Role of Assets Holding of the Availing Micro Credit of Women: A Study With Reference to Madurai District of Tamil Nadu

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Abstract

Micro-credit is a critical antipoverty tool, a wise investment in human capital. When the poorest especially women receive credit, they become economic actors with power to improve not only their own lives, but in a widening circle of impact, the lives of their families, their communities and their relations. Microfinance helps the NGOs all over the world in alleviating urban and rural poverty through promoting micro enterprises as a solution to the problem of unemployment and underemployment among the poor. In India also NGOs use this methodology for financing the poor. MYRADA in Karnataka and SEWA in Gujarat are the forerunners in the field in India. SEWA has promoted a cooperative bank exclusively for women and is engaged in financing income generating activities of women. Friends of WWB (FWWB) Ahmedabad, an affiliate of Women's World Banking, New York, networks with NGOs giving financial assistance to women groups. The total value of assets includes movable and immovable assets owned by the respondents and their family members. The assets indicate the financial background of the respondents before availing credit. Assets of the respondents increased due to the additional income earned through new activities and savings.

Introduction

Micro-credit is a critical antipoverty tool, a wise investment in human capital. When the poorest especially women receive credit, they become economic actors with power to improve not only their own lives, but in a widening circle of impact, the lives of their families, their communities and their relations.

Today in India, there are 15,000 registered NGOs and many more non-registered informal groups. These organizations have touched the lives of an estimated number of 15 million persons. According to an international estimate, 100 million persons have been helped worldwide by NGOs of one sort or another. NGOs follow different methods to reach the poor. Those who follow the ‘grassroots’ or the ‘barefoot’ approaches have attracted a good deal of admiration [1].

Microfinance helps the NGOs all over the world in alleviation of urban and rural poverty through promoting micro enterprises as a solution to the problem of unemployment and underemployment among the poor. NGOs undertake the responsibility of forming self-help groups, give training to members, and monitor business performance and promptness in repayment.

In India also NGOs use this methodology for financing the poor. MYRADA in Karnataka and SEWA in Gujarat are the forerunners in the field in India [2]. SEWA has promoted a cooperative bank exclusively for women and is engaged in financing income generating activities of women. Friends of WWB (FWWB) Ahmedabad, an affiliate of Women’s World Banking, New York, networks with NGOs giving financial assistance to women groups. The Working Women’s Forum (WWF), Chennai has organized women cooperative societies for pursuing income generating activities and facilitated empowerment of women. Attempts have also been made to replicate Bangladesh Grammen Bank model by SHARE in Andhra Pradesh and RDO in Manipur [3,4].

Objectives of the Study

To evaluate the impact of micro-credit on women empowerment with reference to Assets holding and to offer suitable suggestions based on the findings.

Keyword: Micro-Credit; Assets; Agricultural; Manufacturing and trading

Period of Study

The present study is based on the primary. The primary data have been collected from the respondents directly for the period of study is impounded to one year (i.e., 2014-2015).

Analytical Framework to Test the Factors

Impact on assets

Assets holding of the respondents (Pre-credit): The total value of assets includes movable and immovable assets owned by the respondents and their family members. The assets indicate the financial background of the respondents before availing credit. In the present study, the assets of the respondents before availing credit are computed and classified as Nil, Below Rs 10000, Rs 10000 to Rs 15000, Rs 15000 to 20000, and above Rs 20000.

Table 1 presents the assets holding of the respondents before availing micro credit in various sectors.

In the study area, before availing the credit, the value of asset holding of the respondents accounts only a meager amount. About 82 respondents had no assets. Majority of the respondents that is 28.00 per cent of the respondents had assets value below Rs 10000–15000. 26.67 per cent of the respondents had assets value in the range of below Rs 10000. 11.67 per cent have assets value of Rs 15000 to Rs 20000, and above Rs 20000.

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null hypothesis (H0): There is no association between family size of the respondents and their assets (post-credit) in various sectors.

Alternative hypothesis (H1): There exists association between family size of the respondents and their assets (post-credit) in various sectors.

In order to find out whether there is any correlation between the family size of the respondents and their assets in various sectors, chi-square test has been applied. The results of the chi-square test are furnished below.

As the calculated value of $\chi^2$ is greater than the table value at 5 per cent level of significance, the investigator rejects the null-hypothesis ($H_0$) and accepts the alternative hypothesis ($H_1$). Therefore there exists an association between family size of the respondents and their assets after availing credit in various sectors (Table 5) [11,12].

Association between family income (post-credit) of the respondents and their assets (post-credit) in various sectors

Null Hypothesis ($H_0$): There is no association between family income of the respondents and their assets (post-credit) in various sectors.

Alternative Hypothesis ($H_1$): There exists association between family income of the respondents and their assets (Post-Credit) in various sectors.

<table>
<thead>
<tr>
<th>Assets holding of the Respondents</th>
<th>Manufac-turing Sector</th>
<th>Service Sector</th>
<th>Trading Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>81 [100.0]</td>
<td>102 [100.0]</td>
<td>117 [100.0]</td>
<td>300 [100.0]</td>
</tr>
</tbody>
</table>

Table 2: Assets holding of the respondents (post-credit).

<table>
<thead>
<tr>
<th>Sector</th>
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Table 3: Result of chi-square test – asset holding of the respondents and various sectors.
Sectors | Mean Value of Assets | Total | Std. Deviation |
--- | --- | --- | --- |
Manufacturing Sector | 24241.31 | 81 | 9961.25 |
Service Sector | 21433.26 | 102 | 7621.43 |
Trading Sector | 21411.61 | 117 | 5761.45 |
Total | 18634.41 | 300 | 7202.21 |

Table 4: Mean value of asset holding of the respondents in various sectors.

### Summary of Findings

While analyzing the assets holding pre-credit, the value of assets holding of the respondents accounts only a meagre amount. About 82 respondents have no assets. Majority of the respondents, that is 26.67 per cent of the respondents, have assets value below Rs 10000, 28.00 per cent of the respondents possess assets to the value Rs 10000 to Rs 15000, and 11.67 per cent have assets about value Rs 15000 to Rs 20000. A very low percentage constituting 6.33 per cent of the respondents have assets worth of Rs 20000 and above.

It is observed that the assets holding of the respondents and their family, post-credit member has increased in the study area. 0.33 per cent of respondents have no assets, 6.67 per cent of the respondents have the assets, below Rs 10000, 21.00 per cent of the respondents have assets, to the value of Rs 10001 to Rs 15000, 20.67 per cent of the respondents have assets in the range of Rs 15001 to Rs 20000, and 51.33 per cent of the respondents and their family have the assets above Rs 20001.

ANOVA test reveals that there is a significant variation in the assets holding of the respondents among the various sectors and their family size at 5 per cent level of significant. Hence, it may be concluded that the assets holding of the respondents and their family size varied significantly among the various sectors such as manufacturing sector, service sector and trading sector.

### Association between savings (post-credit) of the respondents

There exists association between savings after availing the micro credit of the respondents and their assets in various sectors, chi-square test has been applied. The results of the chi-square test are furnished in Table 6.

As the calculated value of \( \chi^2 \) is greater than the table value at 5 per cent level of significance, the investigator rejects the null-hypothesis (H\(_0\)) and accepts the alternative hypothesis (H\(_1\)). Therefore, there exists an association between family income after availing the credit of the respondents and their assets in various sectors (Table 7).

### Association between savings (post-credit) of the respondents and their assets (post-credit) in various sectors

**Null Hypothesis (H\(_0\)):** There is no association between savings of the respondents and their assets (post-credit) in various sectors.

**Alternative Hypothesis (H\(_1\)):** There exists association between savings of the respondents and their assets (post-credit) in various sectors.

In order to find out whether there is any correlation between the family income after availing the micro credit of the respondents and their assets in various sectors, chi-square test has been applied. The results of the chi-square test are furnished in Table 6.

As the calculated value of \( \chi^2 \) is greater than the table value at 5 per cent level of significance, the investigator rejects the null-hypothesis (H\(_0\)) and accepts the alternative hypothesis (H\(_1\)). Therefore, there exists an association between family income after availing the credit of the respondents and their assets in various sectors (Table 7).
The SHGs annually to assess the progress of different income and employment generating schemes.

References


