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MICROCREDIT THROUGH SELF HELF GROUP FOR RURAL DEVELOPMENTIN THENI DISTRICT

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ABSTRACT

The women empowerment has been recognized as a sine-qua-non for the growth of the Country and societal well-being. In order to bring, women into the mainstream of the economy and society, Indian Government has initiated numerous development programs for women. The essential savings have mobilized would be invested in productive activities, which in turn able to enhance the employability, income and output and the microcredit increasethe income would increase the purchasing power and effective demand among the community and thereby the standard of living and the economic development of the nation would progress.This study to be aimed to examine the factors influencing and impact of microcredit through SHGs for rural development in Theni District.This research is to be based on empirical and nature of the study. The primary data will be collected from 50 Self Help Group Members in Theni District through an interview schedule under the Convenient Sampling Method.The found impacts are largely linked to personal and family issues, on account of the special power of the microcredit mechanism to improve the women's standards of support. Social impacts, even though expected to be insignificant, are also revealed by the study. The results confirm that microcredit has a significant impact on five dimensions of women's empowerment, setting out from economic security to the cognizance of social/legal matters.

Keywords*: Microcredit, Factors Influences in Microcredit and Impact of Microcredit.*

I. Introduction

The growth of women has been acknowledged as a sine-qua-non for national growth and societal well-being. In order to bring, women into the mainstream of the economy and society, Indian Government has initiatednumerous development programs for women.A variety of five year plans provided special emphasis on employment and income generating movements for women with the crucial objective of making women economically independent and self reliant. In spite of the efforts of the Indian Government, women's needs are more and more marginalized in their effort for survival and superiority. The women on many occasions need emergency

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credit which the formal credit system and the Government Poverty "alleviation" schemes could not provide to deprived of access to credit, which is one of the most productive resources, women are pushed to the status of beneficiary, beneficiary and consumer, despite their ability as a giver benefactor and producer. In these circumstances, evolved the concept of microcredit.

In most cases, microcredit programs offer a combination of services and funds to their clients, in addition to credit for self employed.The microcredit programsare influencingthe savings in a number of ways. First of all, it inculcates a habit of standard savings and thrift, and the saving is made essential, which was absent previously. Secondly, the essential savings have mobilized would be invested in productive activities, which in turn able to enhance the employability, income and output. Third, the microcredit increasethe income would increase the purchasing power and effective demand among the community and thereby the standard of living and the economic development of the nation would progress.

1. Statement of the Problem

In India, financial service sector hasprovided the microcredit to the Self Help Group (SHG) members, that has facilitated and impacted to empower their social and economical lifestyle. Microcredit system has mainly supported irregular functions, which are frequentlyleastincome and market demand. It is a serious agonizing for the policy makers. Thus, in order to discover the impact and efficiency of the microcredit system through SHGs for rural development in Theni district.

2. Objectives of the Study

i. To Examine the factors influencing inmicrocredit through SHGs for rural development in Theni District.

ii. To analyze the impact of microcredit through SHGs for rural development of TheniDistrict.

II. Methodology and Sampling

This research is based on empirical and nature of the study. The primary data were collected from 50 Self Help Group Members in Theni District through an interview schedule under the Convenient Sampling Method.

Factors Influencing In Microcredit

Factors influencing in micro credit of the respondents are measured using a five point scale.

To measure the factors influencing in micro credit in Theni district, the Impact ofMicrocredit of the respondents has been analyzed through Likert's five points scaling as stated below:

SA	–	Strongly Agree	–	5 points
A	–	Agree	–	4 points

NO – No Opinion – 3 points

DA – Disagree – 2 points.

SDA – Strongly Disagree – 1 point

The factors influencing in microcredit of respondents with 8 statements were measured through five point scale. The total scores obtained by the respondents were computed by adding the scores for all the statements. Similarly the scores obtained by all the respondents were computed.

In order to check the difference between the various group of respondents (age, marital status, educational qualification, Type of family, Occupation, Annual income, members of Self Help Group and the like). One-way Analysis of Variance and'T' test and 'F' Test was conducted.

Demographic Profile and Factors Influences in microcredit through SHGs for Rural Development

A test of significance of differences on the four and six groups based on the age, educational qualification, occupation and monthly income of the respondents was conducted through "f" test.

H_0: There is no significant difference between the age, educational qualification, occupation and monthly income of the respondents and factors influencing in micro creditthrough SHGs for Rural Development.

Table 1

Demographic Profile and Factors Influences in microcredit through SHGs for Rural Development

Factors	Sources of variance	Sum of squares	Degrees of freedom	Means square	"f" value	Sig.
Age	**Between Sample**	9.80	9	1.089	1.518	0.175
	Within Sample	28.700	40	0.718		
	Total	38.500	49	**Insignificant**		
Educational Qualification	**Between Sample**	20.908	9	2.323	1.037	0.428
	Within Sample	89.592	40	2.240		
	Total	110.500	49	**Insignificant**		
Occupation	**Between Sample**	10.683	9	1.187	0.800	0.618

	Within Sample	59.317	40	1.483		
	Total	70.000	49	**Insignificant**		
Monthly Income	**Between Sample**	7.338	9	0.815	1.100	0.385
	Within Sample	29.642	40	.741		
	Total	36.980	49	**Insignificant**		

Source: Computed Data

Table 1 indicates that the 'P' value is greater than the 0.05 (5% level of significance) and hence the null hypothesis is accepted. Thus, there is no significant difference between the age, educational qualification, occupational and monthly income of the respondents and factors influencing in microcredit.

Marital Status and factors influencing in microcreditthrough SHGs for Rural Development

A test of significance of difference in the two groups based on the Marital Status of the respondents was conducted through 'T' test.

H_0: There is no significant difference between the marital status of the respondents and factors influencing in microcreditthrough SHGs for Rural Development.

Table 2

Marital Status and Factors Influencing in Microcredit

through SHGs for Rural Development

Family status	N	Mean	Std. Deviation	T-value	Sig.
Married	43	33.63	3.192	-1.135	0.792
Unmarried	7	35.14	3.805		

Source: Computed Data *** - Insignificant at 5% level**

Table 2 exhibits that the, 'P' value (Sig. 0.792) is greater than the 0.05 (5% level of significance) and hence the null hypothesis is accepted. Thus, there is no significant difference between the marital status of the respondents and factors influencing in microcredit through SHGs for Rural Development.

Type of Family and FactorsInfluencing In Microcredit

A test of significance of difference in the two groups based on the educational qualification of the respondents was conducted through 'T' test.

H_0: There is no significant difference between the type of family of the respondents and factors influencing in microcreditthrough SHGs for Rural Development.

Table 3

Type of Family and Factors Influencing in Microcredit through SHGs for Rural Development

Family status	N	Mean	Std. Deviation	T-value	Sig.
Joint Family	30	32.90	3.782	-2.623	0.792
Nuclear Family	20	35.25	1.585		

Source: Computed Data *** - Insignificant at 5% level**

Table 3explains that the, 'P' value (Sig. 0.792) is greater than the 0.05 (5% level of significance) and hence the null hypothesis is accepted. Thus, there is no significant difference between the type of family of the respondents and factors influencing in microcreditthrough SHGs for Rural Development.

Impact of Microcredit through SHGs for Rural Development

Factor analysis is a multi variation, a statistical technique that explains the interrelationship among the total set of observed variables. None of these variables are treated differently than the others. Factor analysis is a way of collection of variables based on the measurement of common characteristics which would provide as a common denominator for such classification. It is an analytical tool which can aid primarily investigations and in the interpretation of the relationship among a large number of interrelated and interdependent variables.

The technique adapted to analysis the borrowings in microcredit is the factor analysis. There are several methods available for factor analysis. But the principle component method with Kaisers Varimax Rotation is mostly used and widely available in the factor analysis computer program. One of the final outcomes of the factor is called rotated and the factors that have been prepared. The sum of squares of the factor loading of a variable is called commonalities (H2).

The commonalities of a factor are common factor variance. The factors whose loading is 1.00 or greater are considered significant factors. This limit is chosen because it had been judged that factors with less than 100% common variance with the rotated factor pattern are too weak to report. In the present study, the principle analysisfactor with the KMO and Bartlett's and rotated component Varimax Rotation is used to identify the significance of different variables of the impact of microcredit through SHGs for rural development. The estimated results are given in Table 4.

Table 4: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.419
Approx. Chi-Square		143.240
Bartlett's Test of Sphericity	Degrees of freedom	66
	Sig.	.000

The rotated factors loading received by factors F1, F2, F3, are presented in the following Table 5.

Table 5: Rotated Component Matrixa

Sl. No.	Variables	Component			
		1	2	3	H^2
1	To increase freedom of mobility	**0.587**	0.208	0.596	0.433
2	To Increase the utilization methods	**0.668**	0.371	-0.048	0.586
3	To Increase the purchasing power of the family	**0.747**	-0.173	0.109	0.688
4	We intend to increase the employability of students	**0.628**	-0.060	-0.453	0.504
5	To Make progress in self-esteem	-0.192	**0.638**	0.500	0.554
6	To Enhance the ability to make financial decisions	0.021	**0.666**	0.438	0.535
Sl. No.	**Variables**	**Component**			
7	To Make progress in skills and abilities	0.538	**0.684**	0.568	0.525
8	To Develop the saving habits	0.034	**0.706**	0.493	0.586
9	To rewarding housing and other needs	0.032	0.583	**0.634**	0.543
10	To Helps to eradicate social evils	-0.099	0.034	**0.647**	0.529
11	To Involve in community development actions	0.113	0.165	**0.640**	0.534

12	To increase involvement in key decisions in politics	0.644	-0.370	**0.656**	0.555

The above Table5exhibits that, the matrix of common factor coefficient or factor loadings. The number of factors extracted was three. The rotation, which has the highest loading (>1.00) in each factor are grouped, that is, the ratios which are more closely related to a particular group are boxed. The final column in the table is "communality" (H2) that is, the variance explained by the gene.In the next segment, these solutions have been read by examining the significant loading for ratio clustering on each component carefully.

Factor I (F1) –Social Impact

The first factor variables are to increase the purchasing power of the family (0.747), to increase the utilization methods (0.668), to increase the employability (0.628) and to increase freedom of mobility (0.587). These are named as Social Impact variables. Out of these variables to increase generation have the highest significant positive loadings.

Factor II (F2) - Self Impact

The second factor consists of the variables, namely, to develop saving habits (0.706), to make progress in skills and abilities (0.684), to enhance the ability to make financial decisions (0.666), and makes progress in self-esteem (0.638) are all the variables in factor II named the. These variables are represented as Self Impact. Out of these variables to develop saving habits have the highest significant positive loadings.

Factor III (F3) –Political Impact

The third factor consists of the variables, namely; to increase involvement in key decisions in politics (0.656), to help to eradicate social evils (0.647), to involve in community development activities (0.640), and to rewarding housing and other needs (0.634) are all the variables in Factor III. These variables are represented as Political Impact. Out of these variables to increase interest in key decisions in politics have the highest significant positive loadings.

III. Summary of Findings

i. The 'P' value is greater than the 0.05 (5% level of significance) and hence the null hypothesis is accepted. Thus, there is no significant difference between the age, educational qualification, occupational and monthly income of the respondents and factors influencing in microcredit.

ii. The 'P' value (Sig. 0.792) is greater than the 0.05 (5% level of significance) and hence the null hypothesis is accepted. Thus, there is no significant difference between the marital status of the respondents and factors influencing in microcredit through SHGs for Rural Development.

iii. The 'P' value (Sig. 0.792) is greater than the 0.05 (5% level of significance) and hence the null hypothesis is accepted. Thus, there is no significant difference between the type of family of the respondents and factors influencing in microcredit through SHGs for Rural Development.

iv. Out of the social impact variables to increase generation have the highest significant positive loadings.

v. Out of these self impactvariables to develop saving habits have the highest significant positive loadings.

vi. Out of political impact variables to increase interest in key decisions in politics have the highest significant positive loadings.

IV. Conclusion

Microcredit has endorsed theentrepreneurial behavior of SHGs by offering the financial assistance.Microcredit have acknowledgedby the SHGs that they claimed higher rate of interest than the financial institutions because of its own prolong approaches. It is essential to scrutinize themicrocredit activities from the Indian Government to strengthen the potential of the SHGs andpromote the efficient, economical and social services. It is concluded from the analysis that, the microcredit activities have trimmed downthe rural poverty, especially in Theni District in terms of employment creation, income, savings and increase in overall growth in assets. Microcredit has built the women's capacity building to solve their day-to-day challenges. Thus, the positive impact has created by the microcredit on the lives of the SHG Members in Theni District.

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