

KEY FACTORS INFLUENCE FOR FORMATION OF SELF HELP GROUP

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ABSTRACT

India realized and initiate the significance of poverty reduction programme through micro finance to attain out the poorest people and enhance their livelihood in the complex world. Micro-finance is an efficient tool which estimates the growth of the poor women in India. The Indian Economic statistics indicate in relation to 26% of the entire population in the country belong to the rural poor and recover their life is very big challenges for the government and the societies. The major performance of the SHG are that it inculcates the investments and banking behaviour amongst member, secure them from financial, technical and moral strengths, enable availing of finance for productive purpose and gains economic wealth through loan/credit. In the present study the effect of demographic factors on dimensions of SHG is analysed using ANOVA and it is found that there is a significant mean difference between the marital status of the SHG respondents and the impact of micro finance to SHG in Chennai city. It is also concluded that here is a important mean difference among the employment of the SHG respondents and the blow of micro finance to SHG in Chennai city.

Keywords: Analytical Overview, Demographic factors, Dimensions, SHGs

INTRODUCTION

The evolution of self-help group is from the base of Grameen bank of Bangladesh that was initiate by Mohamed Yunus. SGHs were happening and created in 1975. In India NABARD initiated in 1986-1987. The nonappearance of institutional credits in the rural area has lead to the organization of SHGs. The 'National Bank for Agriculture and Rural Development' (NABARD) initiate a pilot project usually called as SHG association project in 1992. with the help of limited start in 1992 as a pilot project, there was a vigorous contribution from Government, Banks, development agencies and NGOs has effectively made the SHG movement as the world's major microfinance programme. The group members use collective wisdom to ensure proper end-use of credit and timely repayment. In India, RBI regulations made the banks to offer financial services, including collateral free loans to these groups on very low interest rates. This allows poor women to face the challenges of exclusion from institutional financial services. This system is closely related to the solidarity lending, widely used by the microfinance institutions. It is considered as a expansion tool to eradicate poverty in Asian, African and South American country. It gives rapid and touchable result to the poor individuals solely for women. It is mainly requisite for the deprived people to spend in revenue generate actions which will abolish their cruel cycle of poverty. NABARD has defined micro finance as "Micro finance is all about provision of thrift, credit and other financial services and products of very small amount to the Poor in rural, semi urban and urban areas for enabling them to raise their standard of living." UN officially declared the year 2005 as year of micro credit as the policy makers of UN supported the view that micro venture is a gadget to tussle along with poverty. According to Nobel Committee, "Micro finance can help the people to break poverty, which in turn is seen as an important prerequisite to establish long last peace".

The SHG member's satisfaction and problems is the main test for the success of efficient performance of any women development programme. The "Member –Beneficiaries" of SHG groups are the predominant members of any women welfare network and rural development. The members who are engaged in SHG programmes as members came to enrich with the available financial potency to spend on their income generating activities with a view to keep away from the misuse of the money lenders. Even though the country has been imitating several schemes and giving subsidies, due to poor socio- economic environment, these women are unable to produce adequate income from several programmes. Shielding financial services may be very important for poverty reduction, but they do very few for defensive individuals out of poverty. Hence, promotional financial services are needed initially for improving livelihood among poor people. It is described that micro-finance can also

affect poor people. The improvement in income of micro-credit borrowers is directly proportional to their starting level of income – the poorer they were to start with, the less is the effect of the loan

REVIEW OF LITERATURE

Luke D.A. (1991), this study is conducted to measure the changes in the self-help group and to know the behavioural and social community. There is a positive connection or link between the self help group and social empowerment. This study also stated that women has all the freedom to interact with their officials and other women who joins in their group and women can also solve all the problems and issues related to their business.

Quinones, Benjamin (1992), this study is based on the financial intermediaries of self help group which provide credit facilities to women and about the contribution to micro finance. This also help to know the availability if capital to poor rural people to start their business.

Rao D.K. (1994), this study is on self help group and credit facilities. Loan facility which is available for the women and the loan amount which can be repaid in short period of time. The groups will develop their own management system to handle the resources generated.

Pillai J.K. (1995), this is study on "Women and their empowerment" that women has to realize their full identity and powers. Power is given to achieve their aims. Power has to be owned and it has to be implemented and to maintain.

NEED FOR THE STUDY

India realized the significance of poverty reduction programme of micro funding to attain out the poorest people. Micro-finance becomes the most efficient tools for economic empowerment of the poor women. Still most of the Indian rural yet to develop, level of the women living conditions has to be improved for which the role of micro finance play a vital role. In this respect, how the micro finance facilitates and motivates to lead the self help group for uplifting society and also sustaining the poor women SHG members in the complex life system. Hence, the present study is attempted to identify the impact of micro finance on self help group performance in different dimensions which includes Poverty reduction in society among the poor women, strengthen the women empowerment in biased society, developing the economic growth, increase the mobilisation of savings among poor women, development of women skills in self help group and Social Welfare.

OBJECTIVE OF THE STUDY

To analyse the problems of self help group members for sustaining their position in socio-economical conditions.

METHODOLOGY

The researcher has attempted to analyse various key factor indications to initiate self help group for their sustainability, the research area was focused on Chennai metropolitan city, the Chennai is one of the thick populated city, though the place is more revenue generation place to the government, low income level of population also living in the city. In this respect the role of self help group for alleviation of poverty and making confident self help group to live a decent life and chances to lead economically independent life. The researcher was collected 1125 respondents who are the self help group members and the convenience sampling technique was adopted to collect the data and interpret the same

ANALYSIS AND INTERPRETATION

Table showing ANOVA between marital status of the respondent and the dimensions of the impact of micro finance to SHG

Table 1

Dimensions	Marital status of the Respondents				ANOVA (F Value)	Sig (Degrees of Freedom)
	Single	Married	Widow	Destitute/Divorcee		
Credit to Poor	2.49	2.45	2.37	2.67	1.312	.000* (2,1126)
Poverty Alleviation	2.08	2.45	2.49	2.56	2.930	.000* (2,1126)

Women Empowerment	2.69	2.16	2.88	2.75	2.361	.000* (2,1126)
Economic Growth	2.55	2.35	2.39	2.39	2.412	.000* (2,1126)
Mobilisation of Savings	2.64	2.67	2.49	2.37	2.240	.031* (2,1126)
Development of Skills	2.49	2.56	2.08	2.49	2.191	.000* (2,1126)
Mutual Help and Co-operation	2.88	2.75	2.69	2.08	2.344	.000* (2,1126)
Social Welfare	2.39	2.17	2.67	2.69	3.247	.000* (2,1126)
Impact of micro finance	2.33	2.96	2.11	2.45	2.621	.002** (2,1126)

Note: * denotes significance at 1% level, ** denotes significance at 5% level
 Source: Primary Data

The above table shows the result of one-way ANOVA for the educational level of the SHG respondents and the dimensions of the micro finance to SHGs in Chennai city . The p values of all the dimensions of micro finance poverty alleviation, women empowerment, economic growth, development of skill, mutual help and cooperation, and social welfare are less than 0.01, which proves that the alternative hypothesis is significant level at 1%. Hence, it shows that there is a significant mean difference occurs among the selected SHG respondents in Chennai city based on their marital status with regards to the micro finance to the SHGs. However, the p value of credit mobilisation of savings is less than 0.05 and more than 0.01, which indicates that the alternate hypothesis is significant at 5% level. Hence, there is a significant mean difference between the marital status of the SHG respondents and the impact of micro finance to SHG in Chennai city.

Table showing ANOVA between occupation of the respondent and dimensions of the impact of micro finance to SHG

Table 2

Dimensions	Occupation of the Respondents				ANOVA (F Value)	Sig (Degrees of Freedom)
	Street vendors	Daily wagers	Home-maker	Others		
Credit to Poor	2.69	2.28	2.45	2.66	1.242	.000* (2,1126)
Poverty Alleviation	2.67	2.43	2.49	2.56	2.787	.000* (2,1126)
Women Empowerment	2.56	2.16	2.89	2.32	2.641	.000* (2,1126)

Economic Growth	2.35	2.35	2.39	2.39	2.892	.000* (2,1126)
Mobilisation of Savings	2.64	2.31	2.49	2.37	3.210	.000* (2,1126)
Development of Skills	2.19	2.78	2.19	2.49	1.918	.000* (2,1126)
Mutual Help and Co-operation	2.81	2.75	2.55	2.08	2.384	.000* (2,1126)
Social Welfare	2.39	2.17	2.67	2.69	2.247	.024* (2,1126)
Impact of micro finance	2.12	2.62	2.25	2.71	2.131	.000* (2,1126)

Note: * denotes significance at 1% level, ** denotes significance at 5% level

Source: Primary Data

The above table shows the result of one-way ANOVA for the educational level of the SHG respondents and the dimensions of the micro finance to SHGs in Chennai city. The p values of all the dimensions of micro finance poverty alleviation, women empowerment, economic growth, mobilisation of savings, development of skill, mutual help and cooperation, and impact of micro finance are less than 0.01, which proves that the alternative hypothesis is significant level at 1%. Hence, it shows that there is a significant mean difference occurs among the selected SHG respondents in Chennai city based on their occupation with regards to the micro finance to the SHGs. However, the p values of social welfare are less than 0.05 and more than 0.01, which indicates that the alternate hypothesis is significant at 5% level. Hence, there is a significant mean difference between the occupation of the SHG respondents and the impact of micro finance to SHG in Chennai city.

CONCLUSION

The research focused on self help group and the factors analysed like Credit to Poor, Poverty Alleviation, Women Empowerment, Economic Growth, Mobilisation of Savings Development of Skills, Mutual Help and Co-operation, Social Welfare and Impact of micro finance in this research based on the research inference single SHG members are highly influence Mutual Help and Co-operation factors. Married SHG members were benefited from the micro finance, this group facilitates to mobilise more saving for their family and mutual understanding, cooperation influence to more active in self help group. Widows SHG members thoughts is that they are isolated from the society. In this respect the research inference this group of SHG members motivated to empower them in the society. In respect of the demographic analysis the street vendors preferred for Mobilisation of Savings and poverty alleviations. The daily wagers of SHG members, Development of Skills and Mutual Help and Co-operation factors influence in their mind to functioning SHG. The home maker SHG members are influenced by social welfare factors. The researcher analysed in different marital status and occupation of SHG members, the result reveals women empowerment, Mobilisation of Savings, mutual support and social welfare are more importance for effective functioning of self help group and their sustainability

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