Abstract

Starvation, lack of employment and inadequate earnings were the main features of the SC and ST women in the past. They were treated as second citizen in Third World country. The year 1975 was the major breakthrough in improving and recognising the women role in nation building. The year 1985 was another milestone for introducing microfinance institutions and women involvement in entrepreneurial activity. Microfinance institutions were committed to uplift the women and weaker sections of the society to come up well in the life. Accessibility of finance was distance dream of poor people in the past. Poor household and small entrepreneurs faced difficulties in obtaining loan from formal financial institutions. Financial inclusiveness was the ‘manthra’ to uplift the low income and excluded community. This study was conducted in order to analyse the role of microfinance institutions in uplifting the SC and ST women through providing easy accessibility of microfinance for undertaking entrepreneurial activity. Five objectives and three hypotheses were framed to assess the accessibility of microfinance by the SC and ST women entrepreneurs in the select districts of Tamil Nadu, India.

The study was analytical in nature. Both primary and secondary data were collected for the study. 600 respondents from SC and ST women entrepreneurs who have been benefited from microfinance institutions were selected from six districts namely, Dindigul, Nilgiris, Salem, Tiruvannamalai, Vellore and Villupuram. Since the population size of the SC and ST women entrepreneurs was unknown, snow ball method was adopted for selecting SC and ST women entrepreneurs. The women entrepreneurs, engaged in agro-based, manufacturing, business, Trade and service, were selected for the study. The collected data were analysed with the help of statistical techniques such as percentage, correlation, Chi-square and F-test. The research work is presented in seven chapters.

The study found that a majority of the respondents are falling in young age group (21 – 40 years) and 79 per cent of them are literate, predominantly Hindu and SC dominate in the sample. A majority of them follow nuclear family and maintain family size of medium to large family. More than half of the population live in tiled house or thatched house. Annual income of the respondents is found between Rs. 12000 – Rs. 125000/- and 10 per cent of the
respondents income falls below poverty line and earning annual income of less than Rs. 25,000/-. Maintaining medium to large family size and limited earning members in the family are attributing factor for poverty of these respondents. As the respondents are poor and marginalised, about 50 per cent of their earning goes to food expenses alone. New economic policy and Government support had helped the women to establish their enterprise activities. Interestingly, 81 per cent of the entrepreneurs are first generation entrepreneurs. The women entered in these enterprise activities out of their own interest and encouragement received from their relatives. 81 per cent of the respondents have not received any training for starting enterprise. Unfortunately, Government initiatives have hardly motivated three per cent of the respondents.

As the women entrepreneurs are from marginal community, the investment of the enterprise starts from Rs. 1000/- to Rs. 100000/-. Further 73 per cent of the respondents investment fall below Rs. 30,000/-. 68 per cent of the respondents are running their enterprise on their own buildings and street vendors constitute 18 per cent. Most of the enterprise are locating in rural areas and are unregistered (95 per cent). The SC and ST women entrepreneurs have entered into entrepreneurial activity in order to earn more income and lead a better standard of living. Although the enterprises are small or micro in nature but they have also provided employment to their own family members, neighbours and job seekers. 97 per cent of the respondents are the members of SHGs.

18 microfinance institutions are operating in the selected districts. However, only five microfinance institutions are significantly contributing entrepreneurial activity of the respondents in the study area. They are Gramavidyal, Spandana, Equitas, Smile and Ujjivan. Of the different sources of funding in the market, the microfinance institutions act as a major source of funding to the selected entrepreneurs. The accessibility of fund from microfinance to the SC and ST women entrepreneurs is easier and faster than any other financial sources such as commercial banks, private banks, co-operative banks, SHG, NGOs and money lenders. In fact, 93 per cent of the loan applications submitted by SC and ST women entrepreneurs were accepted by microfinance institutions for sanctioning loan. The agro-based entrepreneurs were highly accessible with MFIs than other respondents. In terms of share of
microfinance to the total financial accessibility by SC and ST women entrepreneurs, the microfinance institutions have contributed 50 per cent of the fund required by the respondents. The SC and ST women entrepreneurs are so happy to receive loan from microfinance institutions because time taken for releasing fund is just 30 days only. Whereas the commercial banks took 70 days to release the fund from the date of loan application.

The accessibility microfinance has helped the respondents livelihood and promoted them to acquired wealth and asset. The respondents have felt that their purchasing capacity has improved a lot after they became entrepreneurs with the assistance of microfinance institutions. The respondents also felt that the microfinance institutions have advantages owing to easy accessibility, on the spot repayment of loan through business correspondent, weekly repayment, highly responsible to the welfare of client, diminishing and low rate of interests and also adequacy of finance when compared to other funding sources. On the basis of the field evidence, the study concludes that the microfinance institutions are playing a significant and positive role for the upliftment of the SC and ST women entrepreneurs through easy accessibility and inclusiveness. Thus, the study concludes that the microfinance institutions transform rural economy by way of improving economic status of the SC and ST women entrepreneurs. The success of microfinance also shows the improvement in social status and gradual growth in the quality of life of the women entrepreneurs. The study also concludes that the microfinance institutions increase self confidence, self-reliance and economic independence of the SC and ST women entrepreneurs in the study area.