

Role of Micro Finance of Self Help Groups to the Women Fish Vendors

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Abstract – The paper focuses on how women fish vendors manage to sustain their small scale business seeking help from available sources. The women fish vendors are offered micro finance support from Self Help Group in Kanyakumari district. The rate of interest is low and the procedure is simple to the semi-literate fish vendors. Self Help Group is a small voluntary association, which forms and guides the members facing similar problem and also same socio-economic conditions. Supporting financially the women fish vendors it enables the women empowerment. The study area is fishing hamlet Rajakamangalam Thurai. All fish vendors are members of one or more SHGS. All the respondents of the study admit that micro finance makes desirable change in their lives. It projects that micro finance is the major source for sustainability of their business and means for eradicating the poverty of women fish vendors. This paper concludes that most of the sample respondents have been using the loan amount to income generating activities while some fail to develop their business. Therefore they are economically still poor. There is also need for the intervention of experts to provide the awareness for using the loan amount to income generating activities to empower them economically.

Keywords – Awareness, empower, fish vendors, loan, member

INTRODUCTION

Women labour force has been increasing for the past few decades in the sub-continent. They are contributing for the development of an Indian economy. Initially fishermen community has been socially, economically and culturally very backward. Moreover due to the factor of natural calamities, offseason, ban period, the families are not able to meet their family expenses. The whole family depended on the low income of the fisherman.

Women in fisher family naturally are forced to work as fish vendors, fish processor, net maker and fishing related activities. Most of the women fish vendors are uneducated or under educated to approach the occupation more systematically. Moreover they are not aware of many issues popping up in their occupation. Social institutions come forward to empower them in their occupation. Self Help Groups play an important role to make sustainable income opportunity crediting them micro finance with very low rate of interest.

Self Help Group was introduced in the year 1975 in Bangladesh. The founder of Self Help Group was prof. Mohamed Yunus is the winner of Nobel prize for

founding the Grameen bank as well as introducing the micro finance concept. Micro finance helps the rural people who do not get the credit facility easily to start or develop their business. In India Self Help Group was introduced by NABARD (National Bank for Agricultural and Rural Development) in the year 1986 then it was modified and adopted the Bangladesh model in the year 1991. In India about more than 80 Lakhs SHGs are functioning and 90% of the SHGs are supporting exclusively women for their empowerment.

Self Help Group lends a helping hand to the women fish vendors. It has 10-20 members and promotes reasonable interest bearing loans for a short period without collateral for the upliftment of the low income of women fish vendors' families. Furthermore it associates with commercial banks and conducts various bank linkage programmes for the fish vendors to acquire awareness about the banks and their loan facilities related to their occupation.

Self Help Groups are performing in a successful way. The members meet regularly either every week, fortnight or monthly on the basis of their convenience

and contribute small amount of savings that the amount is kept in the bank. The main focus of SHGs is to provide innovative solution, make effective leadership, team spirit and managerial skills to improve the status of the women fish vendors. It can empower them personally, socially, economically and culturally.

In the concept of saving, the group members agree to save their contribution as common fund for their development. Every group has head person, cashier and secretary and they maintain attendance record, saving and loan ledger, group pass book etc. to record their performance. Moreover every members is to repay the loan systematically on time when one is not able to repay the loan all the members are responsible for the loan amount. It manifests the mutual sharing of benefits as well as risks. Besides they are open for the new members. Every group maintain the accountant record their performance. Some SHGs reorganise every year to avoid the malfunctioning of members.

The government and NGOs play vital role to develop the poor people by availing credit facilities. The government facilitates small bank branches for the convenient of rural area people. It organises bank linkage programmes and also provides such group loans at low interest for their business. Intervention of NABARD is considerable to improve the cottage and village industries through SHG. Even Reserve Bank of India issues so many guidelines to the commercial banks to get required credit facilities with minimum procedures for SHGs. Non-Governmental Organization also provides skill training and marketing technique programmes and technological knowledge programmes for the welfare of the members. SHG encourages the self-employment. It provides support for the economic independent, the decision making power of the women fish vendors. Furthermore the family members do not ignore the role and contribution in the family and extend their support in the decision making process.

Sujatha and Vennila [1] highlight the role of micro finance of self-help groups. Every business needs finance to starting their activities. Therefore, micro finance is an important tool for empowerment of women. It improves the low income people in the significant manner.

According to Mahesh, Swathi Lekshmi, Benakappa, Kumar Naik, Jitendra Kumar and Vijay Kumar Reddy [2] fisheries sector play a dominant role in generating the income of large section of coastal area people. The researchers also explain the performance of SHG among the fishing women. Their survey reveals that majority of the fishing women involve in the

medium level of decision making behaviour in their family.

Ninawe and Diwan [3] focus about the entrepreneur development and step for the improvement. Micro finance is provided for the empowerment of women to make flexible and innovative solution in their business. SHG plays key role for the development of women in fishery sector.

Ramachandran and Maniraju [4] observe that Self Help Group encourages as well as mobilizes the saving amount for members' betterment. Moreover, it delivers the credit to the needy person and make leader and also establish the linkage between members and banks to get the social and economic benefit. It also provides so many welfare programmes to make women economically independent and keep their self-esteem and confidence.

STATEMENT OF THE PROBLEM

Earlier to the 1980 the freedom of women in fishers' community had been limited. Their role in family was within the four walls like cooking, managing family and rearing children etc. So they were kept in ignorance, limited mobility, illiteracy, gender discrimination, low level of skill etc. They were to look after the domestic affairs, that they never imagined to generate income to support the family. When the bread winner of the family was not able to earn the required amount for the family, the women stepped in to earn through fish vending to feed her off springs. Sufficient finance is very essential for self-employment which makes better socio-economic condition. Now a days SHGs create desirable impact to eradicate poverty as well as uplift the poor fisher women.

OBJECTIVES OF THE STUDY

The study comprises various objectives such as identify the socio-economic condition of the respondents. Moreover it analyses the role of micro finance in the members of the SHG. Furthermore other objectives focus the benefits derived and problems faced by the fish vendors in SHGs.

SIGNIFICANCE OF THE STUDY

Working condition of fish vendors are very poor and they face lot of challenges beyond their capacity. Among them one of the critical challenge is lack of credit availability. This study expresses the role of micro finance as well as benefit of SHG in various aspects. Moreover it clearly state that the rate of interest of different SHG, which is very low with compared to other private money lenders or financial institutions.

METHODS

The present study is based on both primary and secondary data. The primary data are collected through the well-structured interview schedule. The secondary data are collected from journals, books, websites etc. Convenient random sampling techniques are adopted for the study. Sample of 50 head loading fish vendors are selected from Rajakamangalam Thurai village who are the members of SHGs. For the purpose of analysis percentage, Garrett ranking method is used.

RESULTS AND DISCUSSION

Socio-economic status:

The following table reveals the socio-economic characteristics of sample Respondents:

Table 1. Socio-economic status

| Variable | Categories | f | % |
|---------------------------------------|----------------|----|-----|
| Age | 40-45 | 4 | 8 |
| | 46-50 | 28 | 56 |
| | Above 50 | 18 | 36 |
| Education | Illiterate | 2 | 4 |
| | Primary | 45 | 90 |
| | Secondary | 3 | 6 |
| Family size | Less than 5 | 2 | 4 |
| | Above 5 | 48 | 96 |
| Family type | Nuclear family | 50 | 100 |
| | Joint family | - | - |
| Marital status | Married | 44 | 88 |
| | Unmarried | - | - |
| | Widow | 6 | 12 |
| Period of membership in SHGs in years | 5-10 | 2 | 4 |
| | 11-15 | 7 | 14 |
| | Above 15 | 41 | 82 |
| Income | Below 4000 | 7 | 14 |
| | 4000-8000 | 39 | 78 |
| | Above 8000 | 4 | 8 |
| Expenditure | Below 10,000 | 3 | 6 |
| | 10,000-15,000 | 12 | 24 |
| | Above 15,000 | 35 | 70 |

Source: primary data

From the analysis of socio-economic status of the fisherwomen, it is found that 56% of the sample respondents belong to the age group of 46-50 and 90% of them have the primary level of education. Moreover 96% of the family size is above 5. In the case of family type 100% of them live in nuclear family and all the respondents are in the status of married and 12% are widows. It is also observed that 82% of the respondents have been member of SHGs for 15 years. In the case of income level majority of them (78%) are earning Rs

4000-8000 per month and also their expenditure is above Rs.15,000.

Role of micro finance

The table 2 reveals the role of micro finance to the development of members as well as their family.

Table 2. Role of micro finance

| Role of Micro Finance | f | % |
|--|----|----|
| 1. Reduce the Poverty level and Improvement in Income | 7 | 14 |
| 2. Provide better for their family especially education | 5 | 10 |
| 3. Improvement in entrepreneur skill and sustainable development | 14 | 28 |
| 4. Create job | 9 | 18 |
| 5. Reduce stress by easy availability and low interest rate | 12 | 24 |
| 6. Others | 3 | 6 |

Sources: Primary Data

Micro finance play various role to the members of the SHG in various situation. They express that which role is sensitively very powerful to them. 14% of the simple respondents convey which reduces the poverty level and improvement in income. 10% of them indicate micro finance provide better for their family especially education. Maximum number of respondent that is 28% express improvement in entrepreneur skill and sustainable development. In the case of create real job 18% of them appreciate the micro finance. 24% of them point out which reduces stresses by low rate of interest. Remaining 6% of them exhibit other role such as improve social capital and help in tough situation.

Table 3. Problems faced by the fish vendors to get the assistance from SHGs

| Problems | No. of respondents | Percentage |
|---------------------------------------|--------------------|------------|
| 1. Conflict among the groups | 8 | 16 |
| 2. Complexity of loan procedure | 9 | 18 |
| 3. Improper savings | 7 | 14 |
| 4. Exploitation by dominating members | 4 | 8 |
| 5. Risk bearing | 13 | 26 |
| 6. Others | 9 | 18 |
| Total | 50 | 100 |

Table 3 shows the problem encountered by the fish vendors to obtain aid from SHGs. All the respondents are

encountering one or other inconveniences in SHG. The above table reveals the problems affecting the beneficiary severely. 16% of the respondents face conflicts among the group members and also 18% of them find it difficult to understand loan procedure. Regarding improper savings, 14% of them are upset. Sample respondents of 8% express exploitation by dominating members. 26% of them face the problem of risk bearing, moreover 18% of them face other problems like misunderstanding, lack of unity, irregular functioning of group.

Table 4. Benefits received from SHGs

| Benefits | Garrette mean | Rank |
|--------------------------------------|---------------|------|
| 1. Saving attitude and Interest Rate | 50.92 | I |
| 2. Mutual Help | 49.6 | III |
| 3. Personal Confidence | 49.2 | IV |
| 4. Investment | 47.18 | VI |
| 5. Decision Making Power | 50.48 | II |
| 6. Other | 49 | V |

Sources Primary Data

Table 4 reveals Garrette’s score for benefits received by SHG. Upon Calculating Benefits Received by SHGs using Garrette’s score the first rank is obtained by Saving Attitude and Low Interest Rate, it is the basic quality for SHGs. The second rank is scored by Decision Making Power. Mutual Help and Personal Confidence take the third and fourth rank. Other benefits such as Awareness about Education, Economic Independent Improvement in Occupation, support fall in fifth rank. The last rank is given to Asset Ownership.

FINDINGS OF THE STUDY

In Rajakamangalam Thurai four major SHGs are functioning, such as Santhithan, Thozhamai sangam, Social Educational Development (SED) and Stella Mary. The first three categories are formed for the welfare of the coastal area people from Neerodi to Arockiapuram. These villages come under the district of Kanyakumari. Except Santhithan, remaining three groups have number of sub group. The people were motivated for joining in the SHG by announcing the parish priest in their church, friends, neighbours and relatives. There are more than 60 fish vendors in Rajakamangalam Thurai.

In the study area of Rajakamangalam Thurai 84% of the sample respondents are the members of more than one SHG. Every group has minimum 12 members and one guide to motivate the group efficiently and he/she may not be the member of the group. Furthermore every

group has one headperson, cashier and secretary. Initially 72% of the members are familiar with bank activities only through SHG. The saving of the SHGs is to be deposited at the bank. IOB, ICICI, NABARD are the familiar loan providing financial institutions. NGOs’ participation is considerable one.

Loan through SHGs is discharged with low interest rate. The interest for loan amount is one paise for NGOs but bank interest is 1.25 paise. The loan amount for the members can be obtained from Rs.75,000 to 6,00,000 lakhs per group. When number of members in SHGs more than 12, the amount may increase. In the view of payment procedure the loan amount and interest rate will be reduced at diminishing rate. For example, when a member gets the loan amount of Rs10,000 she has to pay Rs.1000 as loan amount and Rs.100 as interest on the due date. The next due she has to pay Rs.900 as loan amount and Rs.90 as interest rate. Then she has to pay Rs.800 loan amount and Rs. 80 as interest. In this case totally the rate of interest is one paise. In Rajakamangalam Thurai nearly more than 700 people are members in the SHGs.

The term one paise rate of interest is used colloquially by the coastal area people. It refers to charging the amount of one paise for every rupee. Sometimes the members of SHG can get subsidy or discount for their loan amount. Only 28% got subsidy from their loan amount. Aftermath of Tsunami, these SHGs provided the members the basic needs like rice, vegetables and grocery items.

Thozhamai sangam, and SED provide more support to head loading fishers women than other SHGs. Thozhamai Sangam provides educational loan, marriage loan, fishing related loan to its members for the improvement of their socio-economic condition. Besides it gives Rs.800 worth of vessel, a container to collect and carry fish to market at the rate of Rs.100 for the member of this SHG. But SED provides the vessel at free of cost. Both Santhithan and Thozhamai sangam provide death relief fund Rs.25,000 to the members. In order to get this finance the beneficiary has to pay Rs.250 per year. Initially this fund was Rs.10,000 in the payment of Rs.100 every year.

To issue the loan amount SHG’s guide meet the members and get their signature in the promissory note then he/she disburse the loan amount. Some occasion the bank issues cheque in the name of SHG guide who gives the loan amount to the beneficiaries. Loan amount also is issued through the cheque to the governing body of the SHG who encash the amount to distribute to the

beneficiaries. All the respondents accept that micro finance makes desirable change in their day to day life.

CONCLUSION AND RECOMMENDATION

The study may enable the government and local authorities to solving the problems and providing awareness to the women fish vendors through SHGs. Micro finance is the key element for poverty alleviation and sustainable development. Provision of micro finance helps to improve the welfare of women fish vendors by inducing the income generating activities and make socio-economic betterment of the poor fish vendors. It will strengthen the fishermen community. The contribution of women fish vendors is the important indicator to the economic development of this community. Few women fish vendors are using the loan amount for other than income generating activities and they need the advice of experts to utilize the loan amount. They should arrange the training programmes through NGOs, bank, SHGs to get awareness about the role of micro finance for their development. SHGs play powerful role in the life of women fish vendors. It improves them personally because women are enabled an autonomous agent for their own development. It will make social as well as economic changes.

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