

Non Governmental Organizations And Micro Finance

Dr. R. Thanga Sheela,
Assistant Professor
Department of Economics
Post Graduate and Research Centre
S.T.Hindu College, Nagercoil.

ABSTRACT

India has a long history in implementing various programmes in rural development since independences. In the process of development, India has achieved significant process in the various fields. But still the country has to travel a lot to improve the standard of living of the rural people particular in the fields of employment generation, self-employment women empowerment through various socio-economic innovations and activities of social development. I has recognize the crucial importance of micro-planning, Micro-credit and peoples participation. Micro-credit, lending to the SHGs in several ways to achieve objectives of poverty alleviation Non-Governmental Organizations (NGOs) has been the grass root of the women groups and to undertake various micro entrepreneurial activities, generation of employment and income particularly among rural women. The main objective of the present study is to analyze the role of NGOs in promoting living conditions of women through micro-finance in Kanyakumari district.

Keywords: NGOs, Micro-finance, SHG, poverty and employment.

1. INTRODUCTION

India has a long history in implementing various programmes in rural development since independence. The process of development of one sector of the society acquire wealth and another sector of the society became poor, if the situation continuous poor become poorer, and rice became richer. When the gap between the rich and the poor widens there in every possibility that a conflict occurs between the rich and the poor. Poverty anywhere in the danger of propriety everywhere. It has recognized the crucial importance of micro planning, micro-credit and people's participation.

Micro credit can be given in several ways to achieve the objectives of poverty alleviation through generation of reemployment and income particularly among rural women. Small loans involve high transaction costs and monitoring the accounts also possess difficulty. These problems can be overcome when small groups of women borrowers are formed and the loans are lent on the strength of group guarantee. Lending to the group minimize the transaction costs by covering a number of small loans under one account. The constant monitoring of group by the Non-Governmental Organizations (NGOs) and the intimate knowledge of the members about each other help in assessment of the borrowers and the fear of loan sanction ensures recovery. NGOs with grass root women groups helps to identify the aptitude of women for different types of income generating activities and arrange for skill development programme. Many NGOs have been undertaking service activities through Self Help Groups (SHGs) to undertake various micro entrepreneurial activities.

2. OBJECTIVES

- The main objectives of the study is to analyze the role of NGO in promoting living conditions women of through micro-finance in Kanyakumari district.

3. METHODOLOGY

The data required for this study were collected from both secondary as well primary sources. The secondary data have been collected from the various reports., journals and book. The primary data required for the study were collected from the sample respondents through, pre-tested schedules specially designed keeping to view the objectives of the study. The data were collected through personal interviews with sample members.

4. TOOLS OF ANALYSIS

The facts and figures are illuminated through tables for the purpose of analyzing the data. Average and percentage are used in the interpretation and presentation of data.

SAMPLE DESIGN

The sample respondents for the present study cover fifteen SHGs namely under-fives names Samanthi, Jasmin, Vidiyal, Vanavil, Srikrishna and Surya Gandhi under taken by three NGOs namely, Vidiyal, Vanavil and sun in Kanyakumari district. From each SHGs (20 members) and 10 members (50 percent) were selected as the random sampling method. On the whole, this study covers 150 members have been selected as the assessment of the role of NGO and micro finance the socio economic conditions of the women in Kanyakumari district.

ROLE OF NGO'S IN KANNIYAKUMARI DISTRICT

NGO's are playing a significant role in the empowerment of disadvantages of women. Just a few years after independence, the Government set up the central social welfare board an apex today of the voluntary sector that aids more than 10,000 NGOs across the country, helping women stand on their own through such programme as socio-economic programme vocational training and other similar programmes.

NGOs involved in SHGs

NGO's acts as a financial intermediary between MFIs and SHGs. There were three NGOs involved and undertake the fifteen SHGs through micro finance programme in Kanyakumari district.

NGOS INVOLVED IN SHG

S.NO.	NAME OF THE SHG	NO OF SHGS	NO. OF RESPONDENT	NAME OF THE NGO			TOTAL
				VIDIYAL	VANAVIL	SUN	
1.	Samanthi	3	30	10	10	10	30
2.	Jasmine	3	30	10	10	10	30
3.	Jeyaram	3	30	10	10	10	30
4.	Srikrishnan	3	30	10	10	10	30
5.	Suryagandhi	3	30	10	10	10	30
	Total	15	150	50	50	50	150

Source : Primary data.

TABLE NO 1

TYPES OF MICRO FINANCE INSTITUTIONS

TYPES OF MFIS

S.NO.	PARTIC ULARS	NO. OF RESPONDENTS	PERC ENTAGE
1.	State Banking of India	11	7
2.	Mercantile Bank	15	10
3.	Cooperative society	30	20
4.	Pandiy an Grama Bank	94	63
	Total	150	100

Source: Primary data.

TABLE NO 2

Table. 2 show that, 58 percent of the respondents loan from Pandiy an Grama Bank, 14 percent of the respondents got loan from state bank of India in Kanyakumari district.

MICRO FINANCE LOAN TO SHGS MEMBERS

S.NO.	NAME OF THE SHG	SCHEMES	LOAN AMOUNT	SUBSIDIES	RECEIVED AMOUNT	NO. OF RESPONDENTS
1	Samanthi	Mahalir Thittam	1,02,500	26,406	9,86,094	30
2.	Jasmine	Mahalir Thittam	40,500	10,125	3,94,875	30
3.	Jeyaram	Mahalir Thittam	4,05,000	10,125	3,94,875	30
4.	Srikrishnan	Mahalir Thittam	4,012,500	26,604	3,94,875	30
5.	Suryagandhi	Mahalir Thittam	2,025,000	17,604	1,972,107	30
	Total		4,495,500	90.666	4,734,045	150

Source: Primary data.

TABLE NO 3

PURPOSE OF LOAN

PURPOSE OF LOAN

SL.NO.	PARTIC ULARS	NO. OF RESPONDENTS	PERC ENTAGE
1.	Housing Maintenance	42	28
2.	Business establishment	39	26
3.	Education purpose income generation	06	04
4.	Agricultural activity	39	26
5.	Healthcare	06	04
6.	Others	09	06
	Total	150	100

Source: Primary data.

TABLE NO 4

REPAYMENT OF LOAN**REPAYMENT OF LOAN**

SL.NO.	REPAYMENT OF LOAN	NO.OF RESPONDENTS	PERC ENTAGE
1.	Repayment in advance	-	-
2.	Repayment in time	123	82
3.	Repayment of delay	27	18
	Total	150	100

Source: Primary data.

TABLE NO 5**SKILL ENHANCEMENT TRAINING THROUGH MICRO FINANCE PROGRAMME**

SL.NO.	PARTIC ULARS	NO. OF RESPONDENTS	PERC ENTAGE
1.	Skill training	12	08
2.	Leadership quality	06	04
3.	Roles and responsibility	45	30
4.	Entrepreneurial development programme	24	16
5.	Income generation activities	33	22
6.	Marketing technique	12	18
7.	Business proposal writing	18	12
	Total	150	100

Source: Primary data.

TABLE NO 6

Table 6 elucidates the training programme closes by the SHGs members for enhancing their skills from various training programmes organized for selecting enterprises and promoting income generation activities though financial supports from financial institution by the micro finance programme.

BENEFITS RECEIVED BY THE RESPONDENTS FROM NGOS AND MICRO FINANCE

The extent of benefits received from NGOs though micro finance have been viewed differently by the respondents. While 52 percent of the total respondents considered the extent of benefit received by them are 'largely benefited' about 28 percent of them would consider it as 'benefited' and only 10 percent would consider it as 'Marginally benefited'. It is also interesting to note that more than to percent of the total respondents were 'not benefited at all form NGOs in the Kanyakumari district.

BENEFITS RECEIVED BY THE RESPONDENTS

SL.NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1.	Largely benefited	78	52
2.	Benefited	42	28
3.	Marginally benefited	15	10
4.	Not at all benefited	15	10
	Total	150	100

Source: Primary data.

TABLE NO 7

IMPACT OF MICRO FINANCE

Role of NGOs through micro finance in the study area to increase the capacity and promote entrepreneurship skills to meet out their basic and family needs for leading a peaceful and comfortable life at rural area. Majority of the respondents then they have to self-confidence to meet at their family needs and requirements. Therefore it is concluded that SHG members have the self-confidence to face-day-to-day problems with offers of NGOs through the impact of microfinance programme.

OPINION ABOUT THE IMPACT OF NGOS AND MICRO FINANCE BY THE RESPONDENTS

NO.	PARTICULARS	AGREE	DISAGREE	TOTAL
1.	Self-confident	120 (80)	30 (20)	150 (100)
2.	Skill enhanced	98 (65)	52 (35)	150 (100)
3.	Business establishment	71 (47)	79 (53)	150 (100)
4.	Capacity building	110 (73)	40 (27)	150 (100)
5.	Confidence to meet Govt officers	45 (30)	105 (70)	150 (100)
6.	Employment	87 (58)	63 (42)	150 (100)
7.	Empowerment	135 (90)	15 (10)	150 (100)
8.	Economic-Independence	140 (93)	10 (7)	150 (100)
9.	Increased savings	125 (83)	25 (17)	150 (100)
10.	Guidance to others	62 (41)	88 (59)	150 (100)
	Total	993 (66.2)	507 (33.8)	1500 (100)

Source: Primary data

VIEWS OF THE RESPONDENTS

SL.NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1.	Positive impact	98	65
2.	Negative impact	36	24
3.	No. Impact	14	11
	Total	150	100

Source: Primary data.

Impact of NGOs on micro finance though SHGs are given in table 9. More than 98(65%) of the respondents thanks, positively 24 percent thesis negatively and 11 percent think that there is no impact of NGOs and micro finance on SHGs members.

5. FINDINGS AND SUGGESTIONS

NGOs mainly aimed at belong to the people by developing a sense of co-operative attitude and to help them by mobilizing their own resources, identifying the problems and findings the solution to achieve their goals. NGOs normally deliver the micro finance through SHGs because they act as local financial intermediaries to reach the poor. The provision of micro finance has been emerged as one other most effective tools for enabling the poor and disadvantaged section of the society to alleviate poverty. Hence, it is considered that micro credit system is an alternative source of credit input for the development of the poor. The present study shows that there a increase in income, employers development skills more awareness of development programmes and reduction in the level of poverty with the help of micro finance. Access to the financial services and subsequent transfer of financial resources to poor women enable them to become economically self-reliable which play more active role in self-confident. Further, it is also suggested that, NGOs should spread their development programmes to every villages and to improve the non-form sector activities in the rural areas. Credit should be given to the respondents by the NGOs at the right time. NGOs also should provide micro finance frequently to the members of SHG so that they can improve their living standards and economic position and decrease their debt position.

6. CONCLUSION

In India, development of rural areas and rural poor has been one of the most crucial policies and several development programme have been launched for the community be alleviate poverty. Most of the NGOs in India are in a position to understand better the needs of the poor people as they are closer to target group. The involvement of NGOs in serving the rural poor and disadvantaged sections of the society is very active. Nowadays NGOs are providing relief activities, welfare services such as formation of SHGs, for the development of any nation, provision of credit and generation of saving are essential and they are recognized by the government as well as NGOs.

7. REFERENCES

- [1] K. Ganesh Babu “NGOs and Rural Development Programme”. DPH, Discovery Publishing House Pvt. Ltd., New Delhi, 2012.
- [2] Prabhu Ghat, “Indian Micro finance. The Challenges of Rapid Growth”, SHGs publication, New Delhi 2009.
- [3] Niharika Sharam “Micro Finance”, SAGAR Publisher, Jaipur 2012.
- [4] N. Lalitha “Mainstreaming Micro Finance” MGMT Publications, New Delhi 2009.
- [5] K.G. Karmakar “Rural Credit and Self-Help Groups”. Micro Finance needs and concepts in India, JAGE Publications, New Delhi 1999.
- [6] Danel Lazar “Micro finance and poverty eradication”. Indian and Globel Experience, New Century Publications, New Delhi, 2008.
- [7] A. Vijayakumar, “Banking Micro finance and Self-Help Groups (SHGs) in Indra, New Century publications, New Delhi, 2009.