

Unit-IV role of small scale industries – objectives of SSI – commercial banks – SIDBI – NABARD

V Micro finance — self help groups– Micro credit- income generating activities – self employment schemes – women entrepreneurs.

Micro finance

Microfinance is a basis of financial services for entrepreneurs and small businesses deficient in contact with banking and associated services. The two key systems for the release of financial services to such customers include 'relationship-based banking' for individual entrepreneurs and small businesses along with 'group-based models'.

Micro finance is an creativity of mohammed Yunus. He started the Grameen bank in 1986 in Bangladesh. It transformed the lives of the people. For this he was awarded the Nobel prize in 2006. United naitons observed the 2005 as their year of Micro finance.

Micro finance is the small savings and small investment. It is provided to the self help groups without collateral security.

Micro finance consists of Micro savings, Micro credit and Insurance.

Self help groups

Self help groups are organised by the Non governmental organisations. These are very small group of persons, primarily, women. The featuses of these groups are:

1. Each person may contribute to the group
2. Each person decides what activities and advice will work for his or her individual needs
3. The group facilitates open and honest communication in a non-judgmental environment

Micro credit

Micro credit is part of the micro finance. These are provided by the commercial banks and non banking financial companies. These are credit of few thousands, mostly two thousand rupees.

Self employment schemes

The central and state governments are providing various self employment schemes for various categories of people. There are a very large number of unemployed persons.

For the benefit of unemployed, the governments have schmes , like

Prime minister self employment schemes.

Women entrepreneurs

Women entrepreneurs are part of the Indian business. In the small business, the women are playing important role. They are doing business in the gender related business.

Certain advantages of women entrepreneurs.

1. Women empowerment
2. Poverty reduction and alleviation
3. Increased income generation
4. Gender equality
5. Monetisation of women's work