

A Study on Impact of Microfinance Services on Molakalmuru (Chitradurga District) with Reference to Silk Weaving



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Abstract:

Micro-Finance plays a major role to improve a rural economy. MFIs provide financial support to small business especially in rural area to improve the living standard of people also helps to increase employment opportunities. Silk handloom weavers are a major employment generation in Molakalmuru Chitradurga district. In this research, a study has been carried out to find the Impact of micro finance services on silk handloom weavers.

Data has been collected from primary sources using structured questionnaire to collect weaver's opinion on Microfinance. Regression analysis and Hypothesis used to check the validity and reliability of the study using SPSS software. The research suggests that the Micro-finance agencies require to come forward with various promotional activities and short-term savings schemes.

Study results that micro financial institutions service can be improved by providing required machineries. Finance facilities should be easily available for customers with low interest rates. Also suggested that Micro Financial Institution require to encourage silk handloom weaver's start-ups by providing training and financial supports.

Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.932	.059		15.659	.000
	How Much Loan You Availed	.063	.026	.285	2.416	.018

a. Dependent Variable: Monthly Income Increased from Microfinance

Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.887	.148		5.999	.000
	How Much Loan You Availed	.222	.064	.391	3.448	.001

a. Dependent Variable: How Many Persons Get Employment in your Unit

Conclusion: This study sought to identify the key influential factors of Silk weaving business in Molakalmuru. Field study has been conducted to find the problems of silk weaving business and impact of microfinance institutions support to silk weaving business. The study indicated there is a scarcity of finance and easily not accessible to the people practicing silk weaving business. Our interviews with rural peoples those indicated that involvement with silk weaving project increased their business.