



IMPACT OF MICRO FINANCE ON WOMEN MICRO ENTERPRISES WITH SPECIAL REFERENCE TO WAYNAD DISTRICT

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ABSTRACT

Micro Finance and its main service micro credit are emerged as a visible credit channel to the poor mainly in micro enterprises. Microfinance means the broad spectrum of financial services such as loans, insurance, savings etc. provided to the people of low-income groups. Conversely, Microcredit focused to a small loan provided at a low-interest rate to the persons of below poverty line to make them self-employed and also help to the small entrepreneurs start their own business. The main objective of the study is to evaluate the impact of micro finance in women micro enterprises. The primary data were collected through structured interview schedule covering 100 women micro enterprises from Waynad district of Kerala. Conclusion of the study show finance and its products provide a positive impact on the development of women micro enterprises, it also enhance the development of entrepreneurs.

KEYWORDS: Micro Finance, Women Micro Enterprises, Micro Credit.

INTRODUCTION

The emergence of microfinance has a very positive impact on the beginners who wants to start their business, but cannot have access to the banking services. In India most of the people in rural areas spend their times in agriculture sector. Now a day's industry and allied activities also perform necessary steps to the attainment of the development of the economy. Government of India arranged various efforts to provide finance to poor with access to credit. Micro finance has emerged as a most suitable and practical alternative to the conventional banking system and various product and services of it will definitely increasing the growth of the sector. Micro credit is one of the major services provided by micro finance. Micro credit enables the poor people to be thrifty and help them in availing the credit and financial services for improving their income and living standard. Waynad District is one of the largest registration women manufacturing micro enterprises registered with District Industrial Centers from Northern zone of Kerala. In the year 2016-2017, 351 women micro enterprises registered with Waynad District Industrial Centers. Waynad District also occupies the third position the Kerala women micro enterprises registration.

REVIEW OF LITERATURE

Ben Royaly (1996) in his article about micro finance evangelism, 'destitute women, and the hard selling of new anti-poverty formula, he assessed that micro finance institutions will reduce the mass

poverty and increase in the risk of micro credit it will serve as a blue print approach to reduce poverty eradication at whole levels.

Shahidur. R. Khandker (2005) in his article micro finance and poverty: evidence using panel data from Bangladesh, he examined the effect of micro finance on poverty reduction at both the participant and also the aggregate levels using panel data from Bangladesh state. He also revealed that micro credit contribute to reduce poverty, especially for female participants and also to reduce mass poverty. He also assessed that micro finance thus helps to not only poor participants but also the local economy.

OBJECTIVES OF THE STUDY

The main objective of the study is to examine the impact of micro finance on women micro enterprises.

HYPOTHESES

There are four hypotheses were formed for the objectives.

H₀₁: There is no association between the profitability of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

H₀₂: There is no association between the growth and development of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

H₀₃: There is no association between the saving habits of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

H₀₄: There is no association between the credit worthiness of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

METHODOLOGY

Sample respondent are selected from Waynad District Industrial Centers. The sample respondent are the real owners of the women micro enterprises and they are registered their units with District Industrial Centers. Total of 100 women micro entrepreneurs are randomly selected and out of total, 50 entrepreneurs are beneficiary of micro finance and the rest of others are non-beneficiary of micro finance and its allied services. Structured interview schedule was adopted for collecting responses from the respondent and spearman's Chi square test was used for analyzing the data.

IMPACTS ON MICRO FINANCE

H₀₁: There is no association between the profitability of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

The profitability of beneficiaries and non-beneficiaries of micro finance in women micro enterprises is analyzed by spearman's chi square test. It is inferred from the table 1 that P value is less than 0.05, hence it can be concluded that there is an association between the profitability of beneficiaries and non-beneficiaries of micro finance in women micro enterprises. That is the null hypothesis is rejected at 5% significance level.

Table 1
Impact on Micro finance is to the Profitability of Women micro enterprises.

Profitability/Responses		Beneficiary/Non beneficiary		Statistics	Value	P value
		Beneficiary	Non beneficiary			
Profitability	Very low	2	13	Pearson Chi-Square	28.374	0.00
	Low	6	21			
	Neutral	7	2			
	High	25	9			
	Very high	10	5			
Total		50	50			

Source: Primary Data

Significant value is less than 0.05, hence reject null hypothesis and accept alternative hypothesis, were there is an association between the profitability of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

H₀₂: There is no association between the growth and development of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

Table 2
Impact on Micro finance is to the Growth and Development of Women micro enterprises.

Growth/Responses		Beneficiary/Non beneficiary		Statistics	Value	P value
		Beneficiary	Non beneficiary			
Growth	Very low	5	16	Pearson Chi-Square	28.418	0.00
	Low	3	18			
	Neutral	8	3			
	High	19	6			
	Very high	15	7			
Total		50	50			

Source: Primary Data

The growth and development of beneficiaries and non-beneficiaries of micro finance in women micro enterprises is analyzed by spearman’s chi square test. In five point scale, micro finance beneficiaries are opted in high and very high were compared to on beneficiaries of micro finance. It is inferred from the table 2, which P value is less than 0.05, hence it can be concluded that there is an association between the growth and development of beneficiaries and non-beneficiaries of micro finance in women micro enterprises. That is the null hypothesis is rejected at 5% significance level.

H0₃: There is no association between the saving habits of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

Table 3
Impact on Micro finance is to the saving habits of Women micro enterprises.

Savings/ Responses		Beneficiary/Non beneficiary		Statistics	Value	P value
		beneficiary	Non beneficiary			
Savings	Very low	4	14	Pearson Chi-Square	25.9	0.00
	Low	5	20			
	Neutral	8	2			
	High	22	10			
	Very high	11	4			
Total		50	50			

Source: Primary Data

The saving habits of beneficiaries and non-beneficiaries of micro finance in women micro enterprises is analyzed by spearman’s chi square test. Saving habits of women entrepreneurs are depending upon their income. It is inferred from the table 3, which P value is less than 0.05, hence it can be concluded that there is an association between the saving habits of beneficiaries and non-beneficiaries of micro finance in women micro enterprises. That is the null hypothesis is rejected at 5% significance level.

H0₄: There is no association between the credit worthiness of beneficiaries and non-beneficiaries of micro finance in women micro enterprises.

Table 4
Impact on Micro finance is to the Credit worthiness of Women micro enterprises.

Credit worthiness/Responses		Beneficiary/Non beneficiary		Statistics	Value	P value
		beneficiary	Non beneficiary			
Credit worthiness	Very low	6	15	Pearson Chi-Square	28.766	0.00
	Low	2	18			
	Neutral	3	3			
	High	26	8			
	Very high	13	6			
Total		50	50			

Source: Primary Data

The credit worthiness of beneficiaries and non-beneficiaries of micro finance in women micro enterprises is analyzed by spearman’s chi square test. It is inferred from the table 4, which P value is less than 0.05, hence it can be concluded that there is an association between the credit worthiness of beneficiaries and non-beneficiaries of micro finance in women micro enterprises. That is the null hypothesis is rejected at 5% significance level.

FINDINGS

- Profitability of a women enterprise is depending on the nature of micro finance.
- Growth prospect is increasing with increasing use of micro finance by women entrepreneurs.
- Saving habits of women micro entrepreneur is mainly depending upon their financial strength.
- Credit worthiness of a women enterprise is mainly depending upon the handing of micro finance.
- Waynad Disritct Women micro entrepreneurs are more satisfactory in giving and usage of micro finance in their business activities when compared to non beneficiary of micro finance.

CONCLUSION

Micro enterprises have been recognized as an engine of economic growth in world wide. In Kerala, these types of enterprises are manufactured in different types of product ranging from household products to machine products. Micro finance provides an inevitable tool for the development of micro enterprises. Various allied services provided by micro finance as well as micro credit. Micro finance beneficiaries are acquire more growth prospects in their business and allied areas as compared with non-beneficiaries of micro finance.

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