

**EVALUATING LENDING SCHEMES OF NATIONAL MINORITIES
DEVELOPMENT & FINANCE CORPORATION IN MEWAT DISTRICT**

Jasvinder Singh¹

Chetna Verma²

Abstract

Mewat Development Agency is working for National Minority Development Finance Corporation in Mewat District. This study aims towards evaluating the impact of term loan scheme of NMDFC on social and economic development of Mewat District in Agriculture and Allied, Technical Trade Small Business Artisan & Traditional Occupations Transport and Service Sector. And to know the extent people are aware about such scheme for the promotion of economic development. The data required for the study has been collected from both the primary and secondary sources. A multistage random sampling method has been followed. The present paper briefly reviews the existing status of minorities in Mewat District. The status of socio economic and scheme representation minorities are analyzes.

Key words: - Social status NMDFC scheme, socio-economic disparities,

-
1. Institute of Management Studies and Research, Maharshi Dayanand University, Rohtak
E-mail: ansh.jatt@gmail.com
 2. Institute of Management Studies and Research, Maharshi Dayanand University, Rohtak
E-mail: chetna.verma@gmail

INTRODUCTION

Mewat District is improving and developing the infrastructure level, assess to education and female sex ratio and caste community but it is still under developed. The main occupation of the people of region is agriculture and agro-based activities. Mewat District basically is a backward area of Haryana in comparison to other District, since 4 April 2005 Mewat is function an independent 20th District of Haryana State. Total **Population of Mewat** District is 1089406 (male 571480, female 517926), **Literacy rate** (District Mewat) 56.10% (Male- 73.00%, Female- 37.60%). The literacy rate in Mewat is comparatively low, particularly in the case of female literacy. Literacy rate is 56.10 against State average of 76.60, while female literacy rate is 37.60 against State averages of 66.80. **Sex Ratio** (District Mewat) 930. The **blocks** in Mewat District are Nuh, F.P. Jhirka, Taoru, Nagina, Punhana. **Tehsils** Mewat District is Nuh, F.P. Jhirka, Punhana, Taoru and **Sub Tehsil** is Nagina and Sub Division is Nuh, F.P. Jhirka. A lot, however, still needs to be done for the development of the area. To deliver social and economic justice to the backward and under-privileged sections of society, the Government of Haryana created the Mewat Development Board (MDB) in 1980 for creating basic infrastructure in the region.

National Minorities Development and Finance Corporation (NMDFC) under the aegis of Ministry of Minorities Affairs, Government of India, is working to promote economic development of the notified minorities. "Minorities" means those communities that are notified as such by the Central Govt. under the National Minorities Commission Act, 1992 Viz. Muslims, Christians, Sikhs, Buddhists and Parsis or in the context of States/ UT, those communities that are notified as such by the respective State Governments/ UT Administrations. The Corporation is a Public Sector Undertaking, incorporated on 30th Sept., 1994 under Section 25 of the Companies Act as a Company not for profit. The main objective of NMDFC is to promote economic and developmental activities for the benefit of "Backward Section" amongst the minorities, preference being given to the occupational groups and women. The target groups for NMDFC with regard to direct benefit are the persons belonging to Minority Communities and living below double the poverty line. At present families having annual income of less than Rs 40000 in rural areas and Rs.55000 in urban areas are categorized as below double the poverty

line. **Assistant under the loan scheme is available for commercially viable and technically feasible venture which for the sake of convenience are classified into following sectors:**

- a) Agriculture and Allied,
- b) Technical Trade
- c) Small Business
- d) Artisan & Traditional Occupations
- e) Transport and Service Sector

Micro finance Scheme

The scheme is for the member of Self-Help Groups and is implemented through M.D.A. NMDFC launched scheme of Micro-Financing in 1998 on the pattern of Grameen Bank of Bangladesh and Rashtriya Mahila Kosh under the Department of Women and Child Development in our own country. The scheme envisages micro credit to poorest among poor through selected NGOs of proven bona fide and their network of Self Help Groups. It is an informal loan scheme which ensures quick delivery of loan at the door steps of the beneficiaries with a constant follow up. It also envisages a pre-requisite that the beneficiaries are first organized into Self Help Groups and get into habit or effecting regular saving, however small. Under the scheme, loan up to maximum of Rs. 25,000 (90% share of NMDFC, 10% share of SCA/Beneficiary) per beneficiaries can be provided. Rate of interest charged from beneficiaries is 5% p.a. on reducing balance. The repayment period is maximum of 36 months.

OBJECTIVES OF THE STUDY

- To evaluate the impact of term loan scheme and micro finance scheme of NMDFC on social and economic development of minorities in Mewat District.

LITERATURE REVIEW

Rekha Goankar (2001): in her study concluded that the movement of SHGs can significantly contribute towards the reduction of poverty and unemployment in the rural sector of the economy and the SHGs can lead to social transformation in terms of economic development and the social change

Malathi Ramanathan (2004) The author through the article “Women and Empowerment, Shri Mahila Griha Udyog Lijjat Papad” has made an attempt to study the rise and growth of an organization, resulting from a group of women’s practical step to get supplementary earning. It is about empowerment at an organized cooperative level. The article concludes that the organization was positive in its approach in promoting economic empowerment of women and was well recognized. The article has made an attempt to answer the questions like, what are the reasons for success and spread of Lijjat papad as a women oriented organization? And In what way have the women of Lijjat papad contributed to bringing about a constructive change in their own lives and that of the people in and around their orbit of work?

Nailakabeer (2005) in a study apparently concludes that while access to financial services can and does make important contributions to the economic productivity and social well-being of poor women and their households, it does not “automatically” empower women – any more than do education, political quotas, access to waged work or any of the other interventions.

M. Anjugam (2007) observed that socially backward, landless and marginal farm house holds participate more in the self help group programme. Possession of livestock and consumer goods by the member households has been found to deter the joining of group.

Gladis Mary John (2008) found that membership in SHG inculcated a great confidence in the mind of majority of women to succeed in day to day life. Positive change was found in the attitude of relatives and friends towards the women in self help groups.

Harlod Welsch Earl Young (2009) have focused on a comparative analysis of male and female entrepreneurship along selected demographic, psychological and behavioral dimensions in the article “Male and Female Entrepreneurial Characteristics and Behaviors: A Profile of Similarities and Differences”. The major findings of this study are that no difference exists in personality characteristics between male and female entrepreneurs and it has several important implications

such as, female entrepreneurs do not necessarily view themselves as victims of their environment more so than male entrepreneurs.

S. Subramanian (2010) in the article “Empowerment of Women through SHGs in Tirunelveli District, Tamil Nadu-A SWOT Analysis” has identified strengths, weaknesses, opportunities and threats by conducting SWOT analysis of SHGs. Field observation methods were used to identify observable physical data. Moreover, group discussion with women who were involved in activities and group functions were conducted to elicit the information in detail. The study reveals that capacity buildings exercise taken up by the promoting agencies are not adequate to meet the need of SHGs members. They lack proficiency in soft skills, technical skills and managerial skills. The article suggested that the promoting agencies like government and non-government agencies can contribute effectively for the success and sustainability of SHGs.

Lalit Kumar Sharma (2011) through the article “Self Help Group as an Effective Strategy and Feasible Approach to Empower Women in India” has highlighted the benefits of psychological, social and economical factors accrued by women participating in SHGs and to explore the merits of SHGs as strategy and approach to empower women in India. Empowerment is a process of awareness and capacity building leading to greater participation, greater decision making power and control and transformative action. The study concludes that women participation in SHG have created tremendous impact upon the life pattern and style of poor women especially in rural areas and empower them at various level not only as individual but also as member of family, community and society as whole.

The Mewat Development Agency, which is a nodal agency of the Haryana government reports that agriculture and livestock are the main occupation of the people of Mewat District (MDA, 2002). The agro-climatic conditions makes Mewat region more resource poor leading to subsistence farming, limited alternative livelihood options and hence poverty. **Studies by BVJ Gandhi 2009, LM Sharma 2008, NSaxena 2009. A Godyal et al 2009)** have shown that Mewat continues to be ignored by policy makers and major development agencies due to its location in the well developed State of Haryana. Their livelihoods and are dependent on traditional varieties and primitive technologies for agriculture due to lack of awareness. Mewat District of Haryana is found to have one of the lowest literacy rates in the country. Even though, all the government

schemes are under implementation in the region, the literacy figures are dwindling. While the average literacy rate is 56%, female literacy levels are found to be 38% (Census, 2011).

Mewat region in District Gurgaon in Haryana was selected for up gradation of the skills of artisans. In general, the artisans are from backward classes and scheduled castes. Another popular craft is mudha and ban-makers belong to various castes and religious communities. The discussion was aimed at finding ways in which NISTADS could contribute to the development of Mewat through the application of science and technology. But the main problem is that the artisans do not have access to technical innovations. Qureshi 2012 finding the without technology they had sell their product at low price the products were of inferior quality. Seasonal variations created problems during manufacture and affected the demand for products. As a result, the profit margin was low.

The study assesses the pattern of disparities in socio-economic development at the District level in India applying **the Wroclow Taxonomic technique (following Ewusi. Social Indicators Research 3(1) 75–110, 1976, and Arief. Social Indicators Research 11(3) 259–267, 1982)** based upon optimal combination of selected socio-economic development indicators. In order to get a clear picture of regional socio-economic disparities in India, the level of development is assessed separately for agriculture, industrial and infrastructural sectors and the Districts are classified into four development categories according to the values of the constructed development index. For bringing about uniform regional development and improving the quality-of-life, model Districts for disadvantaged Districts have been identified and potential targets for various social amenities have been estimated. An attempt has also been made to compare the levels of socio-economic development among various regions in India. The constructed socio-economic development index shows that India's Southern region is far more and symmetrically developed in comparison of Central and Northern regions. The results show that wide disparities in the level of socioeconomic development exist among different Districts within and between different regions of India. The level of development in infrastructural service sector is found to be positively and statistically significantly associated with the overall socio-economic development indicating that the growth and progress of the sectors have been going hand in hand in the country. The results show that in Northern and Central regions of India the level of

industrial development does not significantly influence the agricultural and overall socioeconomic development while agricultural development influences overall socio-economic development. **Ramphul Ohlan, 2012** in his study suggested that low developed Districts require improvement in most of the indicators for enhancing their levels of overall socio-economic development.

Batra, 2012 The paper describes the Self Help Groups experiences of the State of Haryana. Mewat Development Agency is promoting SHGs under IFAD programme in Mewat District. The most wide-spread model of micro-finance in Haryana is Swaran jayanti Gram Swarozgar Yojana and NABARD-SHG Linkage. Major problem issues in the State are less effective implementation by various government agencies due to being overburdened with other responsibilities and inadequate manpower, element of subsidy is main attraction, main focus on quantity than quality, highjack the movement by SGSY, less diversify income generation activities, etc. the paper suggests to phase out subsidies, more emphasis should be on the qualitative aspects of the groups, micro-level planning to identify key livelihood activities, experiment with new livelihoods with group approach and coordinated efforts should be implemented by various agencies.

HYPOTHESIS OF THE STUDY

- H_0 1=There is no significant effect of term loan and micro finance facility on economic and social development of minorities in Mewat District

RESEARCH METHODOLOGY

Data relate to such scheme for the Mewat District minorities for impact of micro finance and term loan development the living standard and economic status. The target groups for NMDFC with regard to direct benefit are the persons belonging to Minority Communities and living below double the poverty line. Data collected the at present families having annual income of less than Rs 40000 in rural areas and Rs.55000 in urban areas are categorized as below double the poverty line. So the term loan available for the Agriculture and Allied, Technical

Trade, Small Business, Artisan & Traditional Occupations, Transport and Service Sector all the condition for the relate to scheme for the minorities. But people such not aware about the scheme of minorities relate about above facilities.

Statistics(Table-1)

		Such scheme about the micro finance and term loan	beneficiary in micro finance in Mewat District	beneficiary in loan in Mewat District
N	Valid	27	27	27
	Missing	0	0	0
Mean		1.6667	2.2963	2.2963
Std. Deviation		.48038	1.10296	1.10296

Table 1 for the statistics data about the scheme of the Mewat District beneficiary are 27 This Table explains the scheme about the micro finance and term loan of the beneficiary mean of the both schemes are 2.2963 and standard deviation is 1.10296.

Such scheme about the micro finance and term loan (Table -2)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	9	33.3	33.3	33.3
	No	18	66.7	66.7	100.0
Total		27	100.0	100.0	

Table 2 is explaining about the people are not aware such schemes of the Mewat District people are know is 33.3% about such scheme. 66.7% people are not aware the about the micro finance and term loan scheme. So there people need a aware the this type facility for development education and social status, employment.

Beneficiary in micro finance in Mewat District for the Minorities Table-3

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Take finance	8	29.6	29.6	29.6
not used finance	8	29.6	29.6	59.3
people are not aware	6	22.2	22.2	81.5
people are aware	5	18.5	18.5	100.0
Total	27	100.0	100.0	

Table 3&4 are showing the result of micro finance and term loan regarding the minorities who people take micro finance and term loan regarding scheme only 29.6% and same condition not take benefit NMDFC scheme is 29.6% but some are not aware the minorities scheme so percentage are definite reduce if people are aware the scheme. On those people are the scheme and taken the benefit of the micro finance and term loan scheme of NMDFC.

Beneficiary in loan in Mewat District Table-4

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid taking term loan	8	29.6	29.6	29.6
not taking loan	8	29.6	29.6	59.3
such scheme of term loan are aware	6	22.2	22.2	81.5
not aware such scheme of term loan	5	18.5	18.5	100.0
Total	27	100.0	100.0	

Same situation of the above both scheme of minorities' development. So there impact of term loan scheme of NMDFC on social and economic development of minorities in Mewat District nothing improving

Descriptive Statistics Table -5

	N	Minimum	Maximum	Mean	Std. Deviation
Such scheme about the micro finance and term loan	27	1.00	2.00	1.6667	.48038

Beneficiary in micro finance in Mewat District	27	1.00	4.00	2.2963	1.10296
Beneficiary in loan in Mewat District	27	1.00	4.00	2.2963	1.10296
Valid N (list wise)	27				

Table -5 Descriptive Statistics about such scheme and number of Mewat beneficiary in Mewat District mean of such scheme about the micro finance and term loan is 1.6667 and standard deviation of micro finance and term loan is 0.48038 as comparison low individual micro finance and term loan 1.10296. All status is showing the result of minorities of Mewat District is very low development in social and economic of minorities in Mewat District

One-Sample Statistics table-6

	N	Mean	Std. Deviation	Std. Error Mean
such scheme about the micro finance and term loan	27	1.6667	.48038	.09245
beneficiary in micro finance in Mewat District	27	2.2963	1.10296	.21227
beneficiary in loan in Mewat District	27	2.2963	1.10296	.21227

Table-6 is one-sample statistics table are showing the result about the impact of term loan scheme of NMDFC on social and economic development of minorities in Mewat District. But there is no impact of the both scheme like micro finance or term loan scheme both scheme mean is 2.2963 and standard deviation is 1.10296 or standard error is between both scheme is 0.21227. But another condition are applicable in Mewat District of the minorities people taken benefit other scheme.

One-Sample Test table -7

	Test Value =3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
such scheme about the micro finance and term loan	18.028	26	.000	1.66667	1.4766	1.8567

beneficiary in micro finance in Mewat District	10.818	26	.000	2.29630	1.8600	2.7326
beneficiary in loan in Mewat District	10.818	26	.000	2.29630	1.8600	2.7326

Table -7 about the T-test showing result of such scheme about the micro finance and term loan is sample value is 18.028 and significance value 2-tailed is zero and mean difference of the both scheme is 1.6667 and confidence level of interval of the difference 1.4766 to 1.8567 and individual both scheme are value of the mean and significance value 10.818 and zero. Hence the result of the t-test is show hypothesis is negative impact of term loan scheme of NMDFC on social and economic development of minorities in Mewat District.

Conclusion and Suggestion of the study

The study suggests the improvements needed in different indicators for enhancing the level of socio-economic development. It is hoped that the results of the study would be useful for regional planning in India. Hopefully, the present study contribute significantly to enhance the efficiency and effectiveness of the MDB in stimulating and accelerating the Socio-economic development of Mewat District in Haryana The loan is to provide financial assistance to weaker sections of the minorities for starting or augmenting any income generating activities.

References:

Social Linkages of Artisans with Technology: Up gradation of Village Pottery Craft Author(s): M. A. Qureshi Source: Economic and Political Weekly, Vol. 25, No. 13 (Mar. 31, 1990), pp. 683-688 Published by: Economic and Political Weekly

Batra, B. K. & Rai, S. C. (2004). Evaluation of socio-economic development in small areas. Project Report, Planning Commission, Government of India, New Delhi.

Role of micro finance & self help groups in women empowerment: a case study of District Mewat Perways Alamand Mohammed Nizamuddin volume 1, number 2, October - December' 2012

Rekha, R. Gaonkar, (2004). "Role of Self Help Groups in Empowerment of Women", www.ruralfinance.org. Economical and political weekly, June 20th pp 998-1021

Rekha, R. Goankar, (2001). "Working and Impact of Self help groups in Goa". Analysis search form Goa. Economical and political weekly, April 11th pp 556-559

Malathi, Ramanathan, (2004). "Women and Empowerment, ShriMahilaGrihaUdyogLijjatPapad", Economic and Political Weekly, April 24th, pp: 1689-1697.

Naila, kabeer, (2005). "Is Micro Finance a" Magic Bullet "For Women Empowerment Analysis of Findings from South Asia", Economic and Political Weekly, October 29.

M., Anjugam, and C. Ramasamy, (2007). "Determinants of Woman's participation in Self-Help Group Led Micro Finance Programme in Tamil Nadu", Agricultural Economics Research Review, Volume: 20, Issue: 2.

Gladis, Mary John, (2008). "Women Empowerment through Self Help Groups", Southern Economist, March.

S., Subramanian, (2010). "Empowerment of Women through SHGs in Tirunelveli District, Tamil Nadu - A SWOT Analysis", Prabandhan: Indian Journal of Management, March, Volume: 3, Number: 3.

Lalit, Kumar Sharma, (2011). "Self Help Group as an Effective Strategy and Feasible Approach to Empower Women in India", Mangalmay Journal of Management & Technology, January-June, and Volume: 5, Number: 1

Pattern of Regional Disparities in Socio-economic Development in India: District Level Analysis Ramphul Ohlan: 9 October 2012, source: Springer Science Business Media Dordrecht 2012.