New Delhi.
2. B. Siddappa (2013). Self-Help Groups in Karnataka: An Assessment, Southern Economist, Vol. 52(9), Sep, 2013.

3. Becker Ashley (2013). Micro-Management: Constitutional and Policy Concerns Arising from India's Microfinance Institutions (Development and Regulation Bill), Northwestern Journal of International Law and Business, Vol.33, Issue.3, Spring 2013.
4. Chandra Deogharia Prakash (2013). Financial inclusion and Micro Finance in Jharkhand: Role of SHGs, Southern Economist, Vol. 52(5), July, 2013.
5. Parul Mittal (2014). Overview of the Progress of Microfinance Programme in India, International Journal in Management and Social Science, 2(12), December, 2014.

AUTHORS PROFILE



Prof. Dr. V.R. Palanivelu is currently working as a Professor-Cum-Director at Periyar Institute of Management Studies-PRIMS, Periyar University, Periyar Palkalai Nagar. Salem Completed her Ph.D., in Management at Periyar University, Salem. Research area of interest Finance & Accounting, Entrepreneurship, International Business. Published Thirty Five articles in International Journals and also presented a paper in Forty Five National and International Conferences. Twenty five years of research experience.



S. Narmada is currently Ph.D., as part time Research Scholar at Periyar Institute of Management Studies-PRIMS, Periyar University, Salem. Her research area is Finance and Export Management. Published three articles in International Journals and presented a paper in International Conferences.