

# Impact of Micro Finance among Self Help Groups in Fisheries (At North Chennai)

D. Balaji, M. Vinoth, K. Santhanalakshmi, Ananth Selvakumar, Zeba Jihan

**Abstract:** *Microfinance can be distinct for low-income consumers such as loans, transfer services, savings, insurances and other financial products. Micro Finance Institutions and Banks use Self Help Groups as a tool to bring inclusive growth. The general fact is majority of fish community population are living below poverty line all over the world. The purpose of this study are to assess the State Co-operative Bank performance of microfinance on the economic development of fishing community in north Chennai.*

**Keywords:** *Microfinance, Fishing Community, Community Development.*

## I. INTRODUCTION

The main objective of micro financing programme is to generate self-employment, provide financial assistance to needy poorer, to start a small or tiny business and to generate income for their livelihood. It is well known fact that major proportion of fish community population all over the globe are living below poverty line. Roughly worldwide there are 38 million people employed in fisheries and aquaculture, of which 95% of them are living in developing countries.

India has a long seashore of 8,129 Kms, Special Economic Zone of 2.02 million sq. Kms, Brackish water area of 1.2 million hectares and fresh water of 5.4 million hectares. At present, there are six major harbors, 33 minor fishing harbors, more than 2000 fishing landing centres and more than 4000 villages are in fishing business in India. In Indian economy marine fisheries play a vital role for about 2 million people by providing employment and livelihood.

## II. PROBLEM STATEMENT

India is one of the larger fish suppliers in the world. According to Indian government's 2012 statistics, more than 14 million people depend upon fishing. In Tamil Nadu alone, 559,360 lakhs people rely on fishing (Annual Report: India, 2008-2009). In Chennai, over all 96 wholesale and retail fish markets. Chennai has roughly 26 kms of seashore in which bed of the sea is about 42' deep slopes from coast attaining a depth of 62' with a distance of about 5 kms. Registered or unregistered team of people under the name of Self Help Groups (SHGs) who are economically homogeneous; landless agricultural labours, village artisans,

small traders, and the members are fundamentally thin and marginal farmers, who voluntarily join together for mutual benefit to save little amounts regularly (Swain and Nayak, 2008). The researcher has selected fishing community for his research mainly for two reasons. The first reason is that fisheries sector has good potential and the other important reason is all over the world major population of fishing community are living under below poverty line due to unsecure business. In fishing business daily yield and income cannot be estimated. The Tamil Nadu state co-operative bank main branch Chennai has formed six groups. Among the six, only five groups are functioning in which four of them belong to fishing community, three groups member belong to same area. The researcher has selected the three SHG's and collected data from all the 47 members.

## III. REVIEW OF LITERATURE

Panda (2009) in his article titled 'Participation in the Group Based Microfinance and its Impact on Rural Households: A Quasi experimental Evidence from an Indian State' he stated that microfinance based group involvements had led a positive impact in downtrodden villagers in Orissa after the socioeconomic development.

FAO (2006) published in New Directions in Fisheries - A Series of Policy Briefs on Development entitled 'Microfinance Helps Poverty reduction and fisheries Management - policies to support Microfinance, Livelihoods and Resources Management', says that partnership existing between fisheries-sector stakeholders, MFIs and providers of social service have the capacity to make significant contributions to eradicating poverty and also to responsible fisheries. Jayaraman (2005) in his paper Performance Analysis of Fisherwomen Self Help Groups in Tamil Nadu found that SGHs for fisherwomen are performing well in availing and also repaying microcredit which had contributed for their socio-economic development.

Selvaraj, Mehta, Karmakar and Ghosh (2009) in their paper Review of the development of microfinance services for coastal small scale fisheries and aquaculture for South Asian countries (including India, Bangladesh & Sri Lanka) stated that Microfinance gains importance in marine fisheries and also having a good trust among rural fishery women in the competitive of dynamic technological options with a special attention to women.

This study measures the effect of amanahikhtiar Malaysia's microcredit programme on monetary vulnerability among hardcore households (2014) by Abdullah al-mamun, Mohammad Nurulhudamazumder, c.a. malarvizhi tried to assess the impact of amanahikhtiar Malaysia's

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(intention) amongst the difficult core in peninsular Malaysia this paper states about microcredit programme on the extent of monetary vulnerability in household clients. In the purpose of participation in microcredit programme there is a decrease in the extent of financial vulnerability.

“Examining the Effect of Microcredit on Poverty in Malaysia” (2012) a cross-sectional design was employed to have a look at if the microcredit programme of the amanahikhtiar Malaysia (goal) improves the earnings of hardcore negative families with a stratified random sampling method. This study uses a quasi-experimental method and decided on control and remedy organization individuals from goal’s purchaser’s base — new and old clients respectively. The findings of the have a look at suggest the effectiveness of microcredit in reduction of poverty. This programme have to, consequently, consciousness on diversifying their products and services in an effort to growth outreach and reduce inactive debtors and dropouts.

Among Adivasis can Microfinance Promote Livelihoods and Reduce Vulnerability? (2017) A Study of Some NGO Interventions from Karnataka and Tamil Nadu by D. Rajasekhar, R. Manjula, Suchitra J.Y. To what volume have tribal families promoted their livelihoods and reduced poverty and vulnerability among them having NGO microfinance programmes? With the help of number of facts collected from Tamilnadu and Kerala this query is analyzed. Microfinance sports have not significantly stepped forward in livelihoods despite the fact that adivasi households have joined microfinance organizations, made small savings and utilized credit facility. The tribes are forced to borrow from casual sources in the absence of financial savings merchandise to satisfy charges on housing and marriage, and get entry to formal social protection offerings together with health insurance. Whatever effective impact that microfinance programmes, this places them into inextricable debt traps. Undoing it also might have to avoid this kind of state of affairs, significant financial savings products and get admission to social safety are need of the hour.

### IV. DATA ANALYSIS

#### A. Objectives of the Study

1. To observe the works of SHGs in socio-economic conditions of fishing community.
2. To analyze the respondents earning withage.
3. To evaluate the economic condition in effect of Microfinance of fishing community of SHG members in north Chennai.

#### B. Research Methodology

This research is based on descriptive study among fishermen. The researcher has gone through the following variables – Age, Marital Status, Education, Types of Enterprises, Monthly Income and Family Monthly Expenditure. The primary data was collected with a tool of interview conducted in north Chennai with schedule from SHG’s members. The secondary data are collected from internet, journals and magazines. 47 was the sample size determined while using Cluster Sampling Method. The study revolves with fishing community SHG’s formed by Tamil Nadu State Co-operative Bank, Chennai. The research study has applied use of

sophisticated and modern statistical tools like Pearson Correlation and Garrett Ranking T-Test. Using SPSS 16 software the researcher analyzed the collected primary data.

**Limitations of Study:** The observed part is confined to only limited number of SGH’s fishing community. This sample size may not be regarded as an exact replica of the universe.

#### Hypothesis:

H0 - In between the Age and monthly income of the respondents there is no relationship.

H1 - In between the before and after joining in the SHG in income of the respondent there is a significant difference.

### C. Interpretation

**Table No. 1 Marital Status**

Marital Status	Count	Percent	Cumulative Percent
Married	40	85.0	85.0
Unmarried	03	06.4	91.5
Divorce	02	04.3	95.7
Widow	02	04.3	100.0
Total	47	100.0	

**Table No. 2 Education Status of the Respondent**

Table 1 shows that 40 out of 47 members i.e., 85 percent are married and the remaining respondents belongs to

Education Status	Count	Percent	Cumulative Percent
Illiterate	23	48.9	48.9
Primary	08	17.0	66.0
Secondary	13	27.7	93.6
Higher Secondary	01	02.1	95.7
Degree/ Diploma	02	04.3	100.0
Total	47	100.0	

unmarried, divorce and widow category. Table 2, shows that the educational qualifications of the members. The majority of members are illiterate was obtained in the results.

From table No. 3, it is inferred that 44.7 percent of the selected population belongs to the age group 21 to 30, out of which 51.1 percent of them earn a monthly income of Rs. 2001 to 3000, followed by the age group 31 to 40 by 23.4 percent. On a whole 25.5 percent is earning less than Rs. 1000 per month and 17 percent is earning Rs.3001 to Rs. 4000 and the rest of the population occupies the remaining position.

**Table No. 3 Cross tabulation between Age and Respondents Monthly Income**

SL. NO	RESPONDENT MONTHLY INCOME	AGE					TOTAL	% OF TOTAL
		BELOW 20	21 - 30	31 - 40	41 - 50	ABOVE 51		

1	0 - 1000	1	06	3	1	1	12	25.5
2	1001 - 2000	0	01	1	0	0	02	04.3
3	2001 - 3000	0	11	5	5	3	24	51.1
4	3001 - 4000	0	03	2	1	2	08	17.0
5	4001 above	0	00	0	1	0	01	02.1
<b>Total</b>		<b>1</b>	<b>21</b>	<b>11</b>	<b>8</b>	<b>6</b>	<b>47</b>	<b>100</b>
<b>% OF TOTAL</b>		<b>2.1</b>	<b>44.7</b>	<b>23.4</b>	<b>17</b>	<b>12.8</b>	<b>47</b>	<b>100</b>

Inferential Analysis:

**H01**– In between the Age and the monthly income of the respondents there is a significant relationship.

**Table No. 4 Correlation**

		Age	Income
<b>Age</b>	Pearson Correlation	01	0.247
	Sig. (2-tailed)		0.095
	N	47.000	47
<b>Monthly Income</b>	Pearson Correlation	0.247	1
	Sig. (2-tailed)	0.095	
	N	47	47

The correlation between Age & Income is 0.247. Hence the null hypothesis is accepted. For the respondents, in between their age and their monthly income there exist no significant relationship.

**H02** - There is a significant difference In between before and after joining of SHG in the income of the respondents there is a significant difference.

The correlation between Age & Income is 0.247.

**Table No. 5 Paired Sample Statistics**

	Mean	N	Std. Deviation	Std. Error Mean
Respondent Monthly Income Before joining SHG	1589.36	47	1261.165	183.960
Respondent Monthly Income After joining SHG	2546.81	47	2289.090	333.898

**Table No. 5 (a)**

	Paired Differences		
	t	df	Sig. (2-tailed)
Respondent Monthly Income Before and After	-4.681	46	.000

Since the value is **0.000** ( $p < 0.01$ ), the null hypothesis is rejected. The mean Monthly Income after joining SHG is significantly higher than the mean Monthly Income before joining SHG.

**Ranking**

The technique used to convert the order of preference given by the sample positive women into ranks is Garrett Ranking.

**Table No. 6 Families Expenditure Details (Per Month)**

Sl. No	Expenditure details	Mean Score (Before)	R	Mean Score (After)	R
i	Food expenses for the family	83.68	01	83.72	01
ii	Rent paid for house	57.44	02	59.87	02
iii	Interest paid for personal Loan	57.14	03	54.00	04
iv	Expenses for children's education	53.61	04	52.91	05
v	Interest paid for Business Loan	53.48	05	45.06	11
vi	Expenses for personal actives	51.25	06	52.31	06
vii	Fuel expenses for cooking	51.06	07	44.10	13
viii	Electricity paid	50.95	08	50.59	08
ix	Other Expenditure	47.95	09	47.38	09
x	Transportation s	44.74	10	56.63	3
xi	Cable connection	44.46	11	45.14	10
xii	Telephone paid	43.02	12	51.63	7
xiii	Medicine expenses	37.65	13	43.70	14
xiv	Savings- SHGs Groups & Others	36.23	14	44.82	12
xv	Paid LIC/OTHER policy premium	40.82	15	41.04	15

The formula used to convert the order merit into ranks is as follows,

$$100 (R_{ij} - 0.5)$$

$$\text{Per cent Position} = \frac{\dots}{N_j}$$

$$N_j$$

$R_{ij}$  – Rank given by the  $j^{\text{th}}$  individual for the  $i^{\text{th}}$  factors and

$N_j$  – Number of factors ranked by the  $j^{\text{th}}$  individual  
Total Garret Score

$$\text{Mean Score} = \frac{\dots}{\dots}$$

No. of Respondents



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The above table (Table 6) shows that the food expenses and rent paid for households first and second position among the respondents before and after joining groups. There is a decrease in the monthly expenditure by the respondents after joining the group's with regard to interest paid for business and fuel expenses for cooking. Also, there is a noticeable increase in the rank given for telephone bill paid, fuel expenses for vehicles and travel expenses.

### V. FINDINGS AND CONCLUSION

Major share of fishing community Self – Help Group membership is occupied by illiterate married women. It shows microfinance has reached the poor illiterate very effectively because of its shortest and easiest way of operation. The maximum members are engaged in Fisheries and Allied enterprises and their monthly income lies between Rs. 2001 to 3000 because of lack of knowledge and skill on other businesses. After joining in the group the income per month is comparatively higher than the mean Monthly Income before joining the group. The microfinance impact on fishing community self help groups has reduced the expenditure by providing loan at minimum rate of interest and also improved the standard of living. Most of them are using mobile phones, gas for cooking, vehicles etc and increased sales by adopting door to door marketing mode. The vital role played microfinance to uplift the poor and eradicate the poverty in the developing economy. The SHG-Bank Linkage Program in India was started by RBI and NABARD to promote microfinance. The economic development on fishing community SHG members was brought into action by microfinance. The microfinance creates self-employment and eradicates poverty to a greater extent.

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An Assistant Professor working in SRM Institute of Science and Technology for more than a decade, pioneer in training and coaching students in the field of HR and Marketing. He completed Phd in Training and development from SRM University and is in the teaching for more than 22 years. Core competencies include, Innovative Teaching, Mentoring & Development, Research, designing and facilitating training using a wide variety of training aids.



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