

## IMPACT OF MICRO FINANCE AMONG SELF HELP GROUPS IN FISHERIES (AT NORTH CHENNAI)

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**Abstract:** Microfinance can be defined as loans, savings, insurances, transfer services and other financial products for low-income clients. 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 main objectives of this study are to evaluate the State Co-operative Bank performance of microfinance on the economic development of fishing community in north Chennai.

**Key words:** Microfinance, Fishing Community, Community Development.

### 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. Around 38 million people worldwide are employed in fisheries and aquaculture, of which 95% of them are living in developing countries.

India has a long coastline of 8,129Kms, Exclusive 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. Marine capture fisheries play a vital role in India's economy, providing employment and income for nearly two million people.

### STATEMENT OF THE PROBLEM

India is one of the major fish suppliers in the world. As per the Indian government's 2012 statistics, more than

14 million people rely on fishing. In Tamil Nadu alone, 559,360 lakhs people depend on fishing (Annual Report: India, 2008-2009). In Chennai, there are 96 wholesale and retail fish markets. Chennai has 25.60 kms of sea coast which is flat and sandy for about a km from the shore. The bed of the sea is about 42' deep and slopes further in gradual stages for a distance of about 5 kms from the coast attaining a depth of about 63'. Self Help Groups (SHGs) are either registered or unregistered groups of people who are economically homogenous; and the members are basically small and marginal farmers, landless agricultural laborers, rural artisans, petty rural traders, who voluntarily come together to save small amounts regularly for mutual help (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.

## **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' stated that group based microfinance interventions had led a positive impact on the socioeconomic development of poor villagers in Orissa.

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', concluded that partnerships between MFIs, fisheries-sector stakeholders and social service providers have the potential to make significant contributions to both poverty reduction and responsible fisheries. Jayaraman (2005) in his paper 'Performance Analysis of Fisherwomen Self Help Groups in Tamil Nadu' found that fisherwomen SHGs performing well in availing and repaying microcredit which had contributed to their socio – economic empowerment and also to better livelihood conditions.

Karmakar, Mehta, Ghosh and Selvaraj (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) with special attention to women' stated that Microfinance gains significance in the context of ever changing technological options in marine fisheries and having good scope among rural fishery women's.

This study measuring the effect of amanahikhtarmalaysia's microcredit programme on monetary vulnerability among hardcore households (2014) by abdullah al-mamun, mohammadnurulhudamazumder, c.a. malarvizhi tried to evaluate the impact of amanahikhtarmalaysia's (intention) microcredit programme on the extent of monetary vulnerability amongst difficult core terrible household clients in peninsular malaysia. Findings showed that participation in purpose's microcredit programme decreases the extent of financial vulnerability.

"Examining the Effect of Microcredit on Poverty in Malaysia" (2012) employs a cross-sectional design with stratified random sampling method to have a look at if the microcredit programme of the amanahikhtarmalaysia (goal) improves the earnings of hardcore negative families. 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 eradicating 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.

Can Microfinance Promote Livelihoods and Reduce Vulnerability Among Adivasis? (2017) A Study of Some NGO Interventions from Karnataka and Tamil Nadu by D. Rajasekhar, R. Manjula, Suchitra J.Y. To what volume have NGO microfinance programmes for adivasi families promoted livelihoods and reduced poverty and vulnerability among them? This query is analysed with the help of number one facts collected from Karnataka and Tamilnadu states. despite the fact that adivasi households have joined microfinance organizations, made small savings and availed credit facility, microfinance sports have not significantly stepped forward livelihoods and decreased vulnerability. in the absence of financial savings merchandise to satisfy charges on housing and marriage, and get entry to to formal social protection offerings together with health insurance, adivasis are compelled to borrow from casual sources. this places them into inextricable debt traps, undoing whatever effective impact that microfinance programmes might also have. to avoid this sort of state of affairs, significant financial savings products and get admission to social safety are wanted.

## **OBJECTIVES OF THE STUDY**

1. To study the socio-economic conditions of fishing community of Self Help Groups.
2. To analyze the respondents earning withage.
3. To evaluate the impact of Microfinance on the economic conditions of fishing community of Self Help Groups members in north Chennai.

## RESEARCH METHODOLOGY

This research is a descriptive study among fishing community people. The researcher has studied the following variables – Age, Marital Status, Education, Types of Enterprises, Monthly Income and Family Month Expenditure. This study was based on the data collected from both primary and secondary sources. The primary data carried out in north Chennai was collected using a tool of interview schedule from SHG's members. The secondary data are collected from internet, journals and magazines. Sample size of 47 was selected by using Cluster Sampling Method. The study involves only with fishing community SHG's formed by Tamil Nadu State Co-operative Bank, Chennai main branch. The researcher has used modern and sophisticated statistical tools like Garrett Ranking T-Test, Pearson Correlation and Percentage method. The researcher has used SPSS 16 software package to analyze the primary data collected from the SHG's member. Limitations of the Study: The empirical part of this study shall be confined to limited number of fishing community SHG's. The sample size may not be regarded as an exact replica of the universe.

### Hypothesis

H0: There exists no significant relationship between the monthly income of the respondents and the Age.

H1: There exists no significant difference between the income of the respondent before and after joining in the SHG.

## DATA ANALYSIS AND INTERPRETATION

**Table 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	

Source: Primary data

**Table 2**  
**Education Status of the Respondent**

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
<b>Total</b>	<b>47</b>	<b>100.0</b>	

Source: Primary data

Table 1 shows that 40 out of 47 members i.e., 85 percent are married and the remaining respondents belongs to unmarried, divorce and widow category. Table 2, shows that the educational qualifications of the members. The result shows that majority of the members are illiterate.

**Table 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
	Total	1	21	11	8	6	47	100
	% of Total	2.1	44.7	23.4	17	12.8	100	

Source: Computed Table using Primary data

From table 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.

**Inferential Analysis**

**H01** – There is no significant relationship between the monthly income of the respondents and the Age.

**Table 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. there exists no significant relationship between monthly income of the respondents and their age.

**H02** - There is no significant difference between the income of the respondents before and after joining SHG.

**Table 5  
Paired Samples 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 5 (a)**

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

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

**Ranking**

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

$$Per\ cent\ Position = \frac{100(R_{ij} - 0.5)}{N_j}$$

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

$N_j$  – Number of factors ranked by the  $j^{th}$  individual

$$Mean\ Score = \frac{Total\ Garret\ Score}{No.\ of\ Respondents}$$

**Table 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	<b>01</b>	83.72	<b>01</b>
ii	Rent paid for house	57.44	<b>02</b>	59.87	<b>02</b>
iii	Interest paid for personal Loan	57.14	<b>03</b>	54.00	<b>04</b>
iv	Expenses for children’s education	53.61	<b>04</b>	52.91	<b>05</b>
v	Interest paid for Business Loan	53.48	<b>05</b>	45.06	<b>11</b>
vi	Expenses for personal actives	51.25	<b>06</b>	52.31	<b>06</b>
vii	Fuel expenses for cooking	51.06	<b>07</b>	44.10	<b>13</b>

contd. table 6

*Impact of Micro Finance among self help groups in Fisheries (at North Chennai)*

Sl. No	Expenditure details	Mean Score (Before)	R	Mean Score (After)	R
viii	Electricity paid	50.95	08	50.59	08
ix	Other Expenditure	47.95	09	47.38	09
x	Transportations	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 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.

### 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. Monthly Income after joining in the group is significantly higher than the mean Monthly Income before joining the group. The impact of microfinance on fishing community SHG's 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 microfinance plays a vital role in the developing economy to uplift the poor and eradicate the poverty. The RBI and NABARD have taken steps to promote

microfinance through SHG-Bank Linkage Program in India. The microfinance has brought economic development on fishing community SHG members. The micro finance creates self-employment and eradicates poverty to a greater extent.

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