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Research Paper

# Micro Finance and Its Impacts on Empowerment of Dalit Women in Cuddalore District

Commerce

**KEYWORDS :** Micro Finance, Empowerment, Self Help Groups, Dalit Women

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## ABSTRACT

*Micro finance is the model of empowerment of the local people. Micro finance means providing very small loan to poor families rural, urban and semi urban areas. It is the major provision of financial services such as like savings, insurance, marketing, credit, thrift, production, investment, fund transferred and disadvantaged segment of society. Micro finance is one of the major tools for women empowerment and also it provides develop the society. This paper mainly focused on micro finance and its impact on empowerment of Dalit women in Cuddalore district.*

**Introduction**

Self Help Group is small group which is a voluntarily association of poor women come together for develop the families and society. The SHG member create the common funds though regular or monthly savings that funds utilize to their improve the standard living condition and they will join main purpose to improve the personality, develop the proper communication skill, to improve the work establish right of the rural women with socio economic development and increasing the confidence level. SHG is one of the key roles of women empowerment in our society. Empowerment of dalit women became an emerging segment of the socio-economic issues which closed associated with overall development of the country. Empowerment is possible through various economic activities such as entrepreneurship, employment and self help groups.

**Objectives of the study**

To measure micro finance and its impact on empowerment of dalit women in Cuddalore district.

**Methodology of the study**

The present study is descriptive in nature using both primary data and secondary data. Primary data were collected through interview schedule from the respondents in the study area. Secondary data were collected from various journals, magazines, newspaper related website and records of Mahalir Thittam in Cuddalore District, NABARD annual reports etc. with the help of appropriate advanced statistical tools like Simple percentage, Regression, and Factor analysis.

**Sampling Techniques**

The study is based on stratified random sampling method. In the Cuddalore District there are 21943 SHGs with 327397 members of which there are 1369 dalit SHGs with 9248 members. The District is divided into two strata as rural and urban. In rural there are 13 blocks, from each block 20 respondents, and in urban there are 5 municipalities from each municipalities 48 respondents were selected on the basis of convenience sampling techniques. Hence, the total sample size is restricted to 500 respondents for the study.

**Scope and period of study**

The present study undertaken is micro finance and its impact on dalit women in Cuddalore District. This study mainly covers dalit women through micro finance with regard to economic, social and political empowerment of dalit SHGs women.

**Table 1: Awareness of SHGs activities**

| Activities | No. of Respondent | Percentage |
|---|---|---|
| Meeting calendar | 26 | 5.2 |
| Savings of Group | 42 | 8.4 |
| Outstanding loan | 24 | 4.8 |
| Repayment of bank loan | 32 | 6.4 |
| Group loan | 12 | 2.4 |
| No. of members taken loans | 15 | 3 |
| Cash in hand | 22 | 4.4 |
| Objectives of the groups | 25 | 5 |
| Economic activities | 14 | 2.8 |
| No opinion | 288 | 57.6 |
| Total | 500 | 100.0 |

**Sources: Primary Data**

It can be observed from above the table no. 1 that out of total 500 respondents, 5.2 per cent of the respondents have awareness in meeting calendar, 8.4 per cent of the respondents have awareness in savings of groups, 4.8 per cent of the respondents have awareness in outstanding loan, 6.4 per cent of the respondents have awareness in repayment of loan, 2.4 per cent of the respondents have awareness in group loan, 3 per cent of the respondents have awareness in number of members taken loan, 4.4 per cent of the respondents have awareness in cash in hand, 5 per cent of the respondents have awareness in objectives of groups, 2.8 per cent of the respondents have awareness in economic activities and the remaining 57.6 per cent of the respondents have no awareness of any SHG activities. A maximum of respondents (57.6%) were not aware about the activities of SHG.

**Table 2: Impact of Microfinance on rural community**

| Variables | S.A | A | N.0 | DA | S.DA | Total |
|---|---|---|---|---|---|---|
| To save regularly | 110 (22.0) | 158 (31.6) | 92 (18.4) | 34 (6.8) | 106 (21.2) | 500 (100) |
| To work establish right of the rural women | 135 (27.0) | 129 (25.8) | 114 (22.8) | 109 (21.8) | 13 (2.6) | 500 (100) |
| To socio economic development | 125 (25.0) | 134 (26.8) | 115 (23.0) | 66 (13.2) | 60 (12.0) | 500 (100) |
| To discuss about internal banking | 100 (20.0) | 186 (37.2) | 86 (17.2) | 43 (8.6) | 85 (17.0) | 500 (100) |
| To work against social evils | 158 (31.6) | 188 (37.6) | 85 (17.0) | 45 (9.0) | 24 (4.8) | 500 (100) |
| Micro entrepreneurial development | 113 (22.6) | 22.6 (42.6) | 82 (16.4) | 35 (7.0) | 57 (11.4) | 500 (100) |

**Sources: Primary Data**

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Table no. 2 reveals the impact of micro finance of the respondents, 31.6 per cent of the respondents and 22.0 per cent of the respondents agree and strongly agree with save regularly, 27.0 per cent and 25.8 per cent of the respondents agree and strongly agree with work establish right of the rural women, 26.8 per cent and 25.0 per cent of the respondents agree and strongly agree with socio economic development, 37.2 per cent and 20.0 per cent of the respondents agree and strongly agree with discuss internal banking, 37.6 per cent and 31.6 per cent of the respondents agree and strongly agree with work against social evils, and 42 per cent and 22.6 per cent of the respondents agree and strongly agree with micro entrepreneurial development in the study area.

**KMO and Bartlett's Test**

| | | |
|---|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | 0.726 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 644.517 |
| | df | 36 |
| | Sig. | 0.000 |

KMO is calculated using correlation and partial correlation to test whether the variables in our sample are adequate to correlate. A general rule of thumb is that KMO value should be greater than 0.5 for a satisfaction factor analysis to proceed. By observing the above results from the table KMO value 0.726, we can proceed with factor analysis. Bartlertt's test of sphericity is to find out the relationship between the variables. The P value is 0.000, which is greater than 0.05, the assumed level of significance, indicating the rejection of the hypothesis that completion matrix variable is insignificant. It is concluded as evident from table that 3 factors account for 54.8 percent of total variance.

**Table 3: Components on Problem of Micro Finance**

| Variables | Lack of knowledge | Poor Awareness | Poor Banking system |
|---|---|---|---|
| Lack of operation | 0.714 | | |
| Proper training | 0.695 | | |
| illiteracy | 0.688 | | |
| Lack of knowledge | 0.582 | | |
| Lack of awareness | | 0.695 | |
| Lack of confidence | | 0.663 | |
| Infrastructure facilities | | 0.631 | |
| Insufficiency of banking system | | | 0.795 |
| Depending on grants in aids | | | 0.625 |
| Eigen values | 2.63 | 1.20 | 1.09 |
| Total variance | 23.16 | 15.91 | 15.73 |
| Alpha | 0.747 | 0.604 | 0.733 |

As for factor 1, it is evident that the highest variable loaded is lack of operation as (0.714), proper training as (0.695), illiteracy as (0.688), and Lack of knowledge as (0.582) on factor 1. Thus factor 1 can be named as lack of knowledge.

As for factor 2, it is evident that the middle variable loaded is lack of awareness as (0.695), lack of confidence (0.663), Infrastructure facilities as (0.631). This factor can be determined as poor awareness and confidence level.

As for factor 3, it is evident that the low variable loaded is insufficiency of banking system as (0.795) and Depending on grants in Aids (0.625). This factor can be determined as poor banking system.

**Regressions**

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|
| 0.099 | 0.010 | 0.002 | 0.772 |

It is seen from the above analysis that there has been a low degree of correlation (0.009) between the selected variance related factors loading matrix for initially with micro finance in Cuddalore district. The R square indicates (0.010) per cent of variation in micro finance on community development.

The table model that summary of the R value (0.099) indicates multiple correlation co-efficient between all the entered independent variables and dependent variables.

**Table 4: Coefficients of Micro Finance on Community Development**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 1.797 | 0.138 | | 13.048 | 0.000 |
| To save regularly | 0.043 | 0.024 | 0.079 | 1.749 | 0.041 |
| Socio economic development | -0.016 | 0.028 | -0.026 | -0.579 | 0.563 |
| To work against social Evils | 0.047 | 0.033 | 0.068 | 1.443 | 0.150 |
| Micro entrepreneurial development | -0.011 | 0.029 | -0.018 | -0.386 | 0.007 |

The ANOVA table indicates p-level to be 0.001. This indicates that the model is statistically significant at 1% level. Also it is noted that t-tests significance of individual independent variable indicates that to save regularly and Micro finance entrepreneurial development are significant, and dependent variables indicate socio-economic development, and to work against social evils. The standardized co-efficient Beta column gives the co-efficient of independent variable in the regression equation including all predicators' variables.

P value = To Save regularly (0.041), Socio economic development (0.563), To work against social evils (0.150), Micro entrepreneurial development (0.007).

Community development (y) = 1.797 + 0.043 – 0.016 + 0.016 + 0.047 – 0.011.

**Major findings of the study**

A maximum of (57.6%) respondent have no awareness on SHG activities, and minimum of (2.4%) respondents have awareness in group loan.

Majority of (31.6%) and (22.0%) respondents agree and strongly agree with save regularly.

Only (26.8%) respondents have opinion their agree with socio economic development

It is found that majority of (37.6%) respondents have opinion their agree with discuss about internal banking.

Nearly (42.6%) and (22.6%) respondents have opinion agree and strongly with micro entrepreneurial development.

It is evident has highest variable loaded lack of operation as (0.714), proper training as (0.695), illiteracy as (0.688), lack of knowledge as (0.582) on factor1.

**Conclusion**

Self Help group is one of the models for which help to poverty alleviation women empowerment. Majority of the women join this group to be improving their family and social status. SHGs in Cuddalore district is not effectively functioning due to lack of

awareness and encouragement from agencies. SHG is the way to mobiles savings from a group of people with the purpose of channelizing the economic activities. Through SHG, there has been lot of changes in the society particularly those who are belong to down drown sections, such as women, dalits etc.

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