

**“AN ANALYSIS OF SOCIO ECONOMIC IMPACT OF WOMEN  
EMPOWERMENT THROUGH MICROFINANCE SCHEMES  
WITH SPECIAL REFERENCE TO UDAIPUR CLUSTER”**

**A Thesis**

**Submitted for the Award of Ph.D. degree**

**In Business Administration / Management**

**(FACULTY OF COMMERCE & MANGEMENT)**

**to the**

**UNIVERSITY OF KOTA**

**by**

**ANJOO CHAUHAN**



**Under the Supervision of  
Dr. GOPAL DHAKER**

**DEPARTMENT OF ABST, J.D.B, GOVT.  
P G GIRLS COLLEGE, KOTA RAJASTHAN  
UNIVERSITY OF KOTA,  
KOTA (RAJ.)**

**2018**

## *Certificate*

I feel great pleasure to certifying that the thesis entitled “An analysis of socio economic impact of women empowerment through microfinance schemes with special reference to Udaipur cluster” by Anjoo Chauhan under my guidance. She has completed the following requirement as per Ph.D regulations of the University.

- a) Course work as per the university rule
- b) Residential requirement of the University (200 days)
- c) Regularly submitted annual progress report
- d) Presented his work in the departmental committee
- e) Published / accepted minimum of one research paper in a referred research journal.

I recommend the Submission of thesis.

Date:

Dr. GOPAL DHAKER  
Supervisor

## **ABSTRACT**

Empowerment in the background of women's development is a way of crucial, demanding and overcoming hurdles in a woman's life through which she raises her ability to shape her life and environment. Governments, donors and NGOs have over the years opened and executed programmes aimed at empowering women economically and socially. The empowerment of women is also the root for transforming lives at the household level and in the wider society. In this regard, the delivery of microfinance is one of the approaches to the empowerment of women. Microfinance has approach to play a major role in many gender and enlargement strategies because of its direct relationship to both poverty improvement and to the empowerment of women.

In modern decades microfinance has been in performance of an imperative task in the poverty alleviation and employment age bracket in the region of the world, in India and also in Udaipur (Rajasthan) in some manner. Making certain timely and enough finance to the deprived persons in rural areas to promote their standard of living circumstances in all-purpose and concerning the rural, low income groups to an assortment of financial services is the furthestmost confront before the Indian Government. Credit may go to Prof. Mohammad Yunus for commencing the Microfinance Programme, which has not only shaped expectation in the eyes of the poor people, but has also presented government a innovative policy to conquer the severe troubles of the economy i.e. unemployment and poverty. The consequence of micro-finance on the empowerment of women is a tremendously argued topic within improvement studies. It is tricky to conclude the outcome of micro-finance, and repeatedly projects are criticized of not taking into account the voices of the intention group. This thesis examines the effect of micro-finance on the empowerment of women through the Udaipur cluster with the help of NGOs

The spotlight of the thesis is on women's exacting desires – their every-day realistic requirements and their more intentional requirements such as gender equality within households. The conjectures fundamental the associations between microfinance and women's empowerment

are classically ingrained in a financial paradigm, in which the established conviction is that increases in economic resources essentially lead to increases in women's empowerment. This outcome is a conceptual erasure of the multi-dimensionality of empowerment and disregards the pressure that microfinance has on women that extend beyond the economic specialty. Self-help groups are gradually more acknowledged as agents by social modification and enlargement and empowerment among the women. SHG's approach signifies a paradigm shift from enlargement toward empowerment. The SHG's are measured as the agents of alteration through the enlistment, associations, banking in condition and voluntary organizations follow self help approach to energetic enlargement and empowerment of the women in India. The banking institutions channelize their credit to poor through the SHG's. Empowerment in the situation of women's development is a system of defining, challenging and overcoming obstructions in a woman's life in the course of which she increases her capability to outline her life and environment. It is an energetic, multidimensional development, which should facilitate women to appreciate their filled individuality and authority in all subjects of life.

Women necessarily be empowered by enhancing their awareness, knowledge; skills and technology utilize competence, in that way, assisting generally improvement of the society. The conception of Self Help Groups (SHGs) is establishing to be a cooperative implement for the women empowerment. SHG is an association of rural poor, mainly of women that carry micro credit to commence the entrepreneurial action. Entrepreneurship expansion and income making activities are a possible resolution for empowering women. It generates income and also affords stretchy working hours according to the requirements of homemakers. Economic independence is the need of the hour. Contribution in income generating actions facilitates in the on the whole empowerment of women. Thus to examine the empowerment of women through entrepreneurial actions of self help groups, this exacting research was conducted with the precise purpose to explore the empowerment.

The thesis investigates whether women themselves experience that their exacting desires are satisfied through micro-finance. Questioning with female participants from some NGOs in Udaipur cluster are therefore used as the foremost experimental data. The conclusion shows that when women initiate saving money, and work with small businesses, their realistic requirements are content. The intentional requirements of women are on the other hand not entirely met through micro-finance, predominantly within the area of household work, where traditional

gender roles appear to succeed. Thus, it can be completed that that women are not entirely empowered through micro-finance, but still undertake wonderful advancement, both individually and community-wise. Furthermore, the thesis demonstrates that tricks, such as awareness building and training programs, also play an imperative part in adding together to micro-finance activities. It is disagreed that women are not bright to attain the same enhancements in their lives without contributing in such actions comparable to micro-finance.

Present study “An analysis of socio economic impact of women empowerment through microfinance schemes with special reference to Udaipur cluster” is carried out under the seven chapters. First chapter deals with the introduction of microfinance. Second chapter is related with the overview of microfinance regarding Rajasthan and Udaipur cluster. Third chapter provide the detail of research methodology and review of literature related to the study and Fourth chapter is related with the impact of women empowerment through microfinance study. Fifth chapter is related with empirical assessment of role of microfinance in development through empowerment of women and the sixth, seven and eight chapters is related with findings, conclusion and suggestion. The present study endeavors to bring to light some imperative characteristics like function of microfinance to enlarge income, expenditure, self-employment opportunity, empowerment to the people and concentrated economic dependency. On the other hand, microfinance increases investment and productive competence in the creation and improvement of small and medium scale enterprises. In this framework, the present study compacts with SHGs and its members. It reviews the presentation of Microfinance on development through empowering women i.e. social and economic of the area.

Finally, the thesis explains that to a definite point, many women replicate the vocabulary which they are taught by the NGO, and that the perception of empowerment is today developed within all levels of improvement projects. The study is undertaken in areas of Udaipur cluster. Both primary and secondary data's are used. Primary data is enumerated from a field survey in the study region. Secondary data is collected from NGOs' reports and other documents. The researcher has used mean, standard deviation, t- test, Z-test and ANOVA for analysis purpose. Analysis showed that there is a gradual increase in the all the three factors among women's. From the interaction among the respondents it is noticed that some members are expecting the

NGO to come up with more training sessions in income generating activities. All they need is a way to develop their skills and talents by participating in various training programs. There is a definite improvement in psychological well being and social empowerment among women as a result of participating in micro finance through SHG program.

### ***Candidate's Declaration***

I, hereby, certify that the work, which is being presented in the thesis, entitled “An analysis of socio economic impact of women empowerment through microfinance schemes with special reference to Udaipur cluster” in partial fulfilment of the requirement for the award of the Degree of Doctor of Philosophy, carried under the supervision of Dr. Gopal Dhaker and submitted to the University of Kota, Kota represents my ideas in my own words and where others ideas or words have been included. I have adequately cited and referenced the original sources. The work presented in this thesis has not been submitted elsewhere for the award of any other degree or diploma from any Institutions. I also declare that I have adhered to all principles of academic honesty and integrity and have not misrepresented or fabricated or falsified any idea/data/fact/source in my submission. I understand that any violation of the above will cause for disciplinary action by the University and can also evoke penal action from the sources which have thus not been properly cited or from whom proper permission has not been taken when needed.

Date

Anjoo Chauhan

This is to certify that the above statement made by Anjoo Chauhan Reference No is RS/262/13 correct to the best of my knowledge.

Date: \_\_\_\_\_

Dr. Gopal Dhaker  
Supervisor

## **ACKNOWLEDGEMENT**

***“Thankfulness is the beginning of gratitude. Gratitude is the completion of thankfulness. Thankfulness may consist merely of words. Gratitude is shown in acts”***

First and foremost I would like to express my deepest sense of gratitude to the almighty GOD and my respected guide for infusing in me confidence and zest to do this work to the best of my abilities and also for blessing me enough patience, endurance, strength and courage to overcome all the hurdles that crossed my path in the accomplishment of this endeavor.

Though only my name appears on the cover of this thesis, a great many people have contributed to its production. I owe my gratitude to all those people who have made this dissertation possible and because of whom my Ph.D. experience has been one that I will cherish forever.

At the very onset, it gives me a great pleasure to express my deep sense of gratitude and indebtedness to my reverend supervisor Dr. GOPAL DHAKER for his excellence guidance, caring, patience & continuous support right from the inception till the successful completion of the thesis. I would never been able to write this doctoral thesis without the help, moral support, consistent encouragement and scholarly inputs of him. His valuable guidance helped me in all the time of research, he has the attitude and substance of a genius, and he continually and convincingly conveyed a spirit of adventure in regard to research. I consider it as a great opportunity to do my doctoral programme under his supervision and to learn from his amicable & positive disposition and research expertise.

Furthermore, I wish to express my sincere gratitude to Professor Rajeev Jain, Dean and Head of Commerce and Management Department, University of Kota, Kota, for his incessant inspiration and expert guidance. I am extremely thankful to University Administration, for providing me all helps related to my Ph.D work.

The task of completing this research work was made easier by my seniors, colleagues and friends Dr. Gurudatt Kakkar, Dr. Divya Agarwal, Madhu Rathore, Hemant Trivedi, Chaten and Bhanu. I am highly thankful to them for their cooperation.

At the outset, my ethical accountability is to be extremely indebted to all staff members of NGOs in Udaipur for their kind permission to conduct this work at their institutions.



I am grateful to my parents, who encouraged and helped me at every stage of my personal and academic life, and longed to see this achievement come true. My mother Mrs. Suman Chauahn & My father Mr.R.L.Chauahn, who always provides me a carefree environment and is willing to support any decision I make. Special thanks to my mother who is my inspiration and always inspired me to work hard.

I also dedicate my work to my Parents-in-laws Mr. D.B.Ghosh and Mrs. Rupa Ghosh who have provided me all type of freedom and energized my spirit during the entire period. Special thanks to all my family members for their moral support.

I would like to thank my husband Mr. Debjit Ghosh for his personal support, great patience and be with me at all times. Completion of this dissertation was not possible without his great care and efforts and my daughter Miss Divyanshi , who were born during the course of this journey, for always supporting me and patiently enduring my prolonged periods of research work.

Above all, I owe it all to Almighty God for granting me the wisdom, health and strength to undertake this research task and enabling me to its completion.

Anjoo Chauahn

Research Scholar

# CONTENTS

Chapter No.	Particulars	Page No.
1.	Conceptual Framework	1 -46
2.	Overview of microfinance schemes in India, Rajasthan & in Udaipur	47-78
3.	Research Methodology & Design	79-156
4.	Impact of women Empowerment through Microfinance Schemes	157-193
5.	Data Analysis and Interpretation	194-235
6.	Findings and Conclusion	236-246
7.	Suggestions/Recommendations	247-250

## ANNEXURE

\* References

\*Questionnaire

\*Published Papers and Seminars

## **LIST OF TABLE**

---

<b>TABLE NO.</b>	<b>TITLE</b>	<b>PAGE NO.</b>
1-1	<b>Distinction between Microfinance and Microcredit</b>	<b>9</b>
1- 2	<b>Segments of Microfinance</b>	<b>11</b>
1-3	<b>Comparison of Micro Finance and Formal Banking</b>	<b>13</b>
2-1	<b>Performance Highlights: A Snapshot</b>	<b>52</b>
2-2	<b>No. of MFIs in Indian States/UTs</b>	<b>55</b>
2-3	<b>Overviews of MFIs in Rajasthan</b>	<b>66</b>
2-3	<b>Status of SHGs bank linkage programme in Rajasthan in 2015</b>	<b>69</b>
2-4	<b>Savings through SHGs on 31 march 2015 in Rajasthan</b>	<b>71</b>
2-5	<b>Credit linked SHGs on 31 March 2015 in Rajasthan</b>	<b>72</b>
2-6	<b>NPA of banks in Rajasthan</b>	<b>73</b>
3-1	<b>Positive and negative empowerment outcomes as a result of Microfinance interventions</b>	<b>136</b>
5-1	<b>Distribution of respondent according to Age group</b>	<b>195</b>
5-2	<b>Distribution of respondents according to education</b>	<b>197</b>
5-3	<b>Distribution of respondents according to marital status</b>	<b>198</b>
5-4	<b>Type of family</b>	<b>199</b>
5 -5	<b>Number of members in the family</b>	<b>200</b>

<b>5-6</b>	<b>Employment status of beneficiary</b>	<b>201</b>
<b>5-7</b>	<b>Current monthly family income of beneficiary</b>	<b>202</b>
<b>5- 8</b>	<b>Member of self help group</b>	<b>203</b>
<b>5- 9</b>	<b>Number of members in SHG</b>	<b>204</b>
<b>5-10</b>	<b>Economic activity that SHG do for income generation</b>	<b>205</b>
<b>5-11</b>	<b>Member of self help group since.....</b>	<b>206</b>
<b>5-12</b>	<b>Taken loan from SHG</b>	<b>207</b>
<b>5-13</b>	<b>Amount of loan taken</b>	<b>208</b>
<b>5-14</b>	<b>Reason /purpose of taking loan</b>	<b>209</b>
<b>5-15</b>	<b>Interest rate on loan taken by SHG</b>	<b>210</b>
<b>5-16</b>	<b>Monthly Installments on Loan</b>	<b>211</b>
<b>5-17</b>	<b>Amount of loan paid till date</b>	<b>212</b>
<b>5-18</b>	<b>Opinion regarding interest rate on loan taken</b>	<b>213</b>
<b>5-19</b>	<b>Work before joining SHG</b>	<b>214</b>
<b>5-20</b>	<b>Work after joining SHG</b>	<b>215</b>
<b>5-21</b>	<b>Training received during SHG</b>	<b>216</b>
<b>5-22</b>	<b>Monthly Income before and after joining SHG</b>	<b>217</b>
<b>5-23</b>	<b>Monthly Savings before and after joining SHG</b>	<b>218</b>
<b>5-24</b>	<b>Effect of joining SHG on different life aspects</b>	<b>220-221</b>
<b>5-25</b>	<b>Factor wise Score</b>	<b>222</b>

<b>5-26</b>	<b>Changes in the life style factors after joining SHG.....</b>	<b>224</b>
<b>5-27</b>	<b>Extent of Change in Life Style due to joining SHG</b>	<b>225</b>
<b>5.2-1</b>	<b>Empowerment of Women and Age</b>	<b>227</b>
<b>5.2-2</b>	<b>Empowerment of Women and Education-test</b>	<b>228</b>
<b>5.2-3</b>	<b>Employment Status before and after joining SHG-Test</b>	<b>229</b>
<b>5.2-4</b>	<b>Monthly Income before and after joining SHG – Test</b>	<b>230</b>
<b>5.2-5</b>	<b>Monthly Savings before and after joining SHG – Test</b>	<b>231</b>
<b>5.2-6.1</b>	<b>Economic status of women SHG members after joining SHG-test</b>	<b>232</b>
<b>5.2-6.2</b>	<b>Personality of women SHG members after joining SHG-test</b>	<b>233</b>
<b>5.2-6.3</b>	<b>Awareness of women SHG members after joining SHG-test</b>	<b>234</b>
<b>5.2-6.4</b>	<b>Support towards family of women SHG member after joining SHG-test</b>	<b>235</b>

## **LIST OF FIGURE**

---

<b>TABLE NO.</b>	<b>TITLE</b>	<b>PAGE NO.</b>
<b>1-1</b>	<b>Role of microfinance (Source: own)</b>	<b>5</b>
<b>1-2</b>	<b>Features of Empowerment (source: own)</b>	<b>33</b>
<b>1-3</b>	<b>Consistent proportions of empowerment</b>	<b>35</b>
<b>1-4</b>	<b>Empowerment Frameworks</b>	<b>37</b>
<b>2-1</b>	<b>Formation and functioning of SHG alliances</b>	<b>57</b>
<b>2-2</b>	<b>Functioning of Microfinance</b>	<b>67</b>
<b>4-1</b>	<b>Economic empowerment of women</b>	<b>181</b>
<b>5-1</b>	<b>Distribution of respondent according to Age group</b>	<b>196</b>
<b>5-2</b>	<b>Distribution of respondents according to education</b>	<b>197</b>
<b>5-3</b>	<b>Distribution of respondents according to marital status</b>	<b>198</b>
<b>5-4</b>	<b>Type of family</b>	<b>199</b>
<b>5-5</b>	<b>Number of members in the family</b>	<b>200</b>
<b>5-6</b>	<b>Employment status of beneficiary</b>	<b>201</b>
<b>5-7</b>	<b>Current monthly family income of beneficiary</b>	<b>202</b>
<b>5-8</b>	<b>Member of self help group</b>	<b>203</b>
<b>5-9</b>	<b>Number of members in SHG</b>	<b>204</b>

<b>5-10</b>	<b>Economic activity that SHG do for income generation</b>	<b>205</b>
<b>5-11</b>	<b>Membership of self help group</b>	<b>207</b>
<b>5-12</b>	<b>Loans taken from SHG</b>	<b>208</b>
<b>5-13</b>	<b>Amount of loan taken</b>	<b>209</b>
<b>5-14</b>	<b>Reason /purpose of taking loan</b>	<b>210</b>
<b>5-15</b>	<b>Interest rates on loan taken by SHG</b>	<b>211</b>
<b>5-16</b>	<b>Monthly Installments on Loan</b>	<b>212</b>
<b>5-17</b>	<b>Amount of loan paid till date</b>	<b>213</b>
<b>5-18</b>	<b>Opinion regarding interest rate on loan taken</b>	<b>214</b>
<b>5-19</b>	<b>Work before joining SHG</b>	<b>215</b>
<b>5- 20</b>	<b>Work after joining SHG</b>	<b>216</b>
<b>5-21</b>	<b>Training received in SHG</b>	<b>217</b>
<b>5-22</b>	<b>Monthly Income before and after joining SHG</b>	<b>218</b>
<b>5-23</b>	<b>Monthly Savings before and after joining SHG</b>	<b>219</b>
<b>5- 24</b>	<b>Effect of joining SHG on different life aspects</b>	<b>222</b>
<b>5- 25</b>	<b>Factor wise Score</b>	<b>223</b>
<b>5- 26</b>	<b>Changes in the life style factors after joining SHG.....</b>	<b>225</b>
<b>5- 27</b>	<b>Extent of Change in Life Style due to joining SHG</b>	<b>226</b>

<b>5.2-1</b>	<b>Empowerment of Women and Age- test</b>	<b>227</b>
<b>5.2-2</b>	<b>Empowerment of Women and Education-test</b>	<b>228</b>
<b>5.2-3</b>	<b>Employment Status before and after joining SHG-Test</b>	<b>229</b>
<b>5.2-4</b>	<b>Monthly Income before and after joining SHG – Test</b>	<b>230</b>
<b>5.2-5</b>	<b>Monthly Savings before and after joining SHG – Test</b>	<b>231</b>
<b>5.2-6.1</b>	<b>Economic status of women SHG members after joining SHG-test</b>	<b>232</b>
<b>5.2-6.2</b>	<b>Personality of women SHG members after joining SHG-test</b>	<b>233</b>
<b>5.2-6.3</b>	<b>Awareness of women SHG members after joining SHG-test</b>	<b>234</b>
<b>5.2-6.4</b>	<b>Support towards family of women SHG member after joining SHG-test</b>	<b>235</b>

---



# **LIST OF ABBREVIATION**

---

**ASA- Activists for Social Alternatives**

**ANBC- Adjusted Net Bank Credit**

**ANOVA-Analysis of Variance**

**BOP-Bottom of the Pyramid**

**BRAC-Bangladesh Rural Advancement Committee**

**BRI-Bank Rakyat Indonesia**

**CGAP-Conductive group to assist Poor**

**CIDA-Canadian International Development Agency**

**CFSF-Credit and Financial Services Fund**

**CDP-Community Development Programme**

**CMF-Centre for Micro Finance**

**DWCD-Department of Women and Child Development**

**DRDA-District Rural Development Agency**

**FAO-Food and Agriculture Organization**

**IFAD-International Fund for Agricultural Development**

**IRDP-Integrated Rural Development Programme**

**LAB-Restricted Area Banks**

**MFIS-Microfinance Institutions**

**MDGs -Millennium Development Goals**

**MDC-Microfinance Development Council**

**MFOS-Micro-Financing Organizations**

**NABARD-National Bank for Agriculture and Rural Development**

**NBFCS-Non Banking Financial Companies**

**NBFIS-Non Banking Financial Intermediaries**

**NMEW-National Mission for Empowerment of Women**

**NGOS-Non Government Organisation**

**PMBY-The PRADHAN Mantri Bima Yojana**

**PSLC-Priority Sector Lending Certificate**

**RBI-Reserve Bank of India**

**RRBS-Regional Rural Banks**

**ROSCA-Rotating Savings and Credit Association**

**SHG-Self Help Group**

**SIDBI-Small Industrial Development Bank of India**

**SEWA-Self Employment Women Association**

**SHPI-Self Help Promoting Institutions**

**SGSY-Swarna Jayanti Gram Swarozgar Yojana**

**WCD-Women and Child Development**

**WFP-World Food Programme**

# **CHAPTER 1**

## **CONCEPTUAL FRAMEWORK**

Microfinance

- **INTRODUCTION**
- **1.1. MEANING, CONCEPT & PHASE OF MICROFINANCE**
- **1.2 CHARACTERISTICS & SCOPE OF MICROFINANCE**
- **1.3 MICROFINANCE PRODUCTS**

Microfinance

- **1.4 DEFINITION & PLAYERS OF MICROFINANCE INSTITUTIONS**

Microfinance

- **HISTORY, MODELS & GROWTH OF MICROFINANCE**
- **1.5 HISTORY OF MF**
- **1.6 MODELS OF MF**
- **1.7 GROWTH & NEEDS OF MF**

Microfinance

- **CONCEPT OF EMPOWERMENT AND WOMEN EMPOWERMENT**
- **1.8 CONCEPT, DEFINITION, STRUCTURE AND KINDS OF EMPOWERMENT**
- **1.9 CONCEPT, UNIQUENESS, NECESSITY AND STEPS FOR WOMEN EMPOWERMENT**

# CHAPTER-1

## Conceptual Framework

### 1. INTRODUCTION

Improvement of poverty in the course of women's empowerment has turned into one of the significant strategies in rising and weak countries of the world during the last few decades. The governments of weak and rising countries of the world tried tough to deal with the dilemma of poverty in the course of various dealings and policies. In India also since the 1950s, the government experimented with various strategies to improve poverty and empower women both socially and economically. More than a few strategies have been modified to deal with the problem of poverty since 1970s. But a huge portion of people are incapable to meet their fundamental needs.

Funding is the source of economic growth and credit believes it as its branch. The latter cultivates upright, which facilitates previous to blow up horizontally. In other expressions, speedy growth of financial system depends upon strong and resonance system of credit policy in an economy. The unique quality of microfinance programme is that it centers on women for improvement. With the facilitate of microfinance the situation of a woman recuperates in the family; she receives superior respect in the family than before; she gives in the decision-making and group of people meetings; and she acquires liberty to shift for the betterment of the micro-business. In actuality, microfinance programme develops economic, social, and political empowerment. Empowerment in the position of women's development is a technique of significant, demanding and overcoming obstructions in a woman's life during which she increases her capability to outline her life and environment. It is an active, multidimensional development which should aid women to recognize their full independence and ability in all areas of life. With the policies linked to poverty improvement, microfinance and microcredit schemes take up a central position. Rural micro financing is defined as "all financial services that are accessible to poor and low-income rural households and individuals" (IFAD 2009).

The incapacity of the rural formal credit institutions or banks to contract by way of the credit necessities of the poor and women efficiently has led to philosophy of substitute strategies to deal with the problem of poverty particularly women during 1970's. For the duration of this time some NGOs tested in arranging women into groups, telling knowledge and release of micro-finance to deal with their socio-economic susceptibility, and a humble achievement in that made the state to transfer its strategy additional towards the "group based approach" since the 1980s. NGOs that lived with the group of peoples are strongly observed

and examined such women's activities pictured substitute paradigms to alternate the traditional women groups, so as to remind energetic contribution amongst each and every one the members of the women groups. This is pursued by the additional association of NGOs in the progress approach of the government. The experiment of Mohammad Yunus of Bangladesh with the Grameen Bank project gave additional improve to the thought of microfinance in India in the 1980s lots of other countries like Indonesia, Philippians, Kenya, Latin America, Central USA and Srilanka also pursued this sort of approach with a few different models. This eventually escort to numerous debates, seminars, works and studies on the thought of 'Microfinance' and 'Women Empowerment' all over the world including India.

## **1.1 MEANING, CONCEPT & PHASE OF MICROFINANCE**

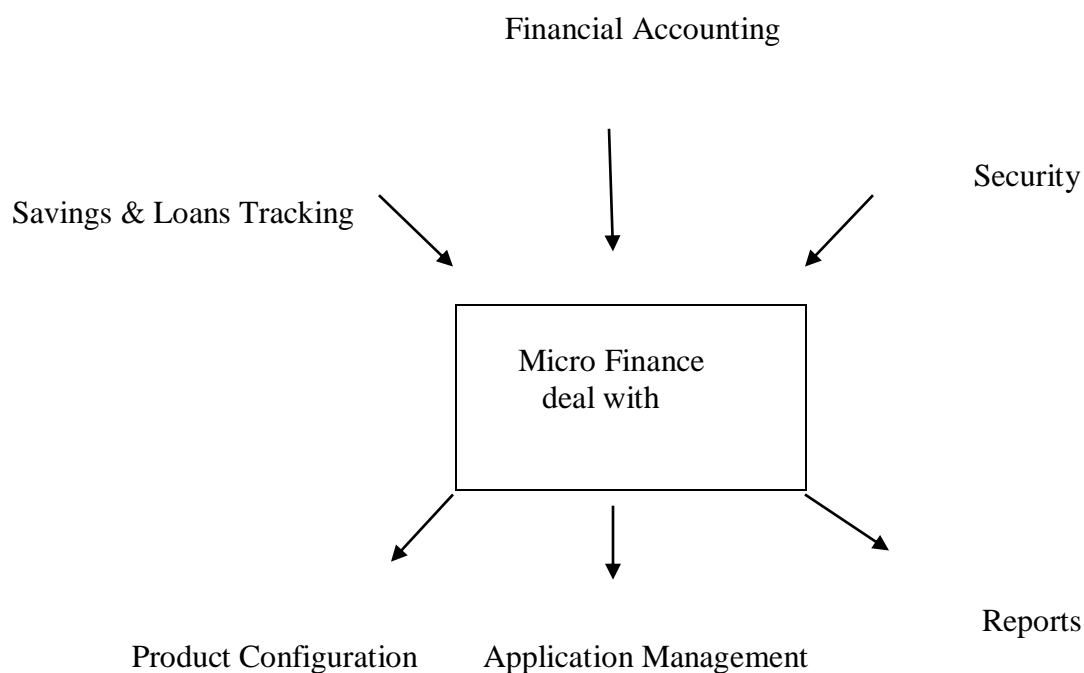
The word microfinance is being utilized extremely often in advance terminology today. Even though the word is accurately encompassed of two words: micro and finance which accurately represent small credit; the conception of microfinance goes ahead of the condition of small credit to the poor. Microfinance refers to programmes intended for provided that credit for self-employment and further financial and business services (together with saving and technical backing) to incredibly poor persons. In economics, public generally utilize language such as "micro" or "macro." At the moment, "micro" is habitually coupled in the midst of microcredit or microfinance, two terms that have happen to matching by way of the well-liked perform of giving small loans to people--most habitually women--to commence small businesses and make money for themselves and their families. "Macro" from time to time clues at huge sums of money, although it can furthermore connote the high-level structural perfection of institutions so as to have thoughtful contacts on the economy, such as banks and governments. A glimpse at microfinance's accomplishments and inadequacies in serving women along with their families to get away of poverty shows that macro-level structural transformations not just more microfinance--are required to facilitate conquer poverty.

In an extensive perspective, microfinance can be construed to surround both microcredit and micro savings, yet despite the fact that microfinance and microcredit have got nearer to be used interchangeably. By insinuation, the amount of credit and savings are small.

Microfinance is the stipulation of an extensive range of financial services such as – deposits, loans, payment services, money transfers as well as insurance products – to the poor and low-income households, for their microenterprises and small businesses, to facilitate them to move up their income levels and get better their living standards.

Microfinance refers to the stipulation of monetary services to poor or low income clients, including customers and the self –employed. The term furthermore refers to the performance of sustainable distributing those services.

Further generally, It refers to a association that visualizes “a world in which as numerous poor and near-poor households as potential have permanent entrance to an appropriate assortment of high value financial services together with not just credit although also savings, insurance and subsidize transfers”. Those who encourage microfinance normally consider that such contact will help poor people out of poverty



**Figure No.1-1 Role of microfinance (Source: own)**

Robinson (1996) defined microfinance as small size financial services presented to the people who work in agriculture, fishing and herding; who activate small or micro enterprises who present services; who effort for wages or commission and further individuals and groups at the local levels of mounting countries both rural and urban. Financial services habitually consist of credit and savings; and could facilitate the poor to influence their initiative, accelerating the development of building incomes, assets and economic safety.

Microfinance can be defined —as the stipulation of extensive collection of financial services to low income clients, poor households equally in urban and rural areas who are normally not bankable - (Debadutta kumar Panda,2009)

According to CGAP, Microfinance can be defined as the provider of loans, savings and further basic financial services to the poor.

According to ACCION, microfinance is defined as —Banking and /or other financial services targeted to low and reasonable income businesses or households, together with the provision of credit.

In the International Year of Microcredit 2005, —Microfinance was referred to as, loans, savings, insurance, transfer services and other financial products targeted at low income clients.

Robinson (2001) defines microfinance as —small-scale financial services—principally credit and savings— offered to people who farm, fish or herd and adds that it —refers to all sorts of financial services offered to low-income households and enterprises.

NABARD has defined microfinance as "provision of thrift, credit and other financial services and products of especially small amounts to the poor in rural, semi-urban and urban offered to customers to meet up their financial requirements; with only qualification that (1) transactions value is small and (2) customers are poor."

It is a form of banking service that is presented to unemployed or low-income individuals or groups who would otherwise have no other means of in advance financial services. Eventually, the purpose of microfinance is to present low income people an opportunity to develop into independent by provided that a means of saving money, borrowing money and insurance.

Microfinance is a perception that is helping the poor to benefit of and produce prospects for economic growth. In India, microfinance has overflowed the efforts of rural progress; women empowerment and wealth production by provided that small scale savings, credit, insurance and further financial services to poor and low income households. Microfinance accordingly serves as resources to empower the poor and affords a precious device to facilitate the economic expansion procedure.

The concept of micro financing and self-employment tricks in rural areas has developed noticeably above the last two decades. It is functioning neither on domain/charity nor on subsidy. It is fundamentally rotating investment completed to encourage the poor to empower themselves and put into practice the motto 'Save for the future and use those resources throughout the occasion of need.' Tentatively, microfinance also acknowledged as microcredit or micro lending means is making condition for slighter functioning capital loans to the self-employed or self-employment looking for poor.



Microcredit has defined as the conservatory of small loans to be specified in several doses based on the combination capability of the needy beneficiaries, who are too poor to meet the requirements for official bank loans, as they have no assets to present as collateral security aligned with loans.

Microfinance is not just with reference to giving micro credit to the poor somewhat it is an economic advancement instrument whose purpose is to help out poor to work their way out of poverty. It wraps a extensive assortment of services like credit, savings, insurance, allowance and also non-financial services like training, counseling etc.

Prominent features of Microfinance:

- Borrowers are from the small income group
- Loans are of small amount – micro loans
- Small interval loans
- Loans are accessible without collaterals
- High frequency of refund
- Loans are normally in use for income generation purpose

'Microcredit' may be defined as the credit and repetitive credit presented in small procedures to ensemble the recipient's necessities, with a relaxed speed of repayment and at an suitable rate of interest. Microcredit has been defined by the microcredit summit held in Washington D.C. in February 1997 as "programmes that offer credit for self employment, additional financial and business services to very poor persons." Microfinance can be interpreted in a broader circumstance mutually as microcredit and micro savings, still even if microcredit and microfinance have get nearer to used interchangeably. On the other hand, when the term 'microfinance' is used it involves various additional services complementary credit viz. facilities for saving and accessibility of services for insurance of the assets obtained with microcredit. Microfinance has come up to be referred to as a small scale financial services and technical backing offered to rural people who activate small or micro-enterprises, offer services, work for wages or commission and additional individuals and group working at confined levels.

NABARD has defined microfinance as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban and urban provided to customers to meet up their monetary needs; with only requirement that (1) dealings value is small and (2) customers are poor."

In spirit, consequently, microfinance could be referred to as an institutional instrument of offering credit sustain in small amount and habitually associated with small groups beside with other matching support such as training and further associated services to the people with poor assets and abilities for facilitating them to obtain up economic activities. In the November 1995 Microcredit Summit, U.S. first lady Hillary Clinton wrote; "Microenterprise is the heart of growth because microenterprise programmes work - they boost women and families away from poverty. It is called micro excluding its crash on people is macro, we have seen that it takes presently a few dollars, often as little it takes as dollar 10, to help a woman expand self employment, boost her and her family out of poverty. It is not a hand out; it is a helping hand."

Let us commence by understanding some of the different characteristics of microfinance. The term 'microfinance' is often perplexed by means of the associated term 'microcredit', so much so, that the two are habitually treated as identical and used interchangeably. At the same time as there are certain resemblance among the two terms, there are moreover certain differences, which necessitate to be classified at the awfully start to keep away from confusion of time.

The term microcredit refers to a small size loan, to be refunded within a small era of time, used habitually low income households and micro entrepreneurs for the reason of income generation and venture expansion. The enlistment of such credit is controlled to external resources such as banks and moneylenders. Microfinance on the other hand provides a superior menu of alternatives whereby the small loan can be acquired not just from the external sources but also from beginning to end self-mobilization, by means of saving and sale of assets. Also, in case of microcredit, due to the specific compulsion to refund the loan, physical collateral may occasionally be required. On the other hand, the principal elasticity in the case of microfinance is the lack of whichever physical collateral, yet in case of loan from the bank. The alternatives accessible with microfinance, therefore, are a great deal broader and flexible than the ones obtainable with microcredit.

Table-1 conveys out the distinct variations between microcredit and microfinance by way of respect to their loan characteristics.

**Table no.1-1: distinction between microfinance and microcredit**

S.No.	Characteristics of loan	Microfinance	Microcredit
1.	Size of loan	Small	Small
2.	Repayment of period	Short	Short
3.	Sources of mobilization	Both external and internal	External
4.	Repayment	Obligation if source external	Definite obligation to repay
5.	Collateral	Not needed	May or may not be needed
6.	Purpose of use	Flexible, consumption income generation	Mostly fixed, limited scope for deviation
7.	Scope of operation	Mostly group loans trickling down to individuals	Usually individual loans, though group loans might be given

Microfinance is the stipulation of a large series of financial services such as – deposits, loans, payment services, money transfers and insurance products – to the poor and low-income households, for their microenterprises and small businesses, to facilitate them to elevate their income levels and perk up their living standards.

Microfinance refers to a mixture of financial services that intend to low-income customers, primarily women. In vision of the reality that the clients of microfinance institutions (MFIs) have lower incomes and repeatedly have limited entrée to further financial services, microfinance products are liable to be for smaller financial amounts than traditional financial services. These services contain loans, savings, insurance, and remittances. Microloans are specified for a variety of purposes, regularly for microenterprise enlargement. The multiplicity of products and services presented reflects the fact that the financial requirements of individuals, family circles, and ventures can modify noticeably over time, predominantly for those who survive in poverty. Because of these various needs, and because of the industry's focal point

on the poor, microfinance institutions repeatedly use non-traditional methodologies, such as group lending or supplementary forms of collateral not engaged by the formal financial sector.

Microfinance is a manner of living and a foundation of livelihood to the poor. It has been demonstrated through different sort of researches that microfinance intends at providing different sorts of financial products and services to the poor. Such products and services consist of Micro credits, Micro savings, Micro insurances, Financial and Social intermediations (subsidies, grants), Business Development Services (business training and skill development, backward and forward linkages, technology services), etc.

Micro financing is an effort carried by the Government, government agencies, nationalized banks, NABARD, cooperative banks and various Microfinance institutions in the current economic system planning to improve poverty, supply better facilities to poor and development of standard of living of the poor and all surrounding improvement of poor, particularly poor women. For largely expansion of the country, women who compose half of the population of country should develop in order to enlarge society as a whole.

In India, Micro finance is of an antique derivation. Traditionally, Money lenders, zamindaars (landlords), traders, etc have provided micro credit to poor borrowers in rural areas at ridiculous rates of interest ( Debadutta Panda,2009).There was no guideline on this kind of lending as it was casual in nature and it led to mistreatment and difficulties for the poor. As an effect of this, poor in rural areas looked lot of sufferings and became poorer and poorer as of the lumber of loan. Additional, non refund of loans, unemployment, acquaintance labor, and child labor, exploitation of women and unauthorized and enforced transmit of claim on assets additional to their woes. As a result of this, the landless and poor farmers got further entangled in the violent cycle of poverty.

On the other hand, in today's situation, the complete conception of Microfinance has changed. It does not consist of any inequitable, difficult to deal with practices or harassment to the poor. Somewhat, it is further about lightening poverty, organizing the poor chiefly women into groups called Self Help Groups (SHG) , providing credit services at subsidized rates and providing employment opportunities by serving them place their own microenterprise.

**Table no.1- 2: Segments of Microfinance**

Phases	Year	Features
First phase : Social Banking	1960-1990	<ol style="list-style-type: none"> <li>1. Nationalization of commercial banks. Fourteen commercial banks were nationalized in 1969 and 8 commercial banks were nationalized in 1980.</li> <li>2. Lead bank scheme was initiated with district credit plans.</li> <li>3. Expansion of the network of rural banking. RRBs were set up in 1976. NABARD was formed in 1982. Cooperative banking was structured and developed. SIDBI was established.</li> <li>4. Extensive disbursement of subsidized credits.</li> </ol>
Second phase : Financial systems approach	1990-2000	<ol style="list-style-type: none"> <li>1. NGO –based MFIs were developed to provide microfinance products and services on not for profit basis.</li> <li>2. SHG-BANK linkage programme was initiated and rapidly replicated.</li> <li>3. Innovative credit lending mechanisms based on —peer pressure and —moral collateral were developed.</li> </ol>
Third phase : Financial inclusion	2000 onwards	<ol style="list-style-type: none"> <li>1. Microfinance is seen as a business proposition and has been commercialized.</li> <li>2. Development of for-profit MFIs like Non Banking Financial Companies (NBFCs) and Non – Banking Financial Institutions (NBFIs).</li> <li>3. NGO- MFI are being legitimized.</li> <li>4. Customer –centric /client -centric microfinance products and services are given importance.</li> <li>5. Policy regulations are increased.</li> </ol>

Source: —Understanding Microfinance – Debadutta Panda

The beyond table is modified from the book —Understanding Microfinance in which the author Mr. Debadutta Panda has clarified three segments of microfinance first one being Social Banking give facts about nationalization of banks, expansions of Regional Rural banks (RRBs), creation of National Bank for Agriculture and Rural Development (NABARD) and Small Industries development Bank of India (SIDBI), etc. It also positions about widespread expenditure of subsidized credits. Second segment of Micro finance is called financial systems approach segment in which NGO –based MFIs were developed to supply microfinance products and services on not- for- profit root, SHG-BANK linkage programme was commenced and speedily simulated. Also pioneering credit lending methods based on —peer force and —moral security were developed. Third segment of micro finance is financial insertion segment. This segment have a words about Microfinance being seen as a business intention being commercialized, enlargement of for-profit MFIs like Non Banking Financial Companies (NBFCs) and Non – Banking Financial Institutions (NBFIs), NGO- MFI are being legitimized and Customer –Centric /Client -Centric microfinance products and services are given magnitude.

The expression microfinance has gained superior insinuation among the Non-Governmental Organization (NGOs), Development professionals, Non-Banking Financial Companies (NBFCs), banks, cooperatives, policy makers and other stakeholders, who signify the socio-political and economic atmosphere. In fact, the sustain of microfinance funds has changed the poor who were considered non –bankable in the past into the primary target segment of the majority financial institutions, which had so far dispossessed function to the Bottom of The Pyramid (BOP). They were left without way in to credit because they lack security, besides having meager income streams (Nedunchezian, V.R., & Sivasankaran, N., 2009).

Definition: According to Robinsons, “ Microfinance refers to small-scale financial services for both credits and deposits-that are provided to people who farm of fish of herd; operate small or micro-enterprises where goods are produced , recycled, repaired or traded; provide service; work for wages or commissions; gain income from renting out small amounts of land, vehicles, draft animals or machinery and tools; and to other individual and local groups in developing countries, in both rural and urban areas”.

Most micro finance operations generally involve public banks, either acting as finance providers to institutional customers or providing finance directly to small enterprises. Their legal framework is the European banking directive and national legislation on credit institution. Credit institution, commonly called banks, shall mean an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credit for its own account. However, deposit taking, credit extension and guarantee activities fall under the supervision of different public entities respectively under financial Services, Fair trading and insurance legislation in a country.

## Comparison of Microfinance and Financial Banking

Build delineates the different features flanked by for banking channels and micro finance channels. In agreement to official banking, micro-credit is characterized by small size, shorter loan period, importance on thrift and the lack of collateral safety and unceremonious measures. In lack of collateral security and official documents, there can be petite legal, on the other hand, has established yet further efficient than loan reimbursement instrument in the official banking system. While the banking system is a merely commercial society, the poorer tiers in the micro finance system are social associations and forced by non-economic objectives.

**Table no.1-3: Comparison of Micro Finance and Formal Banking**

s.no	Characteristics	Micro-finance	Formal Banking
1	range of loan	Small/tint size of credit	Medium/large credit
2	period of loan	Short period	Medium/large period
3	Thrift	Highlighting on thrift as well as loan	Focal point on loan only
4	Enforcement of repayment	Group development and informal schemes Examine difficulty and weekly repayment	Formal procedures  Collateral and legal difficulty for repayment
5	Nature of organization	Social organization form	Commercial organization form
6	Motivation	Self-help motivated	Profit motivated
7	Outreach	Access to poor without collateral (all members)	Access limited

SOURCE: OWN

## **1.2 CHARACTERISTICS & SCOPE OF MICROFINANCE**

### **Characteristics of Micro Finance**

Evaluated to traditional providing, micro credit has its own brilliant characteristics. Loans from the micro credit programmes are frequently in small amounts and have comparatively shorter reimbursement reprocess. Swaminathan (2007) discovered that the micro credit is frequently connected with: (a) especially small loans (b) no collateral (c) the structure of borrower groups (d) borrowers from amongst the rural and urban poor (e) loans for income creation through market-based self-employment, and (f) privatization, normally through the mechanism of NGO control over expenditure and purpose of the terms and conditions attached to every loan. The followings are the main characteristics of micro finance:

#### ***Access to finance to the poor***

The merely differentiation connecting micro-finance and the formal banking scheme is that the latter has been geared to wealthy urban clients, while the market for micro-finance services consists mainly of poor rural people who require a credit in organize to follow their small enterprises. The chief objective group of micro finance projects consists of a portion of those who require the credit. This target group is usually at under a line of unconditional poverty as determined by national estimations. In adding together, micro finance highlights lending to poor women who are unreasonably characterized by disadvantaged groups in contacting predictable financial services from official financial institutions.

#### ***Fundamental financial services***

The micro finance supplies fundamental financial services similar to small loans, savings and insurance to those citizens who are bypassed by the official financial institutions. They have no access to financial services during formal financial associations such as banks, non-bank financial institutions, financial cooperatives, credit unions and finance companies. The condition of financial services can lead to income production, repayment of loans, savings, and building of assets, etc.

#### ***No collateral***



Microfinance engages loans without collateral. Collateral is always a required obligation in traditional lending as a method of minimizing non-payment risk projected by lenders. Such collateral condition becomes additional stiff if borrowers are cost-effectively poor. Though, the reduced typically do not own expensive assets which can be used as suitable collateral when applying for loans from traditional financial institutions, and, as a consequence, poor people are in times gone by measured non credit valuable and excluded from the traditional credit markets. Microfinance is a pioneering thought that challenges the traditional lending knowledge of 'no collateral means any credit'. It believes the poor as credit valuable as the rich, and provides collateral free loans to the poor to expand entrepreneurial activities.

### **Group-credit**

Micro credit loans are usually higher to individuals who are members of groups. The group (or SHG) is, in fact, out looked as reputation in situate of collateral (Hashemi and Morshed, 1997). The attendance of a group has been called a form of "social collateral" on the loans, which decrease the costs of viewing and monitoring borrowers, and guarantees timely repayments for lenders (Anderson and Nina, 2000; Besley and Coate, 1995; Johnson and Rogaly 1997). On the other hand, each individual borrower supposes accountability for the loan reimbursement of his or her group, which way all group members are together answerable. As a result, the principle of joint responsibility generates an encouragement apparatus by which individual borrowers are enthused to choose believable members in group and to implement refund in case a group member fails to accomplish his or her responsibility. The arrangement of groups has the twice improvement of lowering operation costs and improving repayment (NABARD, 2000).

### **Development of micro enterprises**

The chief objectives of micro-finance services are to generate a self-employment opportunity during the expansion of micro project for the poor people. The trouble-free access to credit helps the poor women to create a little manufacturing based on the obtainable restricted resources and supply slight income to the households. The enlargement of small industry enlarges employment facilities in the rural area and develops entrepreneurship skill, financial literacy and management.

### **Benefits of Microfinance**

Microfinance presents financial maintain for which person they do not opening manufacture development due to need of capital. Here we illustrate a quantity of benefits of microfinance.

1. Saving organized via the poor.
2. Access to the necessary amount of suitable credit through the poor.
3. Matching the demand and supply of credit organization and opening of new market for financial intermediaries.
4. Decrease in transaction cost for equally lenders and borrowers.
5. Remarkable enhancement in recoveries.
6. Heralding a new comprehension of subsidy- less and corruption- less credit and
7. Extraordinary empowerment of poor women.

### **The significant Features of Microfinance are**

1. Microfinance is an instrument for the empowerment of poor women;
2. Loans under microfinance programmes are very small;
3. Microfinance aims the poor rural and urban households;
4. Credit under microfinance trails thrift i.e. mobilize savings and lend the same;
5. Low deal cost due to group lending's;
6. Transparencies in procedure;
7. Small refund period;
8. Easy methods for reviewing, processing and approving loan requests and delivery credit;
9. Probability of misutilization is unusual and there is guaranteed repayment;
10. Peer pressure act as the collateral security requisite for loans;
11. Necessitate based loan disbursement;
12. Punctual repayment; and
13. There is no ceiling from the RBI in respect of minimum and maximum amounts.

### **1.3 MICROFINANCE PRODUCT**

Microfinance institutions are currently innovating new products to facilitate assembles these needs, empowering the world's poor to develop their own life. Products universal utilized in the microfinance division today is:

**1. Micro savings:** An opportunity to save money without several minimum balances. Permits people to maintain money for prospect utilize of for unpredicted costs. In SHGs the member saves small amounts of money, as slight as little rupees a month in assembly fund. Members may make use of from the group finance for a mixture of purposes' ranging from household emergencies to school fees. As SHGs establish

accomplished of organization their finds well, they may borrow from a local bank to spend in small business or support activities. Banks characteristically lend up to four rupees for each rupee in the group fund.

**2. Micro Insurance:** It offers the entrepreneurs the opportunity to focal point further on their core business which severely decrease the risk disturbing their property, health or working possibilities. There are diverse kinds of insurances services like life insurance, property insurance, health insurance and disability insurance. The variety of services in this sequence continuously services are determined by each company independently.

**3. Micro Leasing:** For entrepreneurs of small businesses who can't manage to pay for acquire at complete cost they can as a replacement for lease equipment, agricultural equipment or vehicles. Habitually no restriction of lowest amount cost of leased article.

**4. Money Transfer:** A service for shifting money, mostly overseas to family or friends. Money shifting without chance present accounts is executed via a member of commercial bands throughout worldwide money transfer systems such as western union, money gram and Anelik. On the surface they may appear like small money shifts, other than when one believes that such week, the numbers create to turn into remarkable. According to the World Bank, the yearly global market for allowances – money transferred home from immigrant workers- is approximately 167 billion US dollars.

## **1.4 DEFINITION & PLAYERS IN MICROFINANCE INSTITUTIONS**

### **Definition of Microfinance Institutions**

The proposed Microfinance Services Regulation Bill of India defines microfinance services as “supplying financial supporter to an individual or an appropriate client, either directly or through a group mechanism for:

- i. an amount, not over and above rupees fifty thousand in aggregate per individual, for small and miniature enterprise, agriculture, associated activities (together with for utilization purposes of such individual) or
- ii. An amount not over and above rupees one lakh fifty thousand in aggregate per individual for housing purposes, or
- iii. Such further amounts, for any of the purposes mention at items (i) and (ii) above or other purposes, as may be prescribed.”

The bill further defines Micro Finance Institution as “an organization or association of individuals including the following if it is established for the purpose of carrying on the business of extending microfinance services:

- i. a society registered under the Societies Registration Act, 1860,

- ii. A trust formed under the Indian Trust Act, 1880 or public trust registered under any State enactment governing trust or public, religious or charitable purposes,
- iii. A cooperative society / mutual benefit society / mutually aided society registered under any State enactment relating to such societies or any multistate cooperative society registered under the Multi State Cooperative

**Societies Act, 2002 but not including:**

A cooperative bank as defined in clause (cci) of section 5 of the Banking Regulation Act, 1949 or a cooperative society engaged in agricultural operations or industrial activity or purchase or sale of any goods and services.”

Microfinance institutions have witnessed enormous growth during the last couple of decades. The Consultive Group to Assist Poor (CGAP) under UN has give eleven key principles of microfinance. These are as follows:

**Key principles of Micro finance**

1. Poor people require an assortment of financial services, not just loans.
2. Microfinance is a powerful instrument to struggle poverty.
3. Microfinance means structure financial systems that serve the poor.
4. Microfinance can pay for itself, and be obliged to do so if it is to attain very large numbers of poor people.
5. Microfinance is concerning structure permanent local financial institutions that can attract domestic deposits, recycle them into loans, and present other financial services.
6. Microcredit is not always the answer. Other sort of support may work.
7. Interest rate maximum harm people by making it harder for them to get
8. The job of government is to facilitate financial services, not to offer them directly.
9. Donor funds should harmonize private capital, not compete with it.
10. The key blockage is the scarcity of strong institutions and managers.
11. Microfinance works finest when it actions and discloses its performance.

**Players in the Microfinance Industry**

The most important players in the microfinance industry are explained below-

**1- Clients:**

The client resources are beneficiaries of MF and its associated schemes. In this logic the client of microfinance is entity savers, lender, self-help group members and farmers. Therefore clients begin a few

employments among the help of microfinance and enlarge employment and enhance income and also enhance their socio-economic category.

## **2- Microfinance Institution (MFIs):**

The previous 15 years saw the entrance of various types of microfinance institutions in the rural credit sector. The majority of these MFIs are based on the Grameen Bank model of Bangladesh. MFIs in India record themselves either as societies, trusts, non-banking financial companies (NBFCs) or restricted area banks (LABs) and are governed by their particular rules and regulations.

## **3 – The Apex Institution:**

NABARD as a natural level apex institution has been in performance a pro-active task in addressing significant issues of the rural economy. On the other hand, in the recent global economic scenario, time is ripe for NABARD to evaluate its strategies and policies with observe to rural employment from fundamental agriculture facilities. To organize and harmonize the implementation of institutional agencies, NABARD was complex in 1982 as a refinance and apex institution. Commercial banks have surpassed the supportive banks in provided that rural credit in the current ancient times. Some new schemes as the kisan credit card, self-help groups (SHGs) bank association programme have been devised to make rural credit more reachable to farmers. With the gradual enlarge in rural incomes and agriculture exports the next few years would spectator a considerable enlarge in the demands for rural credit.

## **Troubles affecting Microfinance Institutions**

It is understood from earlier deliberations that even though there have been a mixture of victorious stories regarding microfinance institutions selection the poor, they features with a lot of troubles. Many researchers keen out the troubles countenanced through this segment. Essential surrounded by them are the following.

### **1. Ethical Reasons:**

Microfinance Institutions can be frequently viewed as a revenue making association. The aspiration to create MFIs an industry, commercialize micro-lending or facilitate them to be a revenue making institutions should not entertain them from one significant feature for which they are shaped in the first place: social service by facilitating poor to effort on profit making projects or small businesses. Many a times, the lack of this aspect can lead the microfinance institutions to perform alike to the local moneylenders.

Corruption is an additional ethical trouble. Many MFIs in India or in another place in world experience from corruption at a variety of levels: corruption in the MFI itself, corruption in the Micro Enterprises, these MFIs support or corrupt channels, officials or individual service suppliers.

### **2. Managerial Reasons:**

One of the chief troubles which the MFIs can determine is executive troubles. Managerial troubles are a chief feature and they have additional effects than any other troubles conversed. Poor evidence maintenance and lack of executive facility are the chief troubles. For workplace bearers and group members, verification keeping seems like a waste of time. In short of evidence maintenance can have its share of troubles together with enlarge in nonpayer.

### **3. Legal Reasons:**

Microfinance Institutions can be viewed as a social association serving the poor and a revenue association too. In numerous countries, revenue associations are recorded below dissimilar position of performs and non-profit organizations come below dissimilar legislations. These legalities from time to time produce problems. But a charitable institution is not permitted to treat in to money lending. The above case was requiring of a legislation specially serving microfinance institutions. There are a number of haphazard proceeds which forbid the expansion of microfinance institutions and set the limits of their force.

### **4. “Unfortunate” Reasons:**

Occasionally microfinance institutions have to features troubles which cannot be determined. These troubles happen in cases when something “unfortunate” occurs to a person or a society. A flood or famine can destroy the trusts of farmers to disburse their loans. Personal plights are a different explanation which capacity affects the MFI.

### **5. Other Reasons:**

There are assortments of further features for the breakdown of MFI. They can be planned as follows: In short of vision is a feature which pushes new MFIs in to extinctions. MFIs necessitate qualified workers to function. In more than a few cases, go down out of qualified workers is very high which decrease to achieve of an MFI. Additionally, the “dropping out” rate is supplementary than the “coming in” rate. MFIs serve society but they are also a profit-making institution. In many cases, MFIs attain a lot of accomplishment in their programs in original period, but they fail to preserve the similar documentation in the long run because of lack of suitable marketable orientation, thus making them indefensible.

## 1.5 HISTORY, MODELS & GROWTH OF MICROFINANCE

### History of Microfinance

The olden times of micro financing can be sketched reverse as long to the hub of the 1800s when the theorist Lysander Spooner was scripting over the profits from small credits to entrepreneurs and farmers as a mode of getting the people away from poverty. But it was at the conclusion of World War II with the Marshall plan the perception had a large collision. The theory of microfinance is not new. Savings and credit groups that have controlled for centuries contain the "susus" of Ghana, "chit funds" in India, "tandas" in Mexico, "arisan" in Indonesia, "cheetu" in Sri Lanka, "tontines" in West Africa, and "pasanaku" in Bolivia, as well as several saving clubs and interment societies establish all above the world.

Proper credit and savings institutions for the poor have also been approximately for decades, provided that patrons who were habitually abandoned by commercial banks a mode of attain financial services during cooperatives and development finance institutions. One of the former and longer-lived micro credit organizations provided that small loans to rural poor with no guarantee was the Irish Loan Fund system, initiated in the early 1700s by the author and nationalist Jonathan Swift. Swift's idea started slowly but by the 1840s had developed into a widespread foundation of about 300 funds all above Ireland. Their chief function was production small loans by way of interest for short periods. At their max out they were making loans to 20% of all Irish households yearly.

In the 1800s, different forms of superior and new proper savings and credit institutions commenced to come out in Europe, prepared mostly among the rural and urban poor. These foundations were known as People's Banks, Credit Unions, and Savings and Credit Co-operatives. Proper credit and savings institutions for the poor have been approximately for decades, provided that patrons who were habitually ignored by commercial banks a mode of attain financial services from side to side cooperatives and development finance institutions.

The perception of the credit union was developed by Friedrich Wilhelm Raiffeisen and his followers. Their unselfish deed was aggravated by anxiety to aid the rural population to split out of their reliance on moneylenders and to recover their wellbeing. From 1870, the unions extended speedily above a huge sector of the Rhine Province and additional regions of the German States. The cooperative associations speedily stretch to further countries in Europe and North America, and sooner or later, supported by the cooperative association in developed countries and donors, also to rising countries.

During Indonesia, the Indonesian People's Credit Banks (BPR) or The Bank Perkreditan Rakyat opened in 1895. The BPR developed into the biggest microfinance system in Indonesia with shut to 9,000 units. In the near the beginning 1900s, different alterations of these molds commenced to emerge in divisions of rural Latin America. While the target of such rural finance involvements was habitually defined in language of modernizing the agricultural sector, they habitually had two precise objectives: improved commercialization of the rural sector, by mobilizing "idle" savings and growing investment throughout credit, and dropping harsh feudal relations that were imposed during gratitude. In nearly all cases, these fresh banks for the poor were not owned by the poor themselves, as they had been in Europe, however via government agencies or private banks. Over the years, these institutions can be converted into unproductive with at times, offensive. Between the 1950s and 1970s, governments along with donors alerted on provided that agricultural credit to small and trivial farmers, in optimisms of elevating efficiency along with incomes. These hard work to increased contact to agricultural credit highlighted supply-led government interferences in the form of targeted credit through state-owned expansion finance institutions, or farmers' cooperatives in some cases, that acknowledged concessional loans along with on-lent to customers at beneath market interest rates. These financed schemes were hardly ever successful. Rural advance banks beard immense corrosion of their capital foot due to financed lending rates and reduced repayment restraint along with the funds did not always arrived at the poor, often finished up rigorous in the hands of more affluent farmers.

For the meantime, initial in the 1970s, investigational programs in Bangladesh, Brazil, and an only some further countries comprehensively miniature loans to groups of poor women to invest in micro-businesses. This sort of microenterprise credit was footed on commonality group lending in which each member of a group assured the repayment of all members. These "microenterprise lending" programs had an approximately restricted hub on credit for income generating tricks (in various cases accompanied via enforced savings schemes) targeting very poor (often women) borrowers.

ACCION International, an early initiate, was created by a law student, Joseph Blatchford, to deal with poverty in Latin America's cities. Commenced as a student-run helper effort in the shanty towns of Caracas with \$90,000 moved up from private companies, ACCION today is one of the leader microfinance organizations in the world, by way of a system of lending partners that spans Latin America, the United States along with Africa.



SEWA Bank, In 1972 the Self Employed Women's Association (SEWA) was listed as a deal union in Gujarat (India), through the key intention of "strengthening its members' bargaining command to recover income, employment as well as access to social security." In 1973, to tackle their need of contact to financial services, the members of SEWA determined to set up "a bank of their own". Four thousand women added share capital to set up the Mahila SEWA Cooperative Bank. Seeing as then it has been provided that banking services to poor, illiterate, self-employed women and has develop into a workable financial scheme with today around 30,000 dynamic customers.

Grameen Bank, In Bangladesh, Professor Muhammad Yunus tackled the banking dilemma mugged via the poor during a programme of action-research. By means of his measure off students in Chittagong University in 1976, he designed an investigational credit programme to hand out them. It extends speedily to hundreds of villages. From beginning to end a unique connection with rural banks, he distributed and improved thousands of loans, but the bankers rebuffed to receive more than the project at the end of the pilot segment. They frighten it was too costly and hazardous in nastiness of his success. Sooner or later, during the prop up of donors, the Grameen Bank was originated in 1983 and at this moment serves additional than 4 million borrowers. The original victory of Grameen Bank also encouraged the organization of more than a few other huge microfinance institutions like BRAC, ASA, Proshika, etc.

All the way through the 1980s, the policy of gold, sponsored rural credit came up to below a measured but mounting molest as facts raised of the unacceptable performance of nonstop credit programs, chiefly poor loan revival, far above the ground organizational costs, agricultural expansion bank liquidation, and accretion of a unequal share of the profits of subsidized credit to superior farmers. The fundamental doctrine underlying the conventional directed credit move toward were debunked and supplanted by a new school of contemplation called the "financial systems approach", which viewed credit not as a fruitful enter required for agricultural enlargement however as very soon one type of financial service that should be unreservedly priced to guarantee its everlasting supply and abolish rationing. The financial systems school held that the prominence on interest rate ceilings and credit subsidies retarded the development of financial mediators, dejected intermediation among collectors and sponsors, and benefited superior scale producers more than small scale, low-income manufacturers.

In the intervening time, microcredit programs all the way through the world recovered upon the innovative methodologies and defied predictable intelligence regarding financing the poor. First, they explained that poor people, particularly women, had exceptional repayment rates surrounded by the recovered programs,

rates that were enhanced than the formal financial sectors of mainly developing countries. Second, the poor were enthusiastic and capable to shell out interest rates that permitted microfinance institutions (MFIs) to envelop their costs. 1990s These two features - far above the ground repayment and cost-recovery interest rates - acceptable some MFIs to accomplish long-term sustainability and accomplish huge records of customers.

An additional flagship of the microfinance association is the rural community banking unit system of the Bank Rakyat Indonesia (BRI), the biggest microfinance institution in increasing countries. This state-owned bank serves as regards 22 million micro savers with separately managed micro banks. The micro banks of BRI are the invention of a flourishing conversion by the situation of a state-owned agricultural bank for the period of the mid-1980s. The 1990s saw growing passion for promoting microfinance as a approach for poverty improvement. The microfinance segment blossomed in many countries, leading to numerous financial armed forces firms serving the requirements of micro entrepreneurs and poor family circles. These expand, on the other hand, leaned to deliberate in urban and compactly colonized rural regions.

The 1990s proverb was increasing eagerness for promoting microfinance as an approach for poverty mitigation. The microfinance subdivision flowered in countless countries, leading to numerous financial services compacts plateful the desires of micro entrepreneurs and poor households. It was not awaiting the mid-1990s that the phrase "microcredit" began to be replaced by an original phrase that incorporated barely credit, except in addition savings along with complementary financial services. "Microfinance" materialized as the phrase of preference to pass on to a choice of financial services to the poor, that incorporated not barely credit, but also savings along with further services such as insurance along with money relocates.

ACCION aided originate BancoSol in 1992, the first commercial bank in the world fanatical exclusively to microfinance. In the present day, BancoSol proffers its supplementary than 70,000 clients an remarkable assortment of financial services together with savings accounts, credit cards and housing loans - products that presently five years previously were only easily reached to Bolivia's upper classes. BancoSol is no longer exclusive as supplementary as 15 ACCION-affiliated associations are currently synchronized financial institutions.

At the moment, practitioners and donors are steadily further spotlighting on extended financial services to the poor in boundary markets as well as on the incorporation of microfinance in financial systems expansion. The topical preface by several donors of the financial systems approach in microfinance - which accentuates constructive policy environment and institution-building - has enhanced the largely usefulness of microfinance involvements. But abundant challenge remains, chiefly in rural and agricultural finance and other boundary markets. Nowadays, the microfinance manufacturing and the superior enlargement

neighborhood divide the vision that everlasting poverty decline necessitates addressing the various magnitude of poverty. In favor of the international community, this way reaching detailed Millennium Development Goals (MDGs) in education, women's empowerment, and health, amid others. For microfinance, this way presentation microfinance as an critical component in any country's financial system

## **1.6 Models of Microfinance Services**

Microfinance itself is a credit lending model, & surrounded through this lending model subsist numerous subcategories consequently microfinance lending models, which vary in expression of where their finances are caused from. India is a habitat of the leading microfinance system in the world. There are numerous models of distributing microfinance services. Several of the imperative and mainly accomplished distributing models are:

### **❖ ASSOCIATION MODEL**

In this model “the aim society commences and forms an organization, which carries out a mixture of microfinance activities. This model of distributing services is also recognized as group model”. Association or group is collected of youth, men, women shaped on socio-religious-cultural matters. The association model turns to a legal article in loads of countries and our Indian SHG model is stemmed from this model.

### **❖ COMMUNITY BANKING MODEL**

This model treats complete society as one unit. The society banking is an official or semi-official institution throughout which microfinance services are presented to the members. The society banks are commenced and capacitated by intermediaries like NGO and further associations who occupied in ability structure of the society members to create them specialist in performing a mixture of financial activities of bank.

### **❖ CO-OPERATIVE MODEL**

The co-operative model is a self-sufficient organization of citizens who are the members of cooperative. These members are united willingly to assemble their socio-economic and cultural requirements. It is a self-governing member proscribed society. This comprises associate financing and saving activities. These financial cooperatives have the uniqueness of self generating capital, self governed, middle and lower income group clients with financial services.

### **❖ CREDIT UNION MODEL**

The credit union is an official financial institution shaped by a particular group, institution or association through a purpose of saving their money jointly and borrowed to members with a democratically pre determined rate of interest. The credit union model is based on two main details i.e. self help and member determined nature. Credit unions are identified as “not for revenue financial cooperatives” or “saving and loan cooperatives” as this model mechanism on standard of co-operatives.

#### ❖ **INDIVIDUAL BANKING MODEL**

This is a straight onward credit lending model where micro loans are agreed straight to the borrower. This model does not contain arrangement of group or generating to make certain payment.

#### ❖ **GRAMEEN JOINT LIABILITY GROUP MODELS**

This model was derivative from grass root stage society Grameen bank, Bangladesh. In this structure, the bank unit itself with field manager and bank workers, envelops locales of about 15-20 villages. The field manager with supporter visits the village in order to expand associate for working. Group of five viewpoint borrowers are shaped in the first phase in which only two of them are qualified for and accept a loan. Only when the first two borrowers refund the principal with the interest more than fifty weeks, the supplementary member develops into adequate for loan. These constraints facilitate in continuing clear records and accountability to give out as collateral on loan.

#### ❖ **SHG MODEL**

Self help group model governs microfinance in India. In this model, group of 10-20 members are created fundamentally from similar gender or caste, to determine a variety of socio-economic and further problems. The SHG promotes saving amongst members and utilize collective supply to meet up the developing requirements of their members. After maturity of 6 months to 1 year the group develops into collateral for loan. These groups are moreover maintained by government, NGOs, MFIs or further recognized and unrecognized organizations. This model provides capacity to the members of SHG to contributing in decision making procedure, with four position pillars of “self help is the best help”, “unity is strength”, “united we stand and divided we fall” and in conclusion “we can make our own bank”. The group members

utilize cooperative knowledge and peer force to make sure appropriate end utilize of credit and appropriate reimbursement thereof.

#### ❖ **VLLAGE BANKING MODEL**

In this model was enlarged by FINCA International. The “village banks” are produced via 25- 30 low income individuals, first and foremost women’s from villages. These banks execute group of people based economy and credit organization among a purpose of develop the socio-economic and living standard of the members all the way through encouragement of self employment activities. This model is effective at micro stage village based bank, which collective the original fund from external sources. No financial collateral is mandatory against the loan as they are reversed through moral and social collaterals. Market rate of interest is indicted from members in the company of the agreement of repayment.

#### ❖ **ROTATING SAVING AND CREDIT ASSOCIATION (ROSCA)**

Rotating saving and credit association is a nature of independent organization produced by 5-50 members for making an ordinary recurring involvement to a general fund. Supplementary this fund is once more relented to the member in each sequence in the structure of loan.

Outside financial agencies are not permitted to absorb in ROSCA and all managerial activities are conceded by members. The foremost segregation in addition to the foremost responsibility of this model is of having implicit interest rate with level of defaulters, fraud and withdraws.

#### ❖ **KISAN CREDIT CARD MODEL**

Kisan credit card format was commenced in 1998-99 by NABARD. KCC also presents microfinance capability to reduced farmers for agriculture function. The scheme has been commenced to present timely and sufficient credit support to the farmers for their manufacture requirements in a bendable and cost effectual approach. In classify to enlarge the manufacture and efficiency of agriculture segment, there is a vital necessitate of assembly loans and advances by different periods. It is a ground-breaking method. It assists short term credit to farmers. The method has expanded reputation amongst the cultivators.

### **1.7 Growth & NEED of Microfinance**

Microfinance is growing for numerous reasons

I. The guarantee of accomplishment the poor Micro financing activities can maintain income production for enterprise controlled by low-income households.

II. The guarantee of financial sustainability microfinance activities can aid to construct economically self sufficient; financial assistance free often locally managed institutions.

III. The prospective construct on traditional systems microfinance occasionally impersonate traditional systems (such as revolving savings and credit relations) they supply the similar services in similar ways, but with greater flexibility, at a more sustainable basis client.

IV. The contribution of microfinance to strengthening and expansion accessible official financial system. Microfinance tricks can make stronger accessible official financial institutions, such as saving and loan supportive, credit union networks, commercial banks and yet situation run financial institutions by growing their markets for together savings and credit and potentially their productivity.

V. The increasing numeral of achievement stories is an additional vital reason. There are numeral of growing healthy recognized pioneering achievement stories in surroundings as varied as rural 'Bangladesh' urban Bolivia and rural Mali. This is in difference to the proceedings of state run dedicated financial sustainability and outreach to the poor.

VI. The accessibility of improved financial goods as an effect of testing and improvement. The innovations have exposed the majority guarantee. They are explaining the dilemma of require of collateral by means of group based quality based move toward. They solve harms of reimbursement collection, the utilization of social and the examiner force, and the guarantee of higher repeat loans. They also explain the troubles of operation costs by affecting some of these costs down to the group level and by mounting outreach. They propose staff incentives to realize superior outreach and elevated reimbursement, and on condition those savings services that assemble the requirements of small savers.

## **Need for Microfinance**

Microfinance plans at supplementary communities of the reasonably barred to attain better levels of asset formation and income safety at the household and society level. Access to financial services and the consequent transfer of financial resources to poor women facilitate them to develop into economic agents of vary. Women become economically self-reliant, donate directly to the well being of their families, play an extra energetic role in decision making and are talented to tackle organized gender inequalities. Access to credit has been specified measured a chief poverty improvement tactic in India. Micro-credit has agreed women in India and prospect to develop into agents of modify. Poor women, who are in the front position micro-credit association in the country, utilize small loans to bound establish an extended sequence of economic activity.

Microfinance is accessing financial services in an casually official direction, in a bendable, approachable and perceptive method which otherwise would not have been probable for the official system for provided that such services for the reason that of features like high operation cost originating from the low down scale of function, high revenue of clients; regularity of operation etc. Microfinance and self help group must be progressed to see that SHGs do not charge high rates of interest from their clients and recover entrance to those who cannot sign by their utilize all the way through thumb impression.

The present journalism on microfinance is also dominated by the optimistic linkages flanked by microfinance and accomplishment of millennium development goals (MDGs). Micro-credit Summit Campaign's 2005 report disagrees that the campaign offers a good deal desirable expect for accomplishing the millennium development goals specially connecting to poverty diminution. IFAD beside with food and agriculture organization (FAO) and the world food programme (WFP) affirmed that it will be probable to accomplish the eight MDGs by the launching closing date of 2015 "if the increasing and developed countries obtain accomplishment instantly by executing tactics and projects, in which micro-credit could take part in a chief function."

Credit is fundamental to the poor for overcoming the unavoidable and ordinary inequality flanked by revenue and expenses. Credit is also critical to the poor for revenue producing activities, like supplying in their marginal farms or further small scale self-employment projects. Their entrée to official banking channels, on the other hand, is limited due to their low supply bases as well as owed to the character of official credit institutions. The reputation of the microfinance, self help group's branches from extensive acknowledgment that official banking channels are basically unproductive in catering to the credit requirements of the poor.

Petite savings and loans are commonly an unappealing business suggestion for formal banking institutions. In addition to disincentives faced by the banks, there are also troubles faced by the poor in accessing loans from official banking institutions. For example, to decrease risks, banks demand, collateral security that the normal micro borrower does not acquire. Banks also maintain on problematical measures that are too time consuming and habitually too difficult for the poor and illiterate. Still in the accomplishment of straight lending programmes official institutions discover it complicated to conquer the trouble of objecting. The familiarity is that the rich and powerful characteristically supervise to corner the scare loan able finances. Thus official banking channels stay mostly unreachable to the poor in India. As a consequence the poor maintain to be dependent on informal segment lending, paying excessive rates or underselling the product and their labour influence to the creditor. It was in response to these boundaries in official banking channels that micro credit instruments were innovated.

A pretty from the former U.N. Secretary General Kofi Annan's video significance on commence of the international year of micro credit on 18th November 2004 in addition to shows the implication of microfinance. "Microfinance has established its worth, in many countries, as a weapon against poverty and hunger. It actually can modify people's lives for the better - particularly the lives of those who require it most .... Let us be understandable. Microfinance is not charity. It is a means to enlarge the equal rights and services to low-income households that are accessible to everyone else. It is acknowledgment that poor people are the explanation, not the trouble. It is a means to construct on their force and vision. It is a means to produce industrious enterprise and so agree to communities to prosper."

## **1.8 Concept of Empowerment**

It is remarkable to note that the majority of the dictionaries simply shows a pre-twentieth century description of the verb empower meaning 'to empower', and 'to give power to'. The expression was first used in the 17th century and has meanings like 'authorize', 'delegate', or 'enable'. The phrase empowerment, as an outcome, is an intricate thought. On the other hand, it implies the transfer of authority in an energetic technique above a period of time.

Empowerment gives the impression to be a modern thought that would not have been probable 200 years ago when the thought of democracy and 'government of the people, for the people, by the people' was something to struggle and die for. In the 20th century we saw numerous examples of political empowerment in different countries in the world led by people such as Mahatma Gandhi, Martin Luther King, and Nelson Mandela. From the viewpoint of the members of low-powered group, empowerment refers to hard work to develop their base of power.

The topic of 'women empowerment' is currently a global phenomenon. In view of the fact that the derivation of the United Nations Organization, the topic of women's development has concerned the consideration from the scholars worldwide and the thought has come in the political outline of a great amount of countries. At present, the word "empowerment" has replaced the former word "development". Despite the fact that the phrase 'empowerment' had develop into a 'buzzword' in the sixties, it was not argued so expansively in literature in anticipation of the eighties. It took regarding twenty five years for the United Nations to announce the year 2001 as the 'International Year for Women's Empowerment' after announcing the 'Women's Decade' in 1975. India also affirmed the year 2001 as the 'Women's Empowerment Year'.

The idiom empowerment has diverse implications in different socio cultural and political frameworks, along with does not convert easily interested in all languages. A journeying of confined provisions allied with empowerment about the world all the time leads to sparkling conversation. These provisions contain self-



strength, control, self-power, self-reliance, own choice, life of pride in agreement with one's morals, accomplished of fighting for one's rights, independence, own decision making, being free, initiation, and competence—to bring up only a few.

The World Bank describes empowerment as “the development of growing the capability of individuals or groups to make choices and change those choices into preferred actions and conclusions. Central to this development is actions which equally put together individual and collective assets and get better the effectiveness and equality of the organizational and institutional framework which oversee the utilize of these assets” (Arundhati, 2005)

According to the reading by World Bank, there are five most important parts where women can increase empowerment:

- Economic
- Psychological
- Legal
- Political
- Familial/interpersonal

(Malhotra, Schuler & Boender, 2002,p.13).

On the other hand, According to the study by Malhotra et.al.(2002), there is a extensive variety of description and approaches which can functional for to understand the perception of women's empowerment.

In approximately each society and in each globe of life women suppose uneven position and status; consequently it is essential to empower them by provided that equal prospects. The idiom empowerment is a multidimensional social development and it helps people expand control above their hold lives. Supplementary, it can be described as a procedure that promotes power in people for utilize in their hold lives, their communities and in their society, by temporary on issues they reflect as significant. “Empowerment refers to growing the religious, political, social, or economic power of individuals and communities....” (Retrieved from <http://www.empowermentillustrated.com>).

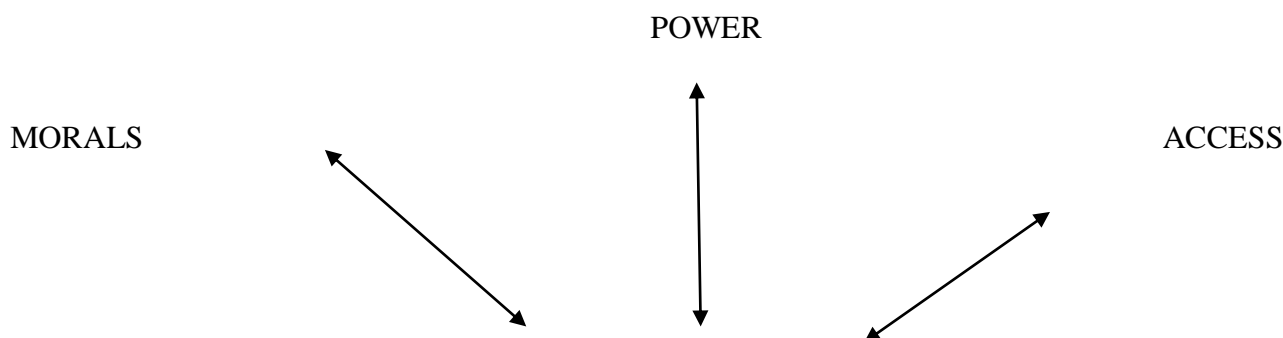
Empowerment of women is not only crucial however also vital for all-round improvement of society and the nation as an entire. The concern of ‘women empowerment’ has happen to an innermost spot in the agendas and activities of the United Nations and other Government and Non-Government Organizations. Consequently, it has also developed into a foremost apprehension of the social scientists, politicians, bureaucrats and researchers. But there is a need of agreement amongst the scholars in understanding the term empowerment. A variety of scholars have aimed to describe the phrase from their own viewpoints. The

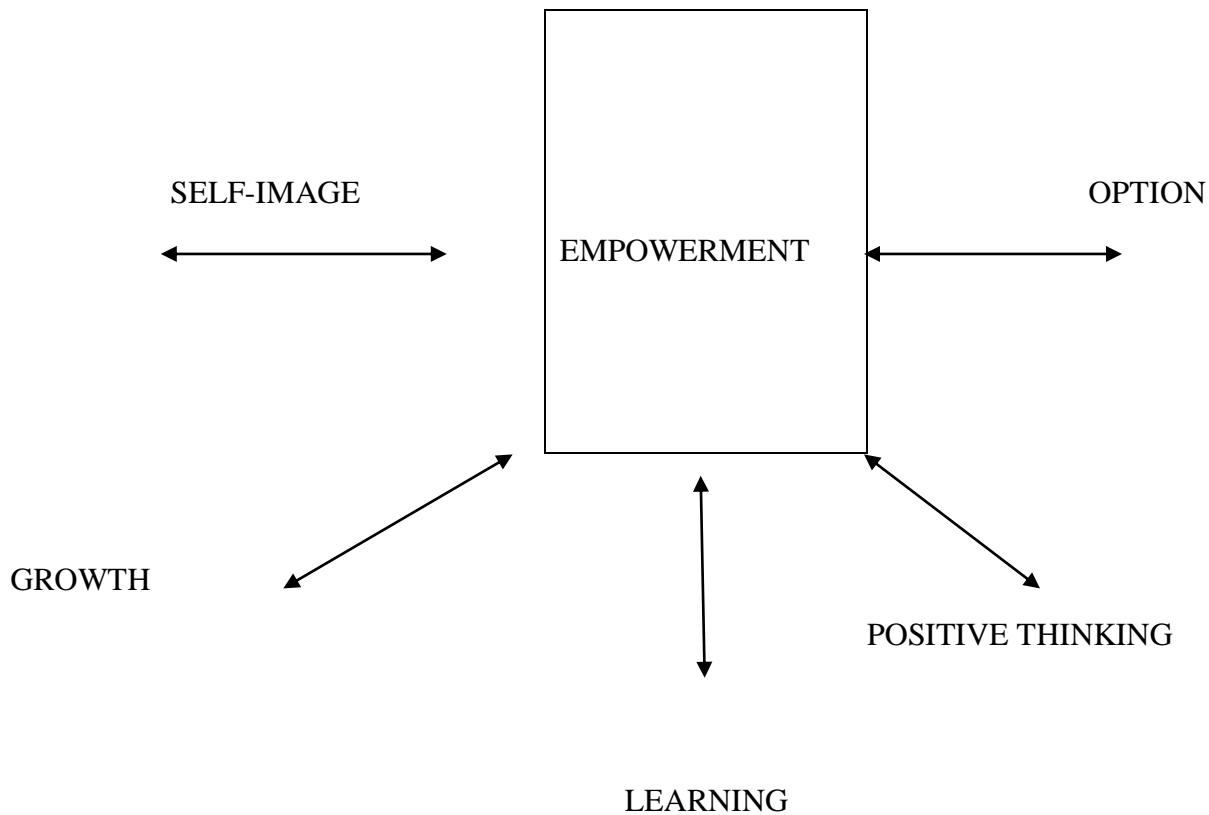
word empowerment has diverse senses in different socio-cultural, economic and political circumstances. An investigation of confined provisions allied with empowerment about the world forever encompasses a broad assortment of definitions. These provisions embrace of self-strength, self-control, self-power, self-reliance, personal choice, capability of fighting for one’s rights, independence, own decision making power, freedom etc.

These definitions are surrounded in confined assessment systems and beliefs. Empowerment has together intrinsic as well as instrumental value. “The mainly general utilize of the expression "empowerment" refers to growing the power of the low-power group, so that it further almost equals the power of the high power group” (Bhadra, 2001, p. 61).

That also means, that it is tough to identify the thought of empowerment and consequently scholars have applied and used the impression in diverse habits in their studies. Empowered can also be described as a procedure, and can be connected with the exclusion of gender difference, and the majority of academicians researching on empowerment understand it as a procedure to reduce gender-related repression of women.

The fundamental implication of the empowerment is power. Power is the enter expression in the phrase empowerment. International Encyclopedia (1999) defines power as a means having the aptitude and the means to direct one’s life towards preferred social, political and economic goals or status. Power means in command of an Individual on the assets, rational resources and philosophy. Empowerment is a multi-dimensional social development that helps people expand power above their personal lives and in their society, by temporary on problems that they believe as significant. Empowerment happens surrounded by sociological, psychological and economic fields and at an assortment of levels such as individual, group and community and challenges our suppositions regarding the conditions quo, unbalanced power associations and social dynamics (Sheetal Sharma, 2006).





**Figure no.1-2: Features of Empowerment (source: own)**

Empowerment is the development in the course of which one increase power, ability and influence over others. It can be conditional from the diverse theme published on the theme empowerment that an empowered person must have following qualities.

- Competent to obtain a conclusion on diverse issues without any complexity.
- Competent to produce information and resources for taking decision.
- Competent to enlarge its proficiency.
- Competent to implement assertiveness in collective decision making.
- Competent to disturb incorrect decision of the family or the area.
- Competent to pressure the decision of others.
- Competent to transform other awareness by democratic means.
- Involve in the enlargement development.

Empowerment is the by no means ended procedure, empowerment creates the one survive his own life, empowerment creates the person capable to obtain planned conclusion for the welfare of her/his family,

throughout empowerment person is capable to contact resources as well information, capable to put his views, capable to converse personal promote associated issue with the officials, empowerment is multidimensional.

## **DEFINING EMPOWERMENT**

There is a little overlying perception that is mainly repeatedly incorporated in significant empowerment: options, choice, control and power. These impressions pass on to women's decision-making facilities, and the facility to involve preferred conclusions for themselves and their families (Malhotra et al., 2002). Empowerment has also been connected to expressions like self-sufficiency, self-determination, agency, manage above own life and resources, and enlistment (Narayan, 2005). In line with these conceptions, empowerment is regularly referred to as the capability to involve one's own welfare, and to create planned life options (Malhotra et al., 2002). This can be seen in Petesch et al. (2005), who describe empowerment as "growing together the ability of individuals or groups to create focused choices and their ability to change these choices into preferred actions and outcomes" (p.40).

Batliwala (1994) defines empowerment as the procedure of how the helpless expand manages over the conditions of their lives, by demanding the ideologies, and receiving access to and having control over resources. The definition by G. Sen (1993) states empowerment as "varying associations of power, which constrict women's options and autonomy and negatively concern health and well-being". Narayan (2002) explains it as "the development of assets and abilities of poor people to contribute in, discuss with, pressure, control and hold answerable institutions that affect their lives" (p.5). Fundamentally, the different definitions of empowerment can be summarized as women having the capability to organize their own life and make own decision.

Kabeer (1999) illustrates empowerment as "the development in people's capability to create tactical life choices in a situation where this skill was earlier denied to them" (p.437). In saying this, Kabeer (1999) recommends that empowerment engages a procedure of change where the people who have been deprived of the capability to build choices, obtain the capability to do so. In that wisdom, a person must first experience disempowerment (incapability to create choice) in order to experience empowerment (capability to create choice). This supplementary involves that a woman who movements the capability of choice may be commanding, but she may not unavoidably be empowered. Kabeer's (1999) definition is helpful as it can be functional to diverse frameworks and proportions of empowerment.

The empowerment definition by Kabeer (1999) is extensively adopted in microfinance studies, as it includes fundamentals which discriminate empowerment from the universal perceptions of power. She

supplementary explains that the capability to work out choice features three consistent proportions of empowerment: resources, agency and achievements (illustrated in figure 5).

**Figure no.1-3: Consistent proportions of empowerment**



**Source: Vaessen et al. (2014); ed. by authors**

The first proportions, resources, are the prerequisites that facilitate choices to be completed. Kabeer (1999) identifies, for example, microfinance as an external feature; a resource that has been completed obtainable to women that can manipulate her decision-making power within the household, her mobility, and her autonomy surrounded by further things. The second element, agency, is defined as “the capability to define one’s objectives and act upon them” (Kabeer, 1999:438) and it involves judgment the significance, enthusiasm and principle to create choices. In the microfinance journalism, agency is frequently represented as women’s decision-making power, but it can furthermore obtain other forms such as bargaining, negotiation, deception and manipulation. Examples of agency can be if women obtain control over household spending, have bargaining power within households, or are capable to utilize and manage resources in a technique that permits her to create planned life choices.

The third and final element, outcomes (or achievements), can be classified keen on two categories; positive changes in the socio-cultural framework of gender relatives, and positive economic conclusions. Gender is a socio-cultural assembles according to Vaessen et al. (2014), and it fluctuates across countries and regions. Gender relatives are created by religion, culture, and socio-economic factors, and this means that empowerment is also framework detailed. For example, obtainable gender norms for female mobility have an impact on women’s activities further than households. Are women capable to contribute in activities, or interrelate with others outside household? In societies where women have slight mobility, enlarged female mobility will be an empowering activity (Vaessen et al., 2014). Economic conclusions can be referred to as enlarged expenditure on education for children, health, and nutrition, next to enhanced household well-being.

## **The Empowerment Structure**

Recapitulates the empowerment structure sketched in diagram no.1-4, is relating the association between institutions, empowerment, and enhanced progress conclusions, chiefly for poor people. State modification that supports investments in poor people and their associations guides to enhanced progress result, together with better governance, improved- functioning and added comprehensive services, supplementary reasonable access to markets, reinforced civil culture and poor people's associations, and enlarged assets and liberty of selection.

Institutional restructuring to sustain empowerment of poor people means altering the connection among the state and poor people and their societies. It focal points on providing in poor people's assets and competences, equally individual competences and the collective competence to arrange, to facilitate them to contribute successfully in society and to cooperate with their governments, therefore as to reinforce the require part of governance. State modification, whether at the national, state, or local government level, necessity spotlight on laws, rules, institutional mechanisms, principles, and manners that sustain the four fundamentals of empowerment. Modify in official rules and regulations are required to be associated to pains to facilitate poor people and further citizens to cooperate successfully with their governments and supervise governance.

The spotlight of modification is thus on (a) designing instruments to sustain poor people's access to information, addition, and contribution; (b) producing social responsibility mechanisms; and (c) advancing in poor people's managerial ability to answer problems. Direct involvement of poor people and their representatives is not practicable or sensible in each framework. Civil society mediators such as research institutes, NGOs, and faith-based associations have imperative roles to participate in moving poor people's influences to local and national conclusion producers.

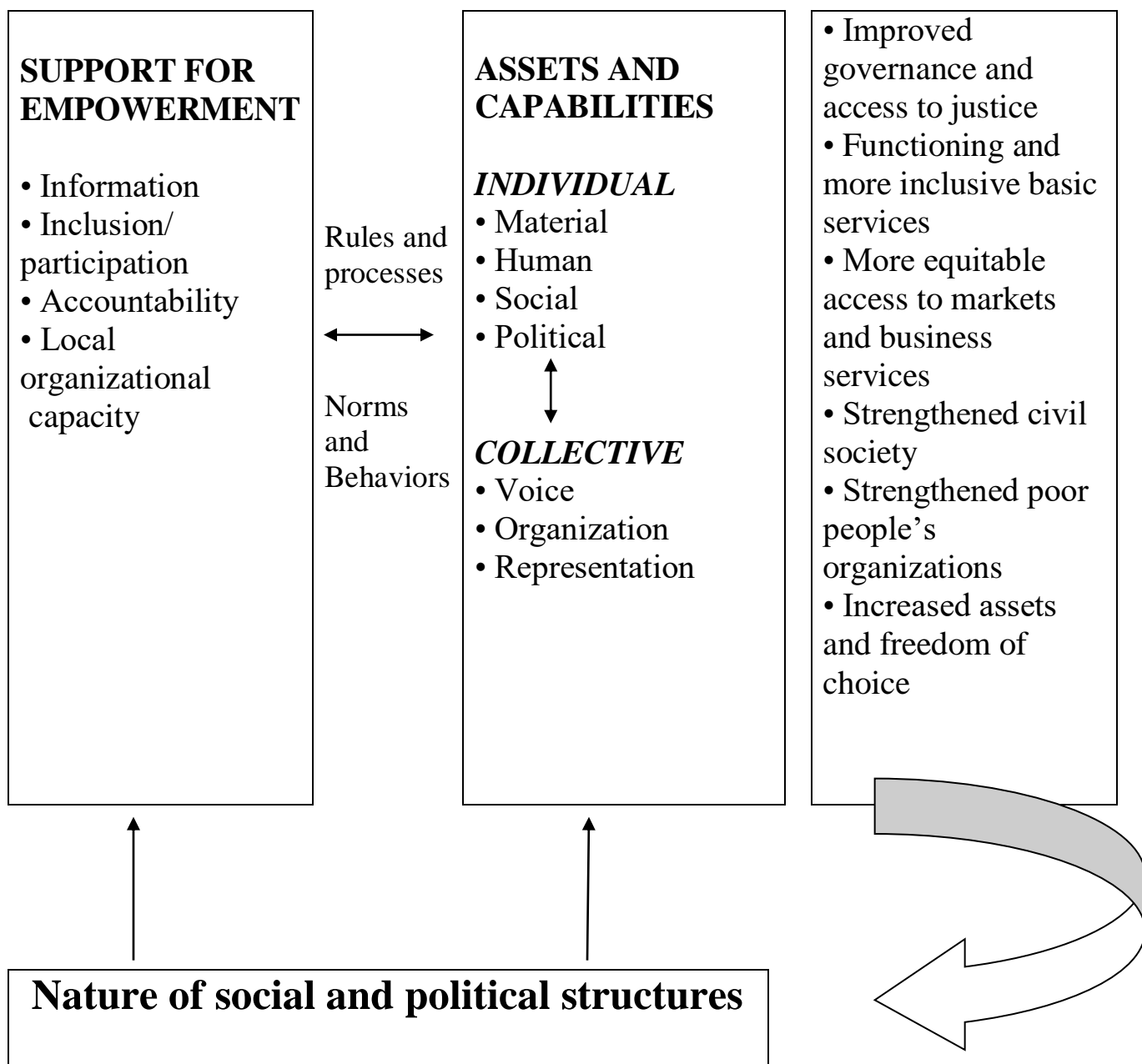
The variety of state modification that is practicable and applicable is habituated by the country's social and political organizations at a particular position in time. Larger than time, there are response loops that involve social and political constructions, which then guide to modifies in the state apparatus for sustaining empowerment. For example, as the significance of access to information becomes noticeable, countries may implement new freedom of information acts and provide in information technology to simplicity public access to information.

## Figure no.1-4: Empowerment Framework

**Reform of State Institutions  
Local and National**

**Poor People and  
Their Organizations**

**Development  
Outcomes**



### Four Essentials of Empowerment

There are thousands of examples of empowerment approaches that have been commenced by poor people themselves and by governments, civil society, and the private sector. Victorious hard works to empower poor people, growing their freedom of preference and accomplishment in diverse frameworks, habitually share four essentials:

**1. Access to information-** Information is authority. Educated citizens are enhanced prepared to acquire improvement of opportunities, access services, work out their rights, bargain efficiently, and embrace state and no state actors responsible. Lacking of information that is related, timely, and accessible in forms that can be understood, it is impracticable for poor people to obtain efficient deed. Information propagation does not discontinue with the printed word, but also contains group discussions, poetry, storytelling, debates, street theater, and soap operas—surrounded by other ethnically suitable forms—and utilizes a multiplicity of media together with radio, television, and the Internet.

**2. Enclosure and involvement-** Enclosure spotlights at who question: Who is included? Participation addresses the query of how they are included and the responsibility they participate once included. Enclosure of poor people and further traditionally barred groups in main concern setting and judgment creation is serious to ensure that limited public capital construct on confined awareness and priorities, and to construct assurance to modify. On the other hand, an effort to maintain enclosure and informed participation frequently necessitates shifting the systems so as to produce gap for people to deliberate issues and participate directly or indirectly in local and national precedence situation, budget development, and release of essential services. Participatory decision making is not always melodious and priorities may be contested, so quarrel declaration mechanisms require being in place to supervise disagreements.

**3. Responsibility-** Responsibility refers to the capability to call public executive, private employers or service providers to account, requiring that they be accountable for their strategies, procedures and utilize of funds. Extensive dishonesty, distinct as the mistreatment of public workplace for personal gain, upsets poor people the majority for the reason that they are the least probable to have straight access to executives and the least capable to utilize associations to acquire services; they also have the smallest number of selections to utilize private services as a substitute. There are three major types of responsibility mechanisms: political, administrative and public. Political answerability of political parties and representatives is more and more throughout votes. Administrative responsibility of government agencies is throughout inside responsibility mechanisms, both horizontal and vertical inside and flanked by agencies. Public or social responsibility mechanisms hold government agencies responsible to citizens. Citizen deed or social responsibility can strengthen political and administrative responsibility mechanisms.

**4. Local organizational ability-** Since time immemorial, groups and societies have controlled to take care of themselves. Local organizational ability refers to the capacity of people to work jointly, arrange them, and assemble possessions to answer problems of ordinary interest. Habitually outside the attained of official systems, poor people spin to each additional for maintain and potency to explain their daily troubles. Poor people's organizations are often informal, as in the case of a group of women who lend each further money



or rice. They may too be official, with or with no legal registration, as in the case of farmers' groups or neighborhood clubs.

## **Kinds of Empowerment**

It is manifest from the over deliberations that diverse authors and associations have attempted to describe the idiom 'empowerment' from their own viewpoints. It ranges from self-strength to competence construction of women. On the other hand, empowerment of women at present can be categorized into five major kinds – social, educational, economic, political and psychological.

**1. Social Empowerment-** Social Empowerment refers to the facilitating powers that reinforce women's social relatives and their situation in social arrangements. Social empowerment tackles the social discriminations accessible in the society supports on disability, race, ethnicity, religion, or gender.

**2. Educational Empowerment-** It is measured as the particular the majority significant apparatus of sociopolitical and economic alteration. But the representation of women's educational empowerment is not glowing in India. A knowledgeable mother is a one thousand crease superior to a more lecturer. Education generates self-confidence, self-esteem, self-sufficiency to a person. It takes light of hope; enhances social, political, intellectual, cultural and religious comprehension; enlarges the length of intelligence; eliminates all kinds of intolerance, narrowness, superstition and develops sympathy, acceptance etc.

**3. Economic Empowerment-** Without economic independence further human rights and scopes stay behind worthless to the people. Economic empowerment can be explained as a means by which the poor, landless, deprived and demoralized people of all societies can be freed from all kinds of deficiency and repression; can honestly enjoy the settlement from markets as well as household; can simply supervise a square nourishing food and accomplish fundamental necessities such as house, cloth, medicine and pure water etc. Economic empowerment grows throughout equivalent work opportunities, equivalent managerial reimbursement, equivalent handlings and equivalent effective atmosphere.

**4. Political Empowerment-**Political empowerment give confidences to people to grow the talents and awareness that will tolerate them to conquer obstructions in life or occupation atmosphere and eventually, assist them expand inside themselves or in the society. Without political contribution it would be very tricky for to amplify efficiency, capability, demanding the accessible power structure and patriarchal philosophy. Politics make a decision who will acquire what and how much. Therefore, empowering politically is the uppermost need of the hour.

**5. Psychological Empowerment-** From beginning to end psychological empowerment not only misbehave the traditional and patriarchal taboos and social responsibilities, they also convert their characters and subjectivities. When women connect educational institutions, political parties or decision-making bodies;

hold white color jobs, take conclusions and journey diverse places; inhabit land and prosperity they suffer psychologically motorized and construct their self confidence, identify their self-worth and take manage of their own income and body. This combination in any organization and profession provides them opportunities to observe and to identify extra of the world than those who have continued behind at home.

## **1.9 WOMEN EMPOWERMENT**

The perception of empowerment has advanced above the years since the 19th century. In a broader sense, empowerment means development of liberty of preference and achievement, which approaches with increasing one's influence and organize more the resources and judgments that influence one's life. It is a procedure of transform by which individuals or groups grow authority with the capability to obtain power over their lives that lead to improved well-being, access to resources and elevating self-confidence.

Empowerment of women means to make women powerful or to develop women is such a way that she generates power to face challenges of life, to overcome the problem of inequalities. Empowerment is a multi dimensional process, which would facilitate women to appreciate their full uniqueness and authorities in all globes of life. Empowerment of women consist of provided that improved acquaintance as well resources to the women to construct them capable to acquire judgment, superior self-sufficiency in judgment creation, capable to preparation their future, capable to obtain judgment in relation to the education of their children, better organize over conditions, capable to supply in the earnings of their associates. Empowerment of women has appeared as a significant issue in current times. The economic empowerment of women is being observed these days as a Sine-quo-non of progress for a country; therefore, the concern of economic empowerment of women is of dominant consequence to political philosophers, social scientists and reformers.

### **Uniqueness of Women Empowerment**

Women empowerment procedure assured uniqueness, they are the following:-

1. Women empowerment is generous power to women; it is assembly women enhanced off.
2. Women empowerment facilitates a superior measure of self-confidence and wisdom of independence surrounded by women.
3. Women empowerment is a development of obtaining power for women in sort of identify with her rights and to achieve her responsibilities towards oneself and others in a mainly successful way.

4. Women empowerment provides the competence or power to refuse to accept intolerance forced by the male dominated society.
5. Women empowerment facilitates women to systematize them to enlarge their self-sufficiency.
6. Women empowerment offers superior economy to women.
7. Women empowerment means women's control over material assets, intellectual resources and ideology.
8. Women empowerment faces traditional power equations and relations.
9. Women empowerment eliminates all gender supported unfairness in all institutions and organization of society.
10. Women empowerment means partaking of women in policy and decision making development at domestic and public levels.
11. Women empowerment means revealing the repressive power of obtainable gender and social relations.
12. Empowerment of women creates them additional powerful to features the challenges of life, to trounce the disabilities, handicaps and inequalities.
13. Empowerment of women facilitates women to comprehend their full identity and power in all specialties of life.
14. Empowerment also means equal status to women.
15. Empowerment also means providing superior access to acquaintance and resources, superior autonomy in decision making, superior capability to preparation their lives and freedom from the shackles compulsory on them by custom faith and practice.
16. Women empowerment happens within sociological, psychological, political, cultural, familiar and economic fields and a variety of levels such as individual, group and community.
17. Empowerment of women is an ongoing forceful procedure which improves women's capabilities to modify the organizations and thoughts that maintain them subordinate.
18. Women empowerment is a procedure of generating wakefulness and aptitude building.

### **Necessitate and value of Women Empowerment**

Gender quality and empowerment of women is acknowledged worldwide as a type of component to accomplish development in all field. The charter of United Nations signed in 1943 is the first international agreement that declared gender equality as a essential right. Ever since there had been many convections, programmes and objectives to facilitates women conferring on them human rights which are universal, indivisible, mutually supporting and interrelated. The convection also took observe of exacting harms appearance by women and their noteworthy role in survival of their families. So all states to the convection decided to acquire suitable measures to facilitate women to partake and advantage from the development.

In phrase of each indices of expansion and socio-economic, women have countenanced poorer than men, in all regions and in all section of the population. Hence necessitate and value of women empowerment can be appeared up on in the following direction:-

**(a) As women:-**

Women comprise 70 percent of the world's poor population or approximately 900 million of the 1.3 billion people who live in absolute poverty. Two-thirds of the world's illiterate populations of 876 million peoples are women. They generate 50 percent of the food worldwide but obtain only 10 percent of the incomes.

**(b) Earnings:-**

Women's regular earnings are constantly lower than those of men but in the unorganized sector, which account for 94 percent of economically lively women, earning are even lower.

**(c) Health:-**

In conditions of food eating, women undergo larger deficiency intra familiarly (women eat last as component of the culture of self-effacement and services to other and if there is insufficient food the men and children obtain fed first and the women do without).

**(d) Education:-**

Of the 960 million illiterate persons in the world, 640 million or 2/3rd is women. In 2013, the literacy rate of women has increased to 54.16 still it is lower than male literacy rated. School enrolment statistics for girls have been - and carry on to be minor than for boys at all stages and ages, and the abandon rates also higher for girls at every stages from primary to high school.

**(e) Politics:-**

Political liberty has forever been dominated by men. Image of women amongst Member of Parliament and state legislations has on no account surpassed 7 percent and has stayed around 5 percent over the years in spite of the mounting visibility of women. Women's image at the higher steps of the decision-making situation has also been constantly low.

**(f) Socio-cultural Factors:-**

The cultural create of son partiality includes to the psychological diffidence of the female child, dowry deaths, violence adjacent to women has its roots in the subordination of women at the social level and their susceptibility has not reduced but enlarged in mounting economics as a outcome of social disruptions criticism and a common deterioration values etc.

### **Steps in Women Empowerment**

There are various steps in accomplishing women empowerment.

1. The first step commences at a personal level. An individual woman increased thoughts of personal power, authority and self-sufficiency over material and innate selections she has to make.
2. In the second step, empowerment obtains place on an interpersonal level. Here a woman pressures the decision making power of another woman through their contact and working together.
3. In the third step, they highlight the purposes for social achievement and social modify. A community expansion programmes increased through a group attempt. But there can be prospects of toward the back connections also. A community development programmes can lead to individual empowerment and interpersonal empowerment.

### **REFERENCES**

- Rangarajan (2008) Report of the committee on financial inclusion in India
- Brigit Helms, (2006) “Access to all: Building inclusive financial systems”, Consultive group to assist poor, World Bank,. P 11
- Shaheed Ramzan (2008) The impact of indigenous finance system on the society, a study about Kurikkalyanam in Malabar PhD thesis submitted to Calicut University under the supervision of Dr. A Abdul Salim Fisher Thomas and Sriram MS. (2002), Beyond micro-credit—Putting development back into Micro-

finance. Vistaar Publications, New Delhi. Microfinance information exchange 2007a. "How Many MFIs and Borrowers Exist?" Washington, D.C.: Microfinance Information eXchange, September  
Microfinance sector report, ACCESS Alliance 2010

Rangarajan (2008) Report of the committee on financial inclusion in India

Sriram MS (2004) Microfinance and the State: Exploring areas and structures of collaboration, Research carried out under the Sir Ratan Tata Trust Fund for Research Collaborations in MicroFinance Indian Institute of Management Vastrapur, Ahmedabad

Mudit Kapoor , *Chit funds as an innovative access to finance for low income households*, Indian School of Buisness Hyderabad Dr. Antoinette Schoar MIT Sloan, School of management USA research.

Sriram MS (2004) Microfinance and the State: Exploring areas and structures of collaboration, Research carried out under the Sir Ratan Tata Trust Fund for Research Collaborations in MicroFinance Indian Institute of Management Vastrapur, Ahmedabad

Melegam 2011, Study report about regulation of microfinance sector in India submitted to Reserve Bank of India January

Himanshu 2011, The failure of a hope full idea, Microfinance focus on line journal; Author is assistant professor at Jawaharlal Nehru University and visiting fellow at the Centre de Sciences Humaines, New Delhi

Sarvagya Upadhyaya, Eric Mitchell, Srinath Reddy, Aaditeshwar Seth (2007), Whitepaper on Microfinance: Issues and Analysis, May 12, UDAI, Dawn of a bright future through social empowerment

Radha G Friedman (2005) Putting the micro back in microfinance; a case study of two NGOs in India, thesis submitted department of international studies and public service administration college of liberal arts and science, Depaul University, Chicago, Illinois

Chao-Beroff, Renee. 1997. *Impact assessment seen from an NGO practitioner's scope*. Washington, DC: World Bank.

Mayoux, L 2002. *Women's empowerment or feminisation of debt? Towards a new agenda in African microfinance*. London: One World Action.

James Robertson *Transforming economic life a millennium challenge* , Green Books Devon, taken from Taqi Usmani, Historic judggement against interest by Supreme court of Pakistan

James Robertson *Transforming economic life a millennium challenge* , Green books Devon taken from Taqi Usmani, Historic judggement against interest by Supreme court of Pakistan

Khurshid Ahmad (1998) *Islamic Banking, the expectation of current century*; translated to Malayalam in the book Islamic banking published by IPH Calicut.

Poverty estimates of Planning commission of India, [www.planningcommission](http://www.planningcommission.gov.in) of India website

Fernando, N (2004) 'From niche market to mainstream: changing face of the microfinance industry in Asia' paper presented at the Asian Development Bank Institute workshop on 'Modalities of Microfinance Delivery in Asia' Manila, 4- 8th October; paper available at [www.adbi.org](http://www.adbi.org)

Robinson, Marguerite S. (2001). *The Microfinance Revolution; Sustainable finance for the poor*. Washington: The World Bank.

Chapra M Umar (1985) Towards a just monetary system, The Islamic foundation Leicester, UK

Siddiqi M Najathulla (1998) Rational of Islamic Banking in India's perspective, in Souvenir IAFIE Tamil Nadu Chapter .

Ferro, 2005 "Value through diversity: microfinance and Islamic finance and global banking," *Fondazione Eni Enrico Mattei Working Paper No. 87.05*, Rome.

Abdul Rahman, Abdul Rahim. "The Islamic microfinance potential" *New Horizon* 162 (2006): 9-12.

Iqbal, Z. and M. Abbas *An Introduction to Islamic Finance: Theory and Practice*, Singapore: John Wiley and Sons, 2007.

Obaidullah Mohammed (2008) Introduction to Islamic microfinance, IBF Net the Islamic business and financial network International Institute of Islamic Business and Finance IBF Education and Charitable Trust ISBN: 978-81- 905822-2-3

Bagsiraj MI (2003) Islamic financial institutions of India, progress, problems and prospects, Scientific Publishing centre, King Abdul Aziz University, Jeddah

Bagsiraj MI (2003) Islamic financial institutions of India, progress, problems and prospects, Scientific Publishing centre, King Abdul Aziz University, Jeddah

Hussain, TK (2008) "*Palisa rahitha Nidhikal Keralathil*". Prabodhanam weekly Calicut, August 23,

Shaheed Ramzan (2008) The impact of indigenous finance system on the society, a study about Kurikkalyanam in Malabar PhD thesis submitted to Calicut University under the supervision of Dr. A Abdul Salim

Sangita Kamdar, "Microfinance, self-employment and poverty alleviation", Humalaya Publishing House, 2007, p. 15-16.

K.K. Tripathy, "Microcredit intention and poverty alleviation", *Kurukshetra*, 54, No. 11, September 2006, p.

Jothi V.N., "Socio-economic impact: Microfinancing of self help groups", *SGMS Journal of India Management*, January-March 2010, p. 91-92.

Lekshmi R., Kulshreshtha and Archana Gupta, "A study of microfinance in India – Delivery system and impact analysis with special emphasis to women upliftment", *Sajosps*, 3, No. 1, December 2002, p. 105.

Ruby, J.A., "Microfinance and Women Empowerments, A Study of Kudumbashree project in Kerla", Mahatma Gandhi University, Kottayam, July 2008, p. 57-58

Ruby, J.A., "Microfinance and Women Empowerments, A Study of Kudumbashree project in Kerla", Mahatma Gandhi University, Kottayam, July 2008, p. 60-61.

Harika, K. & Ramakrishna, R. (2017). Trends in Micro Finance with SHG-Bank Linkage Model (SHG-BLM) in India during 2010-11 to 2015-16. IOSR Journal Of Humanities And Social Science (IOSR-JHSS), Volume 22, Issue 11, Ver. 10, p.p 17-28

Mansuri, B.B., (2010). Microfinancing through Self-help Groups- A case study of Bank Linkage Programme of NABARD. Asia Pacific Journal of Research in Business Management, Vol.1, Issue 3, December, pp.141150.

NABARD (2016-17). Status of Microfinance in India, Report.

Reddy, M. R. & Muhammed Shafi, M.K. (2017). Emerging Trends in Indian Microfinance Industry: Role of Financial Technology and Inclusive Policies. Proceedings of 56th Academics World International Conference, Boston, USA.

Sadhan. (2017). The Bharat Microfinance Report.

Santosh, K., Subrahmanyam, S. E. V., & Reddy, T. N. (2016). Microfinance—A Holistic Approach towards Financial Inclusion. Imperial Journal of Interdisciplinary Research, 2(9).

## **CHAPTER 2**



**OVERVIEW OF MICROFINANCE SCHEMES IN INDIA,  
RAJASTHAN & IN UDAIPUR**



OVERVIEW

- 2. INTRODUCTION
- 2.1 OVERVIEW OF MICROFINANCE IN INDIA

OVERVIEW

- 2.2 OVERVIEW OF MICROFINANCE IN RAJASTHAN

OVERVIEW

- 2.3 OVERVIEW OF MICROFINANCE IN UDAIPUR

## **CHAPTER-2**

### **OVERVIEW OF MICROFINANCE SCHEMES IN INDIA, RAJASTHAN & IN UDAIPUR**

#### **2. INTRODUCTION**

In mounting countries, financing to the rural poor throughout recognized financial services failed to meet the acclaim requirements of the rural poor people. The foremost cause of breakdown was deficiency of some standard employment and therefore deficiency of collateral with the poor. The high risk and the high operation costs of banks connected with tiny loans and savings deposits are other features which create them non-bankable. The lack of loans from official institutions leaves the poor with no other decision but to borrow money from local money-lenders on enormous interest rates. In diverse countries together with India, pains have been completed by their governments to distribute official credit to rural areas by background up particular agricultural banks/rural banks or directing commercial banks to offer loans to rural borrowers. However, these programmes have also not worked well due to a variety of causes. Therefore, the incapability of official credit institutions to arrangement with the credit necessities of poor successfully has led to appearance of microfinance as a substitute credit system for the poor.

Microfinance can be a serious component of a successful poverty decrease approach also. Enhanced access and well-organized condition of savings, credit, and insurance facilities enable the poor to smoothen their expenditure, manage their risks improved, construct their assets regularly and expand their micro enterprises. Government, NGOs and other financial institutions have commenced different welfare schemes and actions to decrease poverty. Microfinance, by providing small loans and savings services to those who are disqualified from commercial financial services has been developed as a enter approach for reducing poverty the whole time the world. In India, a considerable microfinance system based on self help groups (SHGs) was developed. It allows poor people to defend, expand and enhance their sources of income, the necessary path out of poverty and hunger. As a developmental and economic instrument it has caught the imagination of banks, financial institutions and NGOs in India. Microfinance has developed as a financial development move toward planned to advantage low-income women and men chiefly in Rajasthan. The phrase refers to the stipulation of financial services to low-income customers, together with the self-employed. Financial services normally consist of savings and credit; on the other hand, a few microfinance organizations also offer insurance and imbursement services.

Microfinance segment and its enlargement are reliant on the local background of the state, its geo climatic surroundings and source of revenue systems of people. Micro Finance requirements of poor are conducted by the better enlargement circumstance and the prospects emerging from economic development. This chapter aims to point out the local background of Rajasthan, the position of economy, livelihood systems etc, so that the magnitude of microfinance services are understood in the framework of Rajasthan.

## **2.1 OVERVIEW OF MICROFINANCE IN INDIA**

## **MICROFINANCE IN INDIA**

For the microfinance area in India the year 2016 -17 was one of expansion with a few hiccups. External environment had some non-conducive fundamentals for the area. RBI's ongoing attention in the area is replicated in its commitment among both the SROs of the Microfinance sector-Sa-Dhan and MFIN, coming out with adjustments and enhancements in rule at whatever time mandatory, and maintain to the area in the consequences of demonetization.

MFIs maintain to be key providers for the improvement of MUDRA. The Pradhan Mantri Bima Yojana (PMBY) and the Atal Pension Yojana offer supplementary financial appliances for MFIs to present to their consumers. Bandhan Bank which increased from the microfinance area accomplished two years of its service, five MFIs started off as Small Finance Banks through the year beside with four Payment Banks. Further, RBI is coming up with rules for Peer To Peer lending. These are game changers for the banking and financial sector background of the country in universal and for financial addition scenario in particular.

The Indian Microfinance area has viewed an extraordinary expansion over the past 18 years. The quantity of institutions providing microfinance services has moved out up from a few to numerous hundreds. The quantum of credit completed offered to the poor and economically disqualified customers has achieved `46,842 crore and number of customers benefitted crossed 29 million as of March 2017 without the data of 6 large sized MFIs who transformed to Small Finance Banks before April 2017. The SHG bank linkage programme has similarly developed to touch the lives of individuals throughout SHGs with a marvelous loan portfolio of `61,581 crores.

The Government of India and the Reserve Bank of India have produced contributing to policy and regulatory skeleton for Microfinance Institutions (MFIs) to activate in the country. This has offered compulsory authority and impulsion to the area. MFIs in broad observe with the system, take mind of customer security issues, and stick to the Industry Code of Conduct. These aspects go an extensive manner in infusing self-belief surrounded by all the stakeholders. This year the area had to expression convinced issues when two denominations of currency notes were demonetized. This was joined with hard work in definite sections to put spokes in the recovery pains of the institutions. However in the short term these expansions have certainly exaggerated the area, we have displayed sufficient flexibility to carry on with our actions to achieve the target of financial enclosure.

Due to the absolute volume of the population living in poverty, India is purposefully important in the global hard work to improve poverty and to accomplish the Millennium Development Goal of dividing the world's

poverty by 2015. Microfinance has been present in India in one appearance or an additional since the 1970s and is now generally established as a successful shortage mitigation approach. More than the last five years, the microfinance industry has completed important expansion in element due to the involvement of saleable banks. Regardless of this development, the poverty circumstance in India maintains to be difficult.

Grameen Foundation has been effective for superior than six years to maintain the microfinance area in India. Usually, we come into partnerships with MFIs that have well-built business tactics and outreach probable in organize to assist them become sustainable and accomplish important expansion. Since 2000, we have entered into partnerships with five microfinance institutions and carried their expansion from 49,000 to more than one million clients. We have also maintained numerous MFIs in release and recovery hard work associated to the sunami of December 2004.

## **Growth and Outreach**

MFIs at present manage in 29 States, 4 Union Territories and 563 districts in India. The detailed 168 MFIs with a branch system of 10,233 and 89,785 employees have accomplished out to 29 million clients with a stupendous loan portfolio of `46,842 crore. This contains a handled portfolio of `13,898 crore. Out of handled portfolio, BC portfolio accounts for `10,131crore. The average loan exceptional per borrower stood at `12,751 and 85% of loans were used for income production functions

Outreach fell by 26% and loan wonderful grew by 27% over the previous year. The Southern region maintains to have the chief share of both outreach and loans excellent, pursued by East. On the other hand growth rates are higher in the Northeastern and East regions. Outreach fraction of urban customers has declined considerably as aligned with the rural population. The fraction of urban customers which was 62% in 2015-16 declined to 39% in 2016-17. Women borrowers comprise 96% of the total customers of MFIs, SC/ ST borrowers comprise 20% and minorities 10%. Of the total, For Profit MFIs (NBFC/NBFC-MFIs) donate to 79% of customers outreach and 79% of excellent portfolio, while NGO MFIs donate to the lasting. MFIs with portfolio size of more than `500 crore donate appreciably to the total outreach (80%) and loan outstanding (82%) of the area.

**Table no.2-1: Performance Highlights: A Snapshot**

Indicators: MFI Model	2017	2016	Change
Client Outreach	295 lakh	399 lakh	↓
Women Clients	96%	97%	↓
SC/ST Clients	20%	30%	↓

Other Minorities	10%	27%	↓
Rural Clients	61%	38%	↑
Gross Outstanding Portfolio	Rs 46,842 Cr.	Rs 63,853 Cr.	↓
Own Portfolio	Rs 32,944 Cr.	Rs 46,939 Cr.	↓
Managed Portfolio	Rs 13,898 Cr.	Rs 16,914 Cr.	↓
Avg. Loan per Borrower	Rs 12,751	Rs 11,425	↑
Income Generation Loan	85%	94%	↓
Female Staff in MFIs	12%	15%	↓
ABCO	426	440	↓
OER	10.50%	10.22%	↑
FCR	14.8%	13.83%	↑
Yield	22%	21%	↑
Margin	8.08%	10.00%	↓
OSS	114%	113%	↑
ROA	2.4%	2.2%	↑
ROE	13.31%	11.6%	↑
CAR	21.13%	19.39%	↑
Leverage	2.9	3.2	↓
Fund Flow(Outstanding)	Rs 33,923 Cr.	Rs 44,822 Cr.	↓
Equity Outstanding	Rs 3,615 Cr.	Rs 4,509 Cr.	↓
NPA	0.69%	0.15%	↑
<b>SHG Model</b>			
Total No of SHGs Linked	85.77 lakh	79.03 lakh	↑
No. of Families Reached	112 million	103 million	↑
Total Savings of SHGs	Rs 16,114 Cr	Rs 13,691 Cr	↑
Total No. of SHGs Credit Linkage	18.98 lakh	18.32 lakh	↑
Gross Loan Outstanding	Rs 61,581 Cr	Rs 57,119 Cr	↑
Total Loan Disbursed	Rs 38,781 Cr.	Rs 37,286 Cr	↑
Avg. Loan Disbursed per SHG	Rs 2,04,314	Rs 2,03,495	↑
Avg. Loan Outstanding per SHG	Rs 1,27,017	Rs 1,22,242	↑
NPA	6.50%	6.45%	↑

**Source: The Bharat Microfinance Report 2017**

### **Microfinance: The long-lasting significance**

The magnitude of microfinance can be evaluated by the reality that the Reserve Bank of India organizes microfinance loans as main concern sector loans. The flourishing deployment of microfinance loans for income production as verified by high settlement rates of microfinance customers is one of the rationales

that there is now a confirmed business container for such loans. The total gross loan portfolio of MFIs, exclusive of Small Finance Banks (SFBs), was over ₹46,000 crore on 31 March 2017. This is an expansion of around 18% over the previous year.

Over the previous year, several SFBs have originated procedures. This is a stimulating enlargement for microfinance clients, as SFBs will offer a full variety of financial services to them. RBI's guiding principle for SFBs, issued in July 2017; involve them to broaden 75% of their Adjusted Net Bank Credit (ANBC) for main concern area lending.

According to RBI, "the scope of activities of a small finance bank would primarily be to undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganized sector entities." SFBs are compulsory to open 25% of their branches in unbanked areas. While 40% of the lending has to be owed according to the norms for commercial banks, the enduring 35% can go towards any main concern sector where the small finance bank has aggressive improvement. Domestic commercial banks and foreign banks with more than 20 branches have to lend at least 40% towards precedence areas within which 18% has to be towards agriculture, 7.5% towards micro projects, 10% towards weaker segments and enduring 4.5% towards any precedence sector. The lending to agriculture area will be categorized as (i) Farm Credit (which will consist of short-term crop loans and medium/long-term credit to farmers) (ii) Agriculture Infrastructure and (iii) Ancillary Activities. Farm Credit includes loans to individual farmers, (including SHGs or JLGs, i.e. groups of individual farmers, presented banks sustain disaggregated data of such loans), straight occupied in Agriculture and Allied Activities – dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture.

Early substantiation implies that MFIs that have developed into SFBs will simply go above these objectives. There will be an opportunity for them to sell Priority Sector Lending Certificate (PSLC), to other banks which necessitate covering their deficits in main concern sector loans. In the near term, SFBs face the brave to progress their business reproduction in an approach that makes it probable for them to serve their customers, which to a huge amount will contain low income households as well as micro and small enterprises. They will require developing a mix of financial products and services that are customized to the wants of this market section. At the same time, they will want to ascertain sound risk management systems so that they can successfully handle with any ambiguity that there in commission environment throws at them.

This year has offered proof that the microfinance area has complete and is in a superior situation to handle risks that may happen from time to time. However, the want to stay behind attentive at the organizational level as well as the area level remains as main today as ever. In the past year we have seen high profile cases

of deceptive associations mimicking MFIs as well as SHPIs (in Odisha and Bihar). Such illustrations generate uncertainty amongst the broad populace and damage the standing of microfinance. It is therefore significant for answerable organizations concerned in microfinance to make hard work to safeguard their clients from becoming victims of such frauds. There is now an essential from a risk management viewpoint for answerable organizations to make efforts to elevate the financial literacy levels of their clients. They should make certain that their customers are able to differentiate between justifiable and false financial institutions, genuine and false financial products and legitimate and fake banking representatives.

### **Client Outreach**

The entire digit of clients provided by MFIs apart from 6 Small Finance Bank (SFBs) located at 295 lakh as on 31 March, 2017. In 2015-16, six SFBs only had 130 lakh clients out of overall client of 399 lakh. Number wise client outreach in 2016-17 has turn downed to 295 from 399 lakh but in fact there is a development of 10% (factoring in 6 SFBs’ exit as an MFI).

Client outreach of MFIs had full-fledged considerably from 2005 to 2011, accomplishment a level of 317 lakh. This tendency sluggish downward during 2012 and 2013 and the digit of clients slumped to 275 lakh. The tendency inverted in 2014 with a enlargement and arrived at a level of 330 lakhs. This tendency continues in 2016 with a massive increase in clients/ borrowers to an all-time high of 399 lakh. Mainstream of these clients are being provided by NBFCs (NBFC/ NBFC-MFIs) 79% whereas Section 8 Companies account for 5% and others (Society/Trust/MACS) account for 16%. MFIs with wonderful portfolio above `500 crore are accountable for accomplishment out to 80% of the clients in the industry.

Apart from 168 MFIs, 4 Small Finance Bank (SFB) having revelation in microfinance also presented data. These 4 SFBs were together accounts for 58 lakh client. By organizing MFIs and SFBs totality clients stood at 353 lakh.

**Table no.2-2:No. of MFIs in Indian States/UTs**

No. of States/UTs	No. of MFI
1	90
2 to 5	57



6 to 10	13
11 to 15	4
> 15	4
Total	168

**Source: The Bharat Microfinance Report 2017**

## **Advancement of Microfinance in India**

India has been testing with microfinance approach in the outline of Self Help Group (SHG) scheme as an element of formal credit delivery system since 1960s while giving lot of independence to Non-Government Organizations (NGOs) for setting up Self Help Groups based on a variety of models. Government of India, RBI and NABARD has made rigorous hard work to offer the poor with access to microfinance throughout development of SHGs and the official credit deliverance system.

This curriculum envisages association of the rural poor into SHGs for construction their competences to handle their own finances and then consult bank credit on commercial terms. The microfinance application of NABARD has approved throughout a variety of segments above the last two decades i.e. pilot testing from 1992-95, mainstreaming from 1996-98 and development from 1998 beyond.

In India microfinance services are organism presented principally through three key basses:

1. Informal Sources: Money lenders and shopkeepers
2. Semi-formal Institutions: Non-Government Organizations (NGOs)
3. Formal Institutions: Commercial Banks, Regional Rural Banks (RRBs) and Cooperative Banks

## **SELF HELP GROUP**

It is significance declaring that the SHG bank linkage association has penetrated its 26th year. According to NABARD's "Status of Microfinance in India (2016-17)" report, as on 31 March 2017, the SHG bank linkage program enclosed "10 crore families throughout 85 lakh SHGs with investments deposits of `16,114 crore and 48.4 lakh groups with collateral-free loan exceptional of over `61,500 crore, of which, 88% for rural women". An imperative aspect that has facilitated this curriculum accomplish this size has been the large contribution of banks, NGOs, as well as State Rural Livelihood Missions in the current years. The associations concerned in the SHG bank linkage project are now creation hard work to link credit data of

SHG members to credit in sequence bureaus. Once this is accomplished, there will be a bigger combination of the low-income population living in the rural areas of the country with the formal credit markets.

SHG – Bank Linkage Programme, the major microfinance model in the world, commenced officially in 1992 with a set of guiding principles issued by NABARD. RBI assisted profitable banks to lend to SHGs without collateral. Since then it has in use the outline of an association. This year the programme distinguished its silver jubilee. This chapter will present a comprehensive picture of the SHG-Bank Linkage Programme and also the advancement underneath NRLM. The following sections present a brief summary of each characteristic of the programme:

### **Self Help Group Bank Linkage Programme (SBLP)**

Self Help Group Bank Linkage Programme (SBLP) is a footstep to convey the “unbanked” poor into the recognized banking system and to repeat thrift and credit practice. A normal corollary is for the group members to modify into looking for improved livelihood opportunities during access to credit from financial institutions.

### **Key Statistics under SBLP as of March 2017**

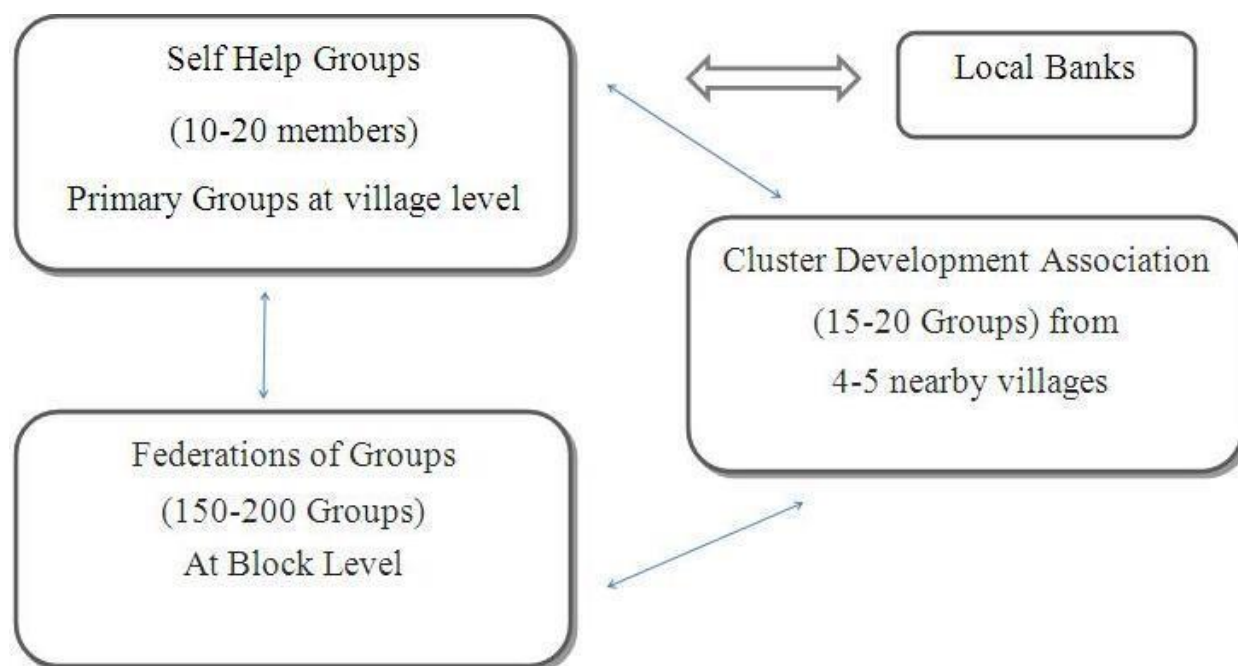
- Entire figure of SHGs saving-linked with banks – 85.77 lakh
- Entire saving quantity of SHGs linked with banks – ₹16,114 crore
- Entire number of SHGs with loan outstanding – 48.48 lakh
- Entire loan amount outstanding – ₹61,581 crore
- Entire number of SHGs credit linked during 2015-16 – 18.98 lakh
- Entire quantity expended throughout 2015-16 – ₹38,781 crore

There are three major credit desires of the SHG members:

1. Social Needs: Food, marriage, birth and death, festivals, family events, education and housing etc.
2. Production Needs: Agriculture, allied activities and micro entrepreneurship etc.
3. Emergency Needs: Medical, fire, theft, flood, earth quake, cyclone, drought etc.

To appreciate economies of scale, decrease operation costs and to supply value added services, the SHGs are come together by supporting agencies like dairy and credit federations but fluctuates from other type of federations. Whereas association of further federations is official, the association of SHG federations is informal in environment.

**Figure no.2-1: Formation and functioning of SHG alliances**



**Source: Beyond Microcredit: Building Nested Institutions of Savings and Credit Groups in India- The Kalanjiam Experience, Research paper by K. Narender presented at Microcredit Summit, 10-13 November, 2002 at New York, USA.**

### **Swarnjayanti Gram Swarajgar Yojna (SGSY)**

“Swaranjayanti Gram Swarajgar Yojna” (SGSY) was commenced in the country from 1st April, 1999. The essential purpose of the SGSY is to convey the helped poor families (Swarozgaris) over the Poverty Line by providing them income-generating assets during a mix of Bank Credit and Government Subsidy. This agenda plans at creating a huge amount of micro enterprises in the rural areas supported on the capability of the poor and economic prospective of the area. The SGSY is diverse as of prior agenda in conditions of the approach visualized for its accomplishment. It has been pictured as a holistic course of self-employment and covers all features of self-employment of the rural poor viz. association of the poor into Self Help Groups (SHGs) and their capability structure, training, selection of key activities, planning of activity clusters, infrastructure build up, technology and marketing support.

SGSY focal point on association of the poor at grass root stage with a procedure of social enlistment for poverty abolition. SGSY's move toward to classify the poor branches from the assurance that there is remarkable probable within the poor to help themselves and that the probable can be harnessed by classifying them. Social enlistment facilitates the poor construct their own associations i.e., Self Help Groups (SHGs), in which they contribute entirely and directly and obtain conclusions on all issue concerning poverty eradication. Concurrently, SHGs have the benefit of the support be it in conditions of credit or technology or market regulation etc., thus accomplishment the poor faster and more successfully.

### **Development of Self Help Groups under SGSY**

SHG is a group of rural poor who have volunteered to classify themselves into a group for eradication of poverty of the members. They concur to keep habitually and translate their savings into a Common Fund. The members of the group concur to utilize this common fund and such other resources that they may obtain as a group during a general management.

### **Responsibility of the NGOs**

Experiences across the country have given away that group arrangement and expansion is not a unstructured procedure. An external facilitator working intimately with the communities at the grassroots stage can take part in a serious responsibility in the group arrangement and expansion effort. The excellence of the groups can be influenced by the competence of the facilitator. The facilitator may or may not be an official person. In some cases, NGOs can not only create obtainable the facilitator and also assist in construction their capability. DRDAs may maintain such perceptive support instruments in the outline of NGOs or community stranded organizations or a team of committed functionaries of the Government who are completely occupied in the assignment of commencing and supporting the group expansion procedure.

### **Linkage of SHGs with the Banks**

The construction phase typically lasts in six months. After achievement of six months, it is essential to focus each Self Help Group to an experiment whether it has developed into a group and is prepared to go into the next stage of advancement. This is done in the course of a ranking exercise. The purpose of this exercise is to recognize the weak points, if any and assist the group to conquer the similar consequently as to expand into a good quality sustainable group. Grading exercises thus should assist to focus concentration on weak groups so that DRDAs can help them to overcome the weak points and modify into good groups. Ranking of the group should also facilitate the DRDAs to ascertain linkages of the good groups with the Banks.

### **Capacity building of the Self-Help Groups**

Each SHG which is in subsistence for at least a phase of six months and has established the possible of a feasible group, enters the second phase in which it obtains the Revolving Fund and also embarks on expectations structure capability of its complete team members. DRDAs will assemble to supply the rotating finance to such groups, meeting their share from out of 10 percent of SGSY fund.

### **Taking up of Economic Activities**

Formerly the SHG has confirmed that it has effectively approved during the second phase, it is qualified to accept the backing for economic activities. This is in the form of loan and subsidy. There are two traditions in which SHG can obtain this support.

1. Loan-cum-subsidy to the individuals in the group provided the prospective Swarozgaris if the groups are accomplished of and enthusiastic to take up income generation activities.
2. Loan-cum-subsidy to the group is where all the members in the group desire to take up a group activity.

### **Loan-cum-Subsidy to the Members of the Group**

Although a few individuals are recognized as beneficiaries below loan-cum-subsidy, it is fundamentally the collection that is reputation agreement for the punctual repayment of the loan to the bank. The groups also commence accountability to intimately observe the asset management and income generation. The group is also anticipated to access services from the departments concerned to enable the members to obtain the projected income from the activities undertaken. Since the groups are continually cooperating with the banks, their scheme to protected nonstop line of credit to the Swarozgaris to access multiple dose of loan becomes serious.

### **Loan-cum-Subsidy for the Group Activity**

Group activities situate an improved ability of achievement since it is easier to offer back-up support and marketing linkages for grouping activities. SGSY will principally pursue the group approach. The group should express minimum stages of group enthusiasm, as comprehensive above before considering for assistance with loan-cum-subsidy. The group loans are entitled to 50 percent subsidy subject to a maximum limit of Rs. 1.25. lakh.

### **Training and Skill Development**

DRDAs should accomplish training programs for the members and the representatives of the groups so that the members become entirely self-managed and develop into strong groups. The cost of the group structure and enlargement should be met from the SGSY Revolving Fund (10 percent of SGSY fund allocation). Considering the experiences of the NGOs involved in improvement of SHGs in the country, it is expected that an amount of Rs 10,000 per group would be the investment necessary over 3 to 4 years.

## **2. National Rural Livelihood Mission (NRLM)**

Due to convinced deficiencies in the SGSY, the government has modernized this agenda as 'National Rural Livelihood Mission' (NRLM) also known as 'Aajeevika', to be applied in a task mode in the whole country. The chief deficiencies of SGSY were noted to be vast regional dissimilarity in recruitment of the rural poor, inadequate capacity building of the receivers, inadequate investments for building community institutions and weak linkages with banks chief to low credit enlistment and low frequent financing

The foremost purpose of the modernized NRLM is to decrease poverty by facilitating the poor households to access profitable self employment and trained wage employment chances resulting in significant development in their livelihood on a sustainable foundation by structure well-built grass root foundations for the poor. It is base on the trust that poor have abilities and a strong wants to come out of poverty. These competences of the poor can be operated only when they are prepared into institutions which are truly owned by them and offer them adequate capacity building.

### **Shift from SGSY to NRLM**

National Rural Livelihood Mission (Aajeevika) has been officially commenced on 3 June, 2011 in the country. The most important points of shift from SGSY to NRLM can be sum upped as follows:

- a) Distribution supported strategy to stipulate determined strategy.
- b) Trained support construction from State level to sub-district level.
- c) Federations at all levels.
- d) One time funding of Rs.10000 at Panchayat level, Rs. 20000 at block level and Rs. 100000 at district level to be granted.
- e) Subsidies to be improved
- f) Interest subsidy above 7% rate of interest to be granted.

## 2.3 OVERVIEW OF MICROFINANCE IN RAJASTHAN

Rajasthan has miscellaneous agro-climatic zones, regional discrepancies and diverse cultures. It is imperative to comprehend the regional framework and livelihood systems first, before boarding on study of microfinance segment in the state, which is still not as extensive as it is in the southern states. Therefore, a challenge has been made to study the common situation of Rajasthan, the status of economy, livelihood systems, poverty and its causes, plotting the majority toward the back districts and blocks and government's proposals for poverty improvement so that the significance of microfinance services are understood in the situation of Rajasthan.



Rajasthan is the biggest state in the country with a geographical area of 3.42 lakh square kilometres. It engages regarding 10% of the total area of India. There is broad difference in geography and temperature within state. The Aravali hill varieties run from the south west of the state to the northeast. The eastern part of state has relatively enhanced rainfall than the western parts. The southern part is a hilly and is occupied by tribal population. The Indian Desert, 'The Thar' covers sixty percent of the land that falls on the western part of Rajasthan. It is amongst the driest element of the country. The average annual rainfall of the state is 530 mm which is changeable. As a result Rajasthan spectators frequent droughts. Around 30.9 per cent of the state's area is classified as wastelands.

Rajasthan is the biggest state in India and the typical natural, social and economic features of Rajasthan define the want and scope for a strong microfinance movement. The most important area controls the fundamentally agrarian economy, with 2/3rd of the population needy on agriculture and associated activities

for their livelihoods. Microfinance has made marvelous steps in India as well as in Rajasthan also, over the years and it has happen to a household name in outlook of the multi-pronged profit from microfinance services to the poor in our country. The Indian banking sector today is struggling with the subject of financial enclosure. Financial enclosure is defined as the procedure of make sure access to timely and sufficient credit and financial services by exposed groups at a reasonable cost.

Rajasthan is situated in the northwest of the country, in an district which Sa-Dhan’s survey particularly highlighted as remaining less targeted by microfinance institutions. The rate of growth in microfinance may not be as high as in other states, until now Rajasthan has still seen a rapid enlarge in the microfinance sector. The organizations operating in the microfinance sector can be broadly grouped in two classes namely-

A. The SHG bank linkage programme (SBLP) which is a saving led model.

B. The Microfinance Institutions which is a credit led model and contains Non banking financial corporation (NBFCs)-Micro finance institution (MFIs), trusts, societies, etc. As per the Human Development Index report, Rajasthan comes at 12th rank among 15 major states in India. In terms of accessibility of credit from RFI the state is among the least advantaged states. This is replicated in the number of bank outlets per lakh population, per capita bank deposits, per capita bank credit and, over all credit deposit ratio. In all these respects Rajasthan is lagging.

**Rajasthan is divided into 33 districts within seven divisions:**

<b>Division</b>	<b>Districts</b>
<b>Jaipur</b>	Jaipur ,Alwar, Jhunjhunu, Sikar, Dausa
<b>Udaipur</b>	Udaipur, Banswara, Chittorgarh, Pratapgarh, Dungarpur,Rajsamand
<b>Ajmer</b>	Ajmer, Bhilwara, Nagaur, Tonk
<b>Jodhpur</b>	Barmer, Jaisalmer, Jalore, Jodhpur, Pali, Sirohi
<b>Bikaner</b>	Bikaner, Churu, Sri Ganganagar, Hanumangarh
<b>Kota</b>	Baran, Bundi, Jhalawar, Kota
<b>Bharatpur</b>	Bharatpur, Dholpur,Karauli, Sawai Madhopur

Rajasthan has a mostly Rajasthani population of approximately 68,621,012. Rajasthan's population is made up primarily of Hindus, who account for 88.8% of the population. Muslims make up 8.5%, Sikhs 1.4% and Jains 1.2% of the population. The state of Rajasthan is also occupied by Sindhis, who came to Rajasthan from Sindh territory (now in Pakistan) during the India-Pakistan division in 1947. Hindi is the official and the majority broadly spoken language in the state (91% of the population as per the 2001 census), followed by Bhili (5%), Punjabi (2%), and Urdu (1%). Rajasthan's economy is mainly agricultural and pastoral.



Wheat and barley are refined over huge areas, as are pulses, sugarcane, and oilseeds. Cotton and tobacco are the state's cash crops. Rajasthan is amongst the major manufacturers of edible oils in India and the second leading manufacturer of oilseeds. Rajasthan is too the largest wool-producing state in India and the major best possible manufacturer and consumer. There are largely two crop seasons. The water for irrigation comes from wells and tanks. The Indira Gandhi Canal irrigates north western Rajasthan.

## **Current Situation of Microfinance in Rajastha**

### **MICROFINANCE IN RAJASTHAN**

In Rajasthan there is a need of contact to useful capital. The poor repeatedly get themselves in a violent circle: creating at a continuation plane makes it complicated to accumulate investments or other assets, thus production it complex whichever to invest in fruitful resources or to expand access to credit in official capital markets, which escorts to low efficiency and sustained poverty.

Yet, Government pains to distribute official credit to rural regions have integrated surroundings up Regional Rural Banks (RRBs) or arranging commercial banks to loan a convinced minimum percentage of their loan portfolio to rural borrowers. On the other hand, such pains have normally unsuccessful as it is repeatedly politically hard for Governments to impose repayment of loans, and as the below-market interest rates that have been charged persuade non-price rationing of loans.

More than two decades microfinance has been developed and accepted as a way to relieve poverty in numerous states together with Rajasthan in India. Microfinance during SHGs materializes as one of the improved opportunity in observation of the low operation cost, wider outreach and accessibility of service at the entrance itself. A Self - Help Group (SHG) is a small group of people from a uniform class who come mutually for dealing with their general troubles through self and shared help.

Generally, the number of members in a SHG does not go beyond twenty. Theoretically, microfinance is defined as stipulation of thrift, credit and other financial services and products of very small amounts to the poor in rural areas, semi-urban and urban areas. Any person availing microfinance has to connect in some fruitful activities that will produce some income. So, microfinance gives financial services to the poor and low income people, whose low income position prohibits them from official banking system.

The picture of microfinance programmes in Rajasthan has point out increase in income levels, decreased dependence on local money lenders, increase in expenses on children's education, health, agricultural inputs and production, and not to forget has enhanced women's self- confidence and improved social capital.

### **PROMOTION OF SHGs IN RAJASTHAN**

A Self Help Group (SHG) is a group of about 10 to 20 people, normally women of uniform surroundings, who come jointly to fulfill a general objective, which mainly of the time is savings and credit. The members of SHG enlarge a credit history while undertaking internal-lending amongst them and have a social capital to improve. SHG association was started by voluntary organizations, NABARD and Department of Women and Child Development (DWCD). These foundations have added considerably to cover more and more households to be a element of this association. With the intention of lightening poverty, the State Government has been applying programmes such as SGSY, DPIP, and MPOWER etc. The biggest SHPI in the state is DWCD with reference to 2.3 lakh SHGs across the state. NABARD next to with NGOs encourages about 89 thousand SHGs. NABARD encourages about 14 thousand SHGs. Yet, it is hard to forecast and details the accurate number in the nonappearance of an official reporting mechanism. There are cases of dual including, and uncertainty as how many SHGs that survives in the State. Underneath are a few projects supported by diverse SHPIs through SHGs in Rajasthan. Microfinance segment is activated largely through two channels in Rajasthan

1. The SHG Bank Linkage Programme (SHG-BLP), and
2. The Micro Finance Institutions (MFIs)

### **1. SBLP model in Rajasthan:**

The SHG – Bank Linkage Programme was happening as an Action Research Project in 1989 which was the off shoot of a NABARD initiative during 1987 during authorizing Rs. 10 lakh to MYRADA as start money support for experimenting Credit Management Groups. In the same year the Ministry of Rural Development provided PRADAN with maintain to launch self-help groups in Rajasthan. The experiences of these early hard works guided to the endorsement of a pilot project by NABARD in 1992. The pilot project was planned as a partnership model linking three agencies, viz., the SHGs, banks and NGOs. This was assessment by a working group in 1995 that led to the development of a streamlined set of RBI accepted strategy to banks to facilitate SHGs to open bank accounts. This was joined with a promise by NABARD to give refinance and promotional maintain to banks for the SHG - Bank Linkage Programme. Primarily there was a slow development in the programme up to 1999 as only 32,995 groups were credit connected all through the period 1992 to 1999. As then the programme has been mounting speedily and the number of SHGs financed improved. At present 245903 no of SHGs connected with bank for saving function and 32590 SHGs linked with bank for credit reason.

## 2. The Micro Finance Institutions (MFIs):

Another model that has been under accomplishment in the Rajasthan in admiration of microfinance is financing of Individuals and SHGs through MFIs. This model covers up financing of MFIs by banking organizations for beyond lending to SHGs and other small borrowers. Micro Finance Institutions (MFIs) act as a significant medium for expanding financial services to the microfinance segment in the country by lifting funds from Banks and other institutions and enlarging loans to individuals or members of JLGs.

In Rajasthan, Microfinance is approximately identical with Self Help Groups. There is no additional model of microfinance in the state. There are around 1.5 lakh self help groups of women. Department of women and child development has supported about 50% of these groups. Other government departments under developmental schemes like SGSY, Watershed Development etc, have prepared other 20-25% groups. NGOs have promoted remaining 25-30% groups. The Self Help Movement in progress more as 'social mobilisation' of women for their enhanced place in family and society rather than 'MicroFinance movement' in Rajasthan. Many voluntary societies had been working with poor societies them in 'village development committees'. But contribution of women in these VDCs was subbed most favorable. So they ongoing a separate group of women 'Mahila Smooh/ or Mahila Mandals' as sub set of better village institution merely with a function of having enlarged contribution of women in improvement. The majority enlargement practioners and policy makers understood that mere women contribution through MM/MS is not sufficient and some direct achievement in terms of improving economic position of women is desired. The assumption was that if women have access to income/ money, their status in family and society would be improved. Many voluntary associations and government (together and/or separately) started arranging women in to groups to take up small business (IG Activities) jointly. The majority of these activities were Off Farm like sewing, dari, galicha, candle, chalk, agarbatti, achar, badi, papad, handicrafts, etc.

**Table no.2-3: Overview of MFIs in Rajasthan**

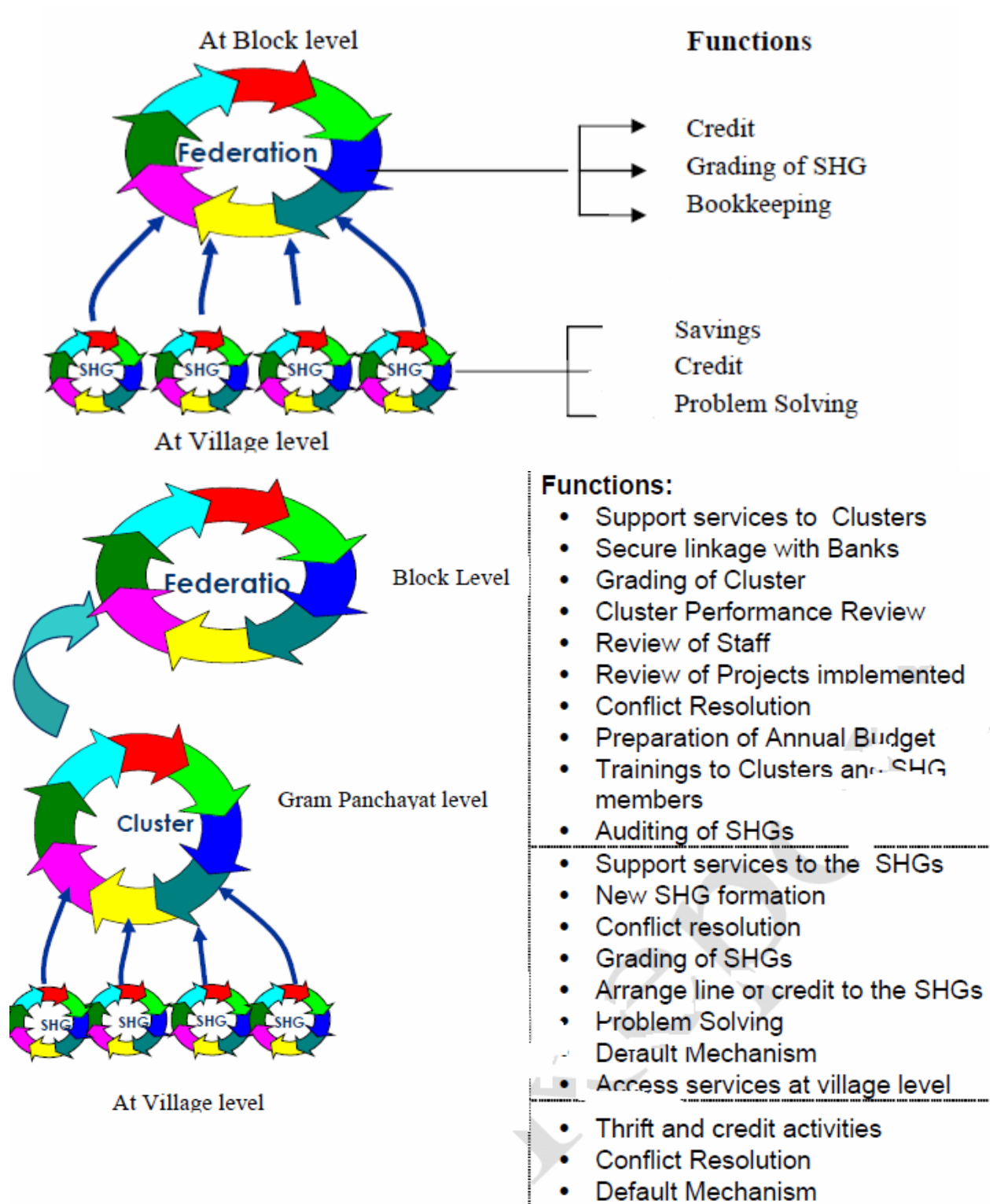
No. of MFIs in Rajasthan	No. of MFIs operating in Rajasthan (including those having Head Quarters outside)	No. of districts of the state where MFIs operate	No. of Branches
--------------------------	---	--	-----------------

	22	29	352
Outreach (in lakh) of MFIs in Rajasthan	2017 - 6.28 lakh	2016- 8.20 lakh	Growth (%) - 23%
Loan Portfolio Outstanding in Rajasthan 2017 & 2016 (Decreasing Order)	2017-1022	2016- 1368	Growth (%) = -25%
Loan Disbursement 2017 & 2016 (decreasing order)	2017- 1303	2016- 1574	Growth (%) = -17%

**Source: The Bharat Microfinance Report 2017**

As the number of SHGs rise in numbers and in their size of procedures, there would be extra felt require for such (federation) constructions. Because the association provides some kind of permanency and stability to SHG movement and it also has the possible to take the SHG segment towards financial sustainability as the majority federations are financially supported by SHG members Some of SHPI have supported two-tier and some three tier structures of Federations. The Cluster usually consists of 15- 20 SHGs and at Federation levels 15-20 Clusters. Clusters are shaped at Gram Panchayat level and Federations at Block level. In Federation there would be around 150-200 SHGs. Legal entity of the Clusters and Federations is a main trouble. No appropriate proceed is obtainable currently for Federations. Clusters are not recorded in numerous of the cases and few of the SHPIs have registered the Federations under Trust Act. Societies Act.

### **Figure no.2-2: Functioning of Microfinance**



Source: CMF Jaipur Report

## Progress of SHG –BANK Linkage Programme (SBLP)

The Self-Help Group Bank Linkage Programme (SBLP) in progress as a pilot programme in the year 1992. This Programme was ongoing on the foundation of the suggestion of S K Kalia Committee. The program plans to assist the flow of bank credits to SHGs. The SHG - Bank Linkage Programme is a chief board of the approach for distributing financial services to the poor in a sustainable way. In view of the fact that 1992, SHG-bank linkage programme has been encouraging micro finance services to the poor. The SHG-bank linkage Programme has knowledgeable exponential development in excess of the past decade; there stay huge local inequality in the enlargement of the SHG movement with imperfect improvement in convinced regions.

The study mannered by vanishree (Assistant Professor, CVR College of Engineering, Ibrahim patan, Andhra Pradesh, India) recorded slow development in the programme up to 1999 as only 32,995 groups were credit connected during the period 1992 to 1999. Since then the programme has been rising speedily. This programme was additional comprehensive to all Regional Rural Banks (RRBs) and cooperative banks. SHGs through the set of connections of commercial banks, RRBs cooperative banks, NABARD and NGOs has been mainly provide obsessed as well as a current approach in the provision of financial services to the poor.

The SBLP besieged to attain 100 million of households by 2015. Yet, as commencement of the programme, the outreach is fabulous in southern states, whereas north, west and eastern states are covering behind. Rajasthan comes in the north region and presentation a high development charge as evaluate to additional state of this region.

According to the statement accessible by CMF Jaipur, Under the SHG-Bank linkage programme, the exposure of rural households having access to normal savings through SHGs associated to banks came down by around 8% during the year to million as on 31 March 2013. A comparable decline of number of SHGs savings linked to Banks was also observed with only 73.18 lakh SHGs linked to Banks as against 79.60 lakh a year back. Number of SHGs having wonderful credit with banks, still, showed a marginal increase of 2% to 44.5 lakh as against 43.5 lakh the previous year. The average loan wonderful of SHGs with banks is `88,500 against `83,500 a year back. There has also been a 6% spurt in the number of SHGs getting fresh loans from banks during the year to 12.2 lakh (up from 11.5 lakh the previous year) and the quantum of fresh loans issued also showed a significant growth of about 24% through the year. The share of restricted women SHGs in the total number of SHGs savings associated to banks now stands at 81% while the groups shaped under the SGSY programme now constitutes 28% of the total number of groups.

**Table no.2-3: Status of SHGs bank linkage programme in Rajasthan in 2015**

Particulars		Commercial bank	RRBs	Co-operative bank	Total
Savings of SHGs with Banks position as on 31 March 2015	Number of SHGs	106796	64602	74505	245903
	Amount (Rs. Lakh)	5689.51	4569.51	4120.41	14379.43
Progress under Microfinance - Bank Loans disbursed position as on 31 March 2015	Number of SHGs	11538	3735	17317	32590
	Loans Disbursed Amount (Rs. Lakh)	19887.52	2744.18	6289.10	28920.80
Progress under microfinance - Bank Loans outstanding against SHGs position as on 31 March 2015	Number of SHGs	84020	17422	18165	119607
	Loans O/S Amount	89371.25	11118.33	7529.47	108019.05

*(Source: status of micro finance 2015, NABARD)*

Table illustrates that through the year 2015, banks (commercial+co-operative+RRBs) expended 28920.80 lakh loans to 32590 SHGs. where bank loan outstanding against SHGs is 108019.05 lakh to 119607 SHG. On the different saving of SHGs with bank is 14379.43 lakh. As table illustrates that among these three organizations commercial bank engaged maximum position to make sure financial inclusion through micro finance. These agencies occupied themselves in the financial activities of micro finance in order to make sure financial inclusion.

## **MICROFINANCE INSTITUTION (MFI) SITUATION IN RAJASTHAN**

In Rajasthan, about 2007, Microfinance Institutions (MFIs) started their journey and by March 2016, (Micrometer September 2016 issue) the total gross loan portfolio in the state is 1,358 crore with 7.8 lakh dynamic borrowers, there are 1,622 employees working. loans amount spend 464 crore during the financial year 2016-17. The MFIs those controlled during the FY 2016-17 in the state were Annapurna Asirvad ,BFIL, Disha, Janalakshmi, Light, Midland ,Mpower ,Satin , Share, Shikhar, Sonata, Swaadhar,SVCL, Ujjivan. In Alwar alone there are 7 MFIs (11 branches) which are in procedure is the maximum in the State, directly pursued by Jodhpur and Jaipur each having 6 operating MFIs in the district. The impact measurement of microfinance institution programmes in Rajasthan obviously shows that modify in income level of beneficiaries; dropping of dependence on moneylenders; increase in expenditure/investment on children's education, health, agricultural inputs, increase in production and most imperative the increased awareness and self-confidence amongst women and poor.

## **DEVELOPMENT UNDER MICROFINANCE IN RAJASTHAN**

Ever since the commencement of microfinance in Rajasthan, it has made a vast improvement. This improvement can be studied under the following heads:

(A) Savings of SHGs (until March 2015): It is said that "SHGs, Saving for the present, securing the future". Saving as the chief item for consumption makes the source for an SHG to kick-start its microfinance programme. SHG members save as small as Rs. 10 to a maximum of Rs. 100 per month, according to the SHG superiority study carried out by Centre of Micro Finance (CmF) in 2011 in Rajasthan, over 89% of the SHGs save monthly. There are 245903 SHGs that have savings bank accounts with the banks, with a total savings of Rs. 14379.43 lakh. The number of completely women SHGs with savings in the banks is 219314 with an amount savings of Rs. 12408.67 lakh (NABARD 2015)

**Table no.2-4: Savings through SHGs on 31 march 2015 in Rajasthan**

<b>Detail of SHGs saving Linked with bank</b>		<b>Out of total SHGs-exclusive women SHGs</b>	
<b>No of SHGs</b>	<b>Saving amount with bank</b>	<b>No of SHGs</b>	<b>Saving amount with bank</b>



Public	82941	3593.16	68778	2614.08
Private	23855	2096.35	23854	2096.29
RRB	64602	4569.51	55617	3799.08
CCB(district central co-operative bank)	74505	4120.41	71065	3899.22
Total	245903	14379.43	219314	12408.67

(Source: Status of Microfinance in India, NABARD2015)

When we judge all the SHGs, the maximum number of SHGs linked to the banks for savings is with the public sector commercial banks (33.7%), intimately pursued by the district central cooperative banks (30.2%). The amount of savings with the public sector commercial banks is 24.98% of the total savings with the banks and 28.69% of the savings of the SHGs are with the CCBs. While allowing for the savings for SHGs with completely women members; the maximum number of groups are linked with the CCBs (71065), pursued by public sector banks (68778). But the amount saved with the CCBs is 31.42% of the total savings followed by 21.06% with the public sector bank. The graph explains that saving of SHGs with RRbs is superior in evaluation to public sector banks primarily because the majorities of the RRBs are situated in rural areas and are in closer contact with the SHGs.

(B) Credit spend during year 2015: The number of SHGs which took a loan in year 2015 from the banks is 32590 in number. The total amount of credit from the banks is Rs. 28920.8 lakh. The number of completely WSHGs with credit in the banks is 30996 with a credit of Rs. 27750.32 lakh.

**Table no.2-5: Credit linked SHGs on 31 march 2015 in Rajasthan**

	Total loan disbursed		exclusive to women SHGs	
	No of SHGs	Loan disbursed with bank(lakh)	No of SHGs	Loan disbursed with bank(lakh)
Public	2228	1824.11	1501	1123.84

Private	9310	18063.41	9310	18063.41
RRB	3735	2744.18	3359	2383.78
CCB(district central co-operative bank)	17317	6289.10	16826	6179.29
Total	32590	28920.8	30996	27750.32

(Source: Status of Microfinance in India, NABARD 2015)

The uppermost percentage of the total SHGs associated for credit with the banks is with the CCBs (21.74%), go behinded by RRBs (09.48%), public sector banks (06.30%), and private sector banks (62.48%). As table explains that higher blue and red section explains the significance of private sector banks expanding credit through a variety of channels in spite of the reality that they have very few branches in the State. While considering credit for SHGs with completely women members; the maximum number of groups are linked with the CCBs (16826), followed by private sector bank (9310). But the amount disbursed by the private bank is 65.09% of the total credit followed by CCBs with 22.26% with the RRBs 08.59%, and public sector banks 04.04%.

(C) Non-Performing Assets (NPA) of Banks- A nonperforming asset (NPA) refers to a organization for loans on the books of financial institutions that are in default or are in arrears on programmed expenditure of principal or interest. In most cases, debt is confidential as nonperforming when loan expenditures have not been complete for a period of 90 days. In Rajasthan public sector commercial banks have the maximum NPAs of Rs. 5610.86 lakh while the NPAs of the private banks are the lowest around 467.02 lakh. It I due to the fact that commercial banks supply credit simply and at reasonably lower rates than other banks. The table given below throws light on the gross NPAs of SHGs against loans decided by diverse banks.

**Table no.2-6: NPA of banks in Rajasthan**

	Gross NPA of SHGs against bank loan	
	<b>Total loans Outstanding</b> Against SHGs in Rs.Lakh	Amount of NPAs
Public	68776.19	5610.86

Private	20595.06	467.02
RRB	11118.33	1727.51
CCB	7529.47	1256.59
Total	108019.05	9061.98

**(Source: Status of Microfinance in India, NABARD 2015)**

Microfinance program in Rajasthan is growing speedily and receiving increasing notice from the financial institutions, non-governmental organizations (NGOs) and the Government, as an instrument that can change lives of the poor. Microfinance is measured as an expansion implement to improve poverty in Rajasthan.

Microfinance has developed as an economic expansion approach planned to advantage low-income women and men particularly in Rajasthan. The word refers to the condition of financial services to low-income clients, together with the self-employed.

Financial services usually consist of savings and credit; though, some microfinance associations also offer insurance and expense services. Microfinance segment and its enlargement are needy on the local background of the state, its geo climatic circumstances and livelihood systems of people. Micro Finance wants of poor are showed by the superior expansion situation and the opportunities emerging from monetary enlargement.

## **2.4 IMPRESSION OF MICROFINANCE IN UDAIPUR**

Rajasthan is the major state in India and the unusual natural, social and economic features of Rajasthan define the want and range for a strong microfinance association. The main segment controls the fundamentally agrarian economy, with 2/3rd of the population needy on agriculture and related activities for their livelihoods. As per the Human Development Index, Rajasthan comes at 12th rank amongst 15 most important states in India. In language of convenience of credit from RFI the state is amongst the least advantaged states. This is imitated in the number of bank exits per lakh population, per capita bank deposits, per capita bank credit and, over all credit deposit ratio. In all these compliments Rajasthan is covering. For example, per capita bank deposit in Rajasthan is Rs 6151, as against Rs. 12922 for the country as a complete; per capita bank credit in Rajasthan is Rs.3355, as against Rs. 7486 for the country. Generally bank diffusion is also low.

Acknowledged as the City of Lakes, Udaipur is located amidst a sequence of picturesque lakes in the northwest state of Rajasthan. Due to its stunning setting, mythical architecture, and rich history, Udaipur is a well-liked tourist destination. Unfortunately, the city's gaping wealth inequality means that the majority of the population suffers from a separate reality of behind communications. The Indian government is reserved to seem to exterior foundations for economic support due to India's long history of colonization. Explanation, consequently, are the majority successful from inside India's borders. FSD's community partner's employment to empower local communities by accompanying grassroots associations to form village level seminars, offer training programs, and systematize rallies. These societies work in the communities to found limited management committees, which produce responsiveness and encourage political and social modify.

Udaipur located in the Southern part of Rajasthan. The rural population consists mainly of tribal (68%) and other disadvantaged communities whose possessions are harshly partial. The area is described by rocky and hilly terrain, low rainfall and extreme temperature variations (4-48 deg C). The local population continues to stay dependent on the normal reserve support for a great part of its livelihood wants. Nowadays, the forested and common lands, which constitute 72% of the total land area, are extremely tainted. Only 13% of the land under cultivation has some form of irrigation. Rajasthan is comparatively a new applicant into micro finance, though associations like *Sewa Mandir*, an NGO working in Udaipur had set up Self-Help Groups two decades ago for society's mobilization. Women and Child Development Department of Rajasthan has been encouraging SHGs since 1997-98 in all the 32 districts of the State. Till January 2011, there existed 213295 women's Self-Help Groups helping 11 lakh women.

### **Outreach of MFI's in Udaipur**

In a world where money defines happiness and success of an individual, we often tend to forget there are people who have put a lot of work into bringing a smile on other people's face and that, for them is their earning of a lifetime. Nothing gives them as much happiness as helping others. India accounts for the largest number of people living below the international poverty line, as suggested by a study in 2013, with 30 percent of its population living under the \$1.90-a-day poverty measure. To put this into a better perspective, almost one out of three people in India are living without the basic amenities.

India is known to be home to nearly 3 million NGOs working in different areas like health, education, rural, tribal and social development amongst others. They vary in size and focus and are one of the largest employers of people in India. Udaipur too has many NGOs working for the social and economic development of the weaker sections of the society. It is about time we all get acquainted with some of these and make a valuable contribution.

There are many NGOs like Sava Mandir, Narayan Seva Sansthan, Gayatri Seva sansthan, MaitriManthan Sansthan, Astha Sansthan, Jan Jagaran Samiti and many more are working in Udaipur cluster. Some of few success stories are; Manju Devi Salvi from the village jalo ki madar of Rajsamand district and members of Saraswati SHG, would have never thought that her life was about to change in a couple of months. When Gayatri Seva Sansthan organized first orientation program for the SHGs in Khamnor Block, it was noticed that some SHG members were interested in tailoring work; Manju Devi was one of them. After undergoing formal training conducted by GSS on tailoring skills, she focused on preparation of children's wear as per the local demand. She also started stitching cloth bags as of its increasing demand in urban areas. GSS helped her for better market linkages as a result now she is earning Rs 3500/- per month. This regular and substantial earning gives her enough confidence to participate in different village level developmental activities as well. These villages are completely devoid of basic infrastructures like schools, health centers, roads etc.

Seva Mandir aims to transform lives through the democratic and participatory development of communities. It has been working closely for over 45 years with these people to improve their well-being in areas such as education, childcare, women empowerment, self –governance, health, sustainable natural resources and youth development and child health services, and providing sustainable watersheds for good quality agricultural yield along with much needed sexual health and gender training.

Foster Care India focuses on empowerment and capacity building of existing systems. MaitriManthan strives to improve access to healthcare and education, also empowering women and young children. The Women's Empowerment Resource Unit (WERU) was constituted to encompass all programmes pertaining to women's through its "back support" to the Ekal Nari Shakti Sangathan or Association of Strong Women Alone in Rajasthan through housing and supporting the Secretariat of the National Forum for Single Women's Rights. WERU is also a part of the citizen's group- Mahila atyachaar Virodhi Manch, Udaipur and assists women victims of violence as and when required. It is also a part of the District Support Group works in tandem with the Mahila salah suraksha Kendra, Udaipur; a counseling and support centre for women, to support its counseling efforts.

The above study the size which will facilitate to classify the rising issues and prospects of micro finance in Udaipur district where study focused on elected blocks from Udaipur which were get mainly appropriate for the study. The study outlined the presence of different lending models in the Udaipur district and thrown a light on which models fundamentally they are spotlighting which was establish to be frequently focused on SHG's lending model .The study above is performance of growth model of micro finance services in Udaipur but wants suitable concentration and legal framework and necessitates additional data building.

Several problems are emerging in the area of micro finance and wants comprehensive research .Definitely with the appropriate legal structure and support services will help to have good forecasts of micro finance in Udaipur and wants suitable linkage of SHG's with backing services. As certainly the micro finance is the most excellent instrument for financial enclosure and viewing expansion forecasts in Udaipur district. Thus with expansion of successful tactics and with the shared attempt of all players in the society such as financers, government, banks, corporations, NGOs, Apex bodies etc, the long term goal of the government to accomplish financial inclusion and poverty alleviation would be accomplished.

## **REFERIENCES**

Aggarwal, K. Pankaj and Sinha, S. K. (2010). Financial Performance of Microfinance Institutions of India-a cross-sectional study. *Delhi Business Review*, 11(2).

Anne-Lucie, L., Jennifer I., Patricia, M. and Matthew, B. (2005). Overview of the outreach and financial performance of microfinance institutions in Africa. Microfinance Information Exchange (MIX).

- Ansari, S.A. (2007). Microfinance in India. *The Asian Economic Review, Journal of the Indian Institute of Economics*, 49(2), 329.
- Banerjee, S.S. and Rana, S. (2014). Just released Intermedia Survey. Retrieved from: <http://www.cgap.org/blog/new-data-shows-only-6-india-aware-mobile-money>.
- Brau, C. J. and Woller, G. M. (2004). Microfinance: A Comprehensive Review of the Existing Literature. *Journal of Entrepreneurial Finance and Business Ventures*, 9(1), 1-26.
- CGAP (2007). Core performance indicators for microfinance.
- Christen, R. P. and Drake, D. (2002). Commercialization: The new reality of microfinance. *The Commercialization of Microfinance*. In D. Drake and E. Rhyne, editors, *Balancing Business and Development*, 2–22.
- Coleman, K. A. and Osei, A. K. (2007). Outreach and profitability of microfinance institutions: the role of governance. Available at: [www.emeraldinsight.com/0144-3585.htm](http://www.emeraldinsight.com/0144-3585.htm)
- Cull, R., Demirguc-Kunt, A. and Morduch, J. (2007). Financial performance and outreach: a global analysis of leading microbanks. *The Economic Journal*, 117(517).
- Dokulilova, L., Janda, K. and Zetek, P. (2009). Sustainability of microfinance institutions in financial crisis. MPRA paper No.17696. Charles University in Prague.
- Ganka, D. (2010). Financial sustainability of rural microfinance institutions in Tanzania. PhD Thesis. University of Greenwich, Australia.
- Haq, M., Skully, M. and Pathan, S. (2010). Efficiency of Microfinance Institutions: A Data Envelopment Analysis. *Asia-Pacific Financial Markets*, 17, 63–97.
- Hoque, M. and Muhamamd, C. (2011). Commercialization and changes in capital structure in microfinance institutions: An innovation or wrong turn? *Managerial Finance*, 37(5), 414-425.
- Kinde, A. B. (2012). Financial sustainability of Microfinance Institutions (MFIs) in Ethiopia. *European Journal of Business and Management*, 4(15).
- Sa-Dhan (2012). The Bharat Microfinance Quick Report-2012. In *Microfinance India-state of the Sector Report 2012*. Sage Publications.
- Zerai, B. and Rani, L. (2012). Is There a Tradeoff between Outreach and Sustainability of Microfinance Institutions? Evidence from Indian Microfinance Institutions (MFIs). *European Journal of Business and Management*, 4(2), 2222-2839.
- Baruah, P. B. (2012). Impact of Microfinance on Poverty : A study of Twenty Self Help Groups in Nalbari District, Assam. *Journal for Rural Developmnet* , 31 (2), 223-234.
- Bansal, H. (2003). SHG-Bank Linkage Program in India - An overview. *Journal of microfinance* , 5 (1), 21-49.

Ahlin, C., & Maio, M. (2011). Where does Microfinance flourish? Microfinance Institution Performance in Macro Economic Context. *Journal Of Development Economics*, 95 (2), 105-120.

Anupama. (2005). Self Help Groups and Poverty Alleviation - A case study. *IASSI Quarterly* , 24 (1), 84-99.

Bahir, L. B. (2010). Performance Evaluation of SHGs in India. *Southern Economist* , 48 (18), 5-7.

Wagh Yogita (2013), “ a study on various dimensions of problems and prospects of MFI’s in Udaipur city” *Asia pacific journal of marketing & management review*, ISSN 2319-2836, vol.2 (2), February (2013) online available at [indianresearchjournals.com](http://indianresearchjournals.com).

Bhaskar arjun(2014-15), “microfinance in south India: a case study” *Wharton research scholars journal*, university of Pennsylvania .

NABARD (2014-15), “Status of micro finance in India 2014- 15” available at [www.nabard.org](http://www.nabard.org)

Rajasthan Government (2015-16), “Economic review of Rajasthan” Secretary Department of planning Government of Rajasthan.

Rajasthan development report (2006) ,planning commission of India, government of India, new Delhi.

Prof. Chhipa M.L., sharma swatantra,, kr dubey rajrsh(2014), “impact of microfinance on women empowerment, poverty alleviation and employment security in rural areas of Rajasthan” *international journal of innovative research in science, engineering and technology*(an iso 3297: 2007 certified organization)vol. 3, issue 2, February 2014.

Surjit Singh, *Micro Finance for Poor in Rajasthan: The Importance of Self-Help Groups*, IDS Jaipur WP No.118, 2000. Also Surjit Singh, *Micro Credit in Rajasthan:The Role of Self- Help Groups*, IDS, Jaipur (a research report), 2000.

## **CHAPTER 3**



# Research Methodology & Design

RESEARCH DESIGN  
AND  
METHODOLOGY

- **RESEARCH DESIGN AND METHODOLOGY**
- **3.1 INTRODUCTION**
- **3.2 RESEARCH PROBLEM**
- **3.3 SIGNIFICANCE OF THE STUDY**

RESEARCH DESIGN  
AND  
METHODOLOGY

- **3.4 OBJECTIVE OF THE STUDY**
- **3.5 HYPOTHESIS OF THE STUDY**
- **3.6 REVIEW OF RELATED LITERATURE**

RESEARCH DESIGN  
AND  
METHODOLOGY

- **3.7 RESEARCH DESIGN**
- **3.8 LIMITATION OF THE STUDY**

## CHAPTER-3

### Research Methodology & Design

#### RESEARCH DESIGN AND METHODOLOGY

##### 3.1 Introduction:

The function of this chapter is to talk about the research methodology which is pursued through researcher for this research study. The research design took on is a sandwich of descriptive and fundamental research design. The study encompass a cross sectional analysis by collecting data at once as a snap shot while a rigidity investigation to experiment the hypotheses, statistical tests are practical. The chapter encloses the sections explaining approach to the trouble, objectives, hypotheses, research design, research methodology, data collection, scope and limitations of the study.

**‘The secret of success is to know something nobody else knows.’**

**– Aristotle Onassis.**

Research methodology involves the theoretical analysis of the set of techniques and principles practical in a branch of knowledge. It is an organized plan for conducting research in a field of study. Research methodology highlights the research difficulty, research objectives and the research design followed in a study. It also represents data collection and data analysis measures of the research.

Research methodology establishes the procedure used to collect information and data for the reason of analysis and evaluation. It also provides as a platform of completing the sampling plan which consists of sampling frame, sampling technique and sample size and the technique of identification of sample size. Research methodology also eliminates the uncertainty concerning the research design to be followed. It illuminating the worries correlated to the growth of research and steers the research through dissimilar stages. Research methodology engages the theoretical analysis of the set of techniques and principles applied in a branch of knowledge. It is really a journey of discovery. We all acquire the very important character of questioning for and when the unknown tackles us, we speculate and questioning makes us investigate and accomplish full and fuller thoughtful of the unknown. It is a organized method consisting of expressing the trouble, formulating a hypothesis, collecting the facts or data, analyzing the facts and accomplishment convinced conclusion s whichever in the form of explanations towards the worried

troubles. Thus research is a unique involvement to the obtainable stock of knowledge making for its development.

According to Clifford Woody research comprises defining and redefining problems, formulating hypothesis or suggested solutions; collecting, organizing and evaluating data; making deductions and reaching conclusions; at last carefully testing the conclusions to determine whether they fit the formulating hypothesis

Research Design forms the heart and soul of a PhD Thesis. This chapter presents an impression of the research strategy used in the study, the objective of the study, hypothesis and research design.

### **3.2 RESEARCH PROBLEM**

With suggestion to the review of literature and previous researches, the researcher has measured the following points to enlarge appropriate approaches and right direction to the research project. Micro finance is necessary to overcome exploitation, generate self-assurance for economic self dependence of the poor, mainly amongst women. Women have been the majority disadvantaged and differentiated strata of the society not only in India but the world over. The majority of the microcredit institutions and agencies all over the world focus on women in developing countries. Observations and experience explains that women are a small credit risk, repaying their loans and tend extra often to advantage the complete family. In an additional aspect it's also viewed as a technique giving the women more status in a socioeconomic way and varying the present traditional relationship between gender and class. At a macro level, it is because 70 percent of the world's poor are women. Women have a higher unemployment rate than men in practically every country and make up the majority of the informal sector of most economies. They constitute the bulk of those who need microfinance services. Giving women access to microcredit loans therefore generates a multiplier effect that increases the impact of a microfinance institution's activities, benefiting multiple generations. In this researcher explore various determinants of women empowerment regarding to analyze the role of microfinance in improving decision making power of women at domestic level as compared to other social determinants, identifying and reviewing the role of microfinance in empowering women economically, socio culturally and identifying the role of microfinance in relation to women's time, creating awareness and self-confidence.

The World Bank has identified empowerment as one of the key constituent elements of poverty reduction, and as a primary development assistance goal. The Bank has also made gender mainstreaming a priority in

development assistance, and is in the process of implementing an ambitious strategy to this effect. The promotion of women's empowerment as a development goal is based on a dual argument: that social justice is an important aspect of human welfare and is intrinsically worth pursuing; and that women's empowerment is a means to other ends.

Empowerment of women and gender equality are prerequisite for achieving political, social, economic, cultural and environmental security among people. (Beijing, 1995). As it has been cited earlier, access to credit is an important mechanism for reducing women's poverty and to empower them. Both the Convention on the Elimination of Discrimination against Women (CEDAW) and the Beijing Platform for Action (BPFA, 1995) address women's access to financial resources. For example, BPFA includes thirty five references to enabling poor women to gain access to credit.

Generally, this study deals with the role of microfinance in creating employment and income opportunities to women and subsequently in empowering them to play an active role in the economically and socially sphere in the study area of Udaipur. Many research have done thesis and articles regarding women empowering through microfinance but still many people's are not fully aware about microfinance specially women. In Rajasthan Women are basically the poorest of the poor. Though women constitute almost half of the world population their representing in gainful employment is comparatively low. In recent years women have come in forefront in different walks of life and are competing successfully with men despite the social and economic barriers. Women must be empowered by enhancing their awareness, knowledge; skills and technology use efficiency, thereby, facilitating overall development of the society. This study therefore intends to explore the contribution of microfinance to the socio-economic empowerment of women and the measures that can be taken to make credit easily accessible to them. With the spread of education and new awareness women entrepreneurs are spreading their wings to higher levels. Having realized the importance of the role of women the researcher has undertaken this study.

In olden days women were restricted to take part in any social activities and not given roles in decision making in her family. The situation was even more worsening in rural and remote areas. Now the situation has been changed.

She is given freedom to do what she wishes. In today's scenario more women are engaged in income generating activities. This is because of NGO and other financial institution came forward to provide microfinance to poor women. They believe that a woman is the small credit risk and often benefits the

whole family. The main aim of microfinance is to empower women and the researcher evaluates the empowerment of women in Udaipur cluster as a result of participating in micro finance programs.

### **3.3 SIGNIFICANCE OF THE STUDY**

The study is intended to study & evaluate the analysis of socio economic impact of women empowerment through microfinance schemes. The core purpose of the study is to glance into the role of microfinance in the empowerment of women. The concluding of the study is assumed to show the economic, social, and other benefits of microfinance delivery to women in adding to its impact in attractive their awareness and knowledge. Moreover, the study also identifies the challenges women face with MFI. The conclusion of the study can be used by other researchers who might be interested to conduct further studies on the subject.

The economic empowerment approach attributes women's subordination to lack of economic power. It focuses on improving women's control over material resources and strengthening women's economic security. Women may work in a range of areas, including savings and credit training and skills development, new technologies or marketing as well as provide such supports as childcare, health services, literary programs and legal education and aid. The consciousness raising approach asserts that women's empowerment requires awareness of the complex factors causing women's subordination. . In addition, the outcome of the study will serve as a source of information for people that need to know the role of MFI in the empowerment of women.

### **3.4 OBJECTIVES OF THE STUDY**

The study largely means at reviewing the level to which microfinance contributes to women empowerment in economic, socio-cultural at household level, political, knowledge, and self-confidence. The major purpose of the study is to evaluate the socio-economic impact of microfinance in the empowerment of women. Women in developing countries are subject to diverse forms of favoritism and gender inequality. Social scientists and development practitioners have long been concerned in the situations that empower women. As the facts that gender equality is significant for economic growth, poverty reduction and improved human well-being has grown, interest in the determinants and correlates of women's empowerment has also grown. Micro finance is essential to conquer exploitation, generate confidence for economic self dependence of the rural poor, particularly among women.

(A) Primary objective

The study mainly aims at assessing the extent to which microfinance contributes to women empowerment in economic, socio-cultural at household level, political, knowledge, self-confidence, and use of time. The main objective of the study is to assess the socio economic impact of microfinance in the empowerment of women.

(B) Secondary Objective

1. To explore various determinants of women empowerment.
2. Identifying role of microfinance in empowering economically
3. Identifying role of microfinance in creating social and political awareness of women beneficiaries
4. Identifying role of microfinance in changing women personality
5. Identifying the role of microfinance in relation to women's time, creating awareness and self-confidence.
6. To evaluate the empowerment of women in Udaipur cluster as a result of participating in micro finance programs.

### **3.5 HYPOTHESIS OF THE STUDY**

1. After joining SHG economic status of female SHG members has increased significantly
2. Political and Social awareness of women SHG member has increased significantly after joining SHG
3. Joining SHG or Microfinance has made women SHG members financially independent
4. Joining SHG or Microfinance has made women SHG members more confident

## **3.6 REVIEW OF RELATED LITERATURE**

### **1. INTRODUCTION**

Research is prepared in instruct to notify people by way of new-fangled knowledge or finding. On the other hand, it is not to be ordinary that everyone would enthusiastically consider what you are dealing with in your complete research paper. Consequently, what you can do to create your research more realistic will be to maintain them by way of other works which have spoken about the similar matter that you have for your research. This is where literature review comes in.

We can still have literature sources in works such as narratives, observations, assignments, communication, article, books, rhyme, dissertation, program, theory, along with others. This is why literature review engrosses examining the pages of any in print literature like books, newspaper, magazine, website, webpage, assortment, paper, brochure, and the like where you may be capable to discover some reference to the matching matter that you are researching on.

The review of associated literature and connected studies is a poised survey to what has already been done relating to the dilemma, which is being examined and hence is an essential footstep in its investigation and appraisal. The review of interrelated studies is an essential pre mandatory to authentic preparation and implementation of any research work. For any meaningful research in any field, the researcher desires a sufficient knowledge with the literature presented in that meadow of study. It not only offered access to the accrued intelligence of the ages but also facilitates the examiner to hold out his work fruitfully. In the words of Best (1983) review of related studies is "an outline of the writings renowned establishment and preceding research, affords confirmation that the searcher is recognizable with what is already known and what is motionless indefinite and concerned". These escorts to the finale that it is the single determine that facilitates the researcher in defining and major the trouble and in addition in desiring and approving the suitable method; it also avoids pointless replication and reveals association involving concluded research and the matter under examination.

The study is intended to study & estimate the analysis of socio economic impact of women empowerment through microfinance schemes. The primary function of the study is to evaluate the impact of microfinance in the empowerment of women in Udaipur cluster, Rajasthan.

In India also seeing as the 1950s, the government tested with numerous tactics to lighten poverty and empower women both socially and economically. More than a few approaches have been modified to equipment the trouble of poverty seeing as 1970s. But a huge portion of people are powerless to meet up their essential requirements. There are assorted studies which verify that microfinance programme has a noteworthy encouraging impact on growing employment and reducing poverty. The exceptional quality of microfinance programme is that it spotlights on women for enlargement. There are additional than ninety per cent women regulars under this programme. The fundamental scheme is to empower women by provided that those financial backing and permitting them to produce an self-governing income, add financially to their families and engender self-employment. This economic independence is anticipated to produce enlarged self-respect, self-esteem, self-confidence and other forms of empowerment for women applicants of the programme. There is a numeral of studies which clarify that in the programme has led to larger points of women empowerment in expressions of enhance in information, self-confidence, economic, social and political awareness, mobility, the improvement of organizational talents etc. On the other hand, there are several studies which explain that the programme is not accomplishment the base of poor people and the collection loans are developed for non-income creating actions such as expenditure and other urgent situation requirements.



Microfinance programme may well be an imperative programme but not a cure-all to finish all the harms that poor face. Consequently, the programme beneficiaries necessity competently utilize the financial sustain to establish small businesses that will facilitate in inspiring standard of life and empowerment of women. The present chapter studies the impact of microfinance programme on women empowerment. In this chapter, an effort has been made to review the accessible studies mannered throughout the SHG-Microfinance and its impact on women's empowerment, poverty abolition and the assorted socio-economic concerns connected to women like self-possession, communication skills, behavioral changes, savings, incomes and assets, etc. For the reason of presenting them in a logical arrange, the studies are agreed in a sequential order.

The foremost intention of the study is to seem into the function of microfinance in the empowerment of women. The conclusions of the study believe performance the economic, political, and social profit of microfinance liberation to women in addition up to its impact in enhancing their wakefulness and knowledge. In adding together, the study besides recognizes the challenges women face with MFI. In accumulation, the consequences of the study will present as a cause of information for people that require meaningful the accountability of MFI in the empowerment of women.

Microfinance has come to assist a chief task in numerous gender and progress approaches because of its direct affiliation to both poverty improvement and to the empowerment of women. Women are the majority of critical essentials of the social stuff and in performance a critical function in the socioeconomic circumstances of Rajasthan. Microfinance programs like the SHGs in India have been endorsing for their optimistic economic impact and the faith that they empower women.

In spitefulness of popularity of the expression empowerment, lots of people are puzzled as to what the empowerment of women involves in social, economic, and political conditions. Knowledge concerning the empowerment strategies such as incorporated rural enlargement, women's enlargement, group of people partaking, and awareness building is even less clear. The awareness given to women's empowerment is usually foundation on the location that it is a function of microfinance condition.

According to the World Bank's gender statistics database, women have an elevated joblessness rate than men in practically each country. In common, women also build up the preponderance of the lesser compensated, unorganized informal segment of mainly economies. These statistics are utilized to justify giving main concern and increasing women's access to financial services since women are comparatively extra disadvantaged than men are.

India's progress preparation has forever intended at eliminating dissimilarities in the procedure of enlargement, identifying that women insulate after due to numerous socio economic, cultural and political aspects and the five-year plans have been paying concentration to women's safety, female education, and their access to resources and empowerment. From the sixth five-year plan, women are identify as a disconnect goal assembly and government pains are paying attention to elevate their social, economic, and political condition at equality with men. The field or microfinance completed noteworthy steps forward as a faction in our country, with the vigorous maintain of RBI, NABARD, SIDBI, and NGOs microfinance materialized as a massive. The impression of Self Help Groups is not eventually a micro credit projects, however an empowerment process. The Self Help Group and Microfinance are intended at empowering poor women, which help the family to come out of poverty.

The economic empowerment advances power of women's subordination to be short of economic authority. It spotlights on improving women's organize above objects resources and strengthening women's economic security. Women may work in a choice of parts, together with savings and credit training and abilities improvement, new technologies or marketing as well as afford such chains as childcare, health services, fictitious programs and legal education and support. The awareness raising approach asserts that women's empowerment necessitates awareness of the composite issues reasoning women's subordination.

The microfinance empowered women in various characteristic of their life. Uncommon study is carry out in Udaipur district regarding the impact of micro finance on the empowerment of women. Therefore, the study is undertaking in Udaipur cluster, Rajasthan to assess the impact of microfinance on empowerment.

The essential idea of microfinance is to present credit to the poor people who otherwise would not have access to credit services. Micro-credit programme enlarge small loans to awfully poor people for self-employment projects that produce income and permit them to take care for themselves and their families. The literature on microfinance presents an assortment of conclusions linking to the kind and level of impact of the programme. There are an assortment of studies, which verify that microfinance programme has a noteworthy encouraging impact in increasing employment and dropping poverty. Several of the studies also verify that the programme is accommodating in accomplishing millennium development purposes by dropping poverty, hunger, transferable diseases and through women empowerment. There are a number of studies that clarify that contribution in the programmer has led to superior levels of women empowerment in terms of increase in knowledge, self-confidence, economic, social, and political awareness, mobility, development of organizational skills etc. Several imperative studies which are applicable to the nearby study have been argued under on the following headlines:

1. MICROFINANCE AND ITS OPERATION
2. WOMAN EMPOWERMENT
3. MICROFINANCE AND WOMEN EMPOWERMENT
4. IMPACT OF MICROFINANCE ON EMPOWERMENT OF WOMEN
5. ECONOMIC EMPOWERMENT OF WOMEN
6. SOCIALLY EMPOWERMENT OF WOMEN
7. OTHER IPAMCT OF WOMEN EMPOERMENT

### **1. Microfinance and Its Operation**

Otero M. and Rhyne E. (1994), examined that “microfinance generates access to prolific capital, human capital addressed through educational and vocational training, and social capital build through creating representatives, local organization building, building, promoting democratic system, and strengthening human right, enabling poor to move out of poverty. Microfinance facilitates poor self employed people to create productive capital, to protect the capital they have, to deal with risk and avoid the destruction of capital. It attempts to build assets and create wealth among people who lack them. It has been regarded as liquidity tool for very poor people, who help them in strengthening their consumption pattern and reduce their level of vulnerability”. Asian Development Bank (ADB) has also given the explanatory definition of microfinance as “the broad range of financial services such as deposits, loans, payment services, money transfer to poor and lower income households and micro-enterprises” to- overcome out of poverty and deprivation. These services are provided through formal, semi-formal, and informal institutions Otero M. and Rhyne E. (1994), “Financial Services for Micro enterprises Principles and Institutions, IT Publications, London, pp.302.

Kaladhar K. (1997), Microfinance in India – Design, Structure and Governance”, Economic and Political Weekly, Oct – 18, pp. 2687-2706, explained that the terms micro-credit and microfinance are used as synonyms. The term microfinance is perceived to be a paradigm shift in the quality of delivery of finance to micro entrepreneurs. The old paradigm of microfinance envisaged providing credit to poor people basically residing in poor and semi urban areas at subsidized rate of interest through public or governmental financial institutions, while the new continues to target the rural and urban poor households, with emphasis on women borrowers, provision of finance for assets creation on principles of “borrower known best” (Kaladhar, 1997).

Robinson S. Marguerite (2001), he have conducted that , “microfinance refers to small scale financial services for both credit and deposits that are provided to people, who operate small and microenterprises, where goods are produced, recycled, repaired, traded, provide services, work for wages or commission, gain income from renting out small amount of loan, vehicles, draft animals or machinery and tools, and to other individual and local group in developing countries in both rural and urban areas”. Robinson S. Marguerite (2001), *The Microfinance Revolution: Sustainable Finance for the poor – Lessons from Indonesia*, Washington D. C., World Bank.

Roy Satyajit (2001) in this article he has found that to formulate a framework of the various roles that microfinance plays and contributes to in factors such as economic order, political stability and climate change. The methodology of this study is based on mostly secondary data from various sources such as research papers, and journals. Their paper has suggested that regulatory framework should be modified to allow smaller MFOs to get into more complex forms as they grow organically.

Murduch, Jonathan (2002) revealed that a study which analyses the role of various MFIs and how they have impacted poverty alleviation and improved quality standards. The study revealed that microfinancial services ultimately led to a better and enhanced quality of life for its users, it let these users drastically improve their income.

M S Sriram, Rajesh Upadhyayula (2002) in this he have explained the defined microfinance and identified its “value attributes” and further delved into its transformation experience. There are 3 forms of organizations that are popular in the microfinance sector – the NBFCs, the banks – both Local Area Banks and Urban Cooperative Banks and the Co-operatives. Their paper has suggested that regulatory framework should be modified to allow smaller MFOs to get into more complex forms as they grow organically.

Muhammad Yunus (2003) after earning a Ph.D. in economics at Vanderbilt University, Dr. Yunus returned to Bangladesh to settle into a life as a professor. But a famine in 1974 ravaged the country, leading Dr. Yunus to modify his thinking and his life overpoweringly: "What good were all my complex theories when people were dying of starvation on the sidewalks and porches across from my lecture hall? Nothing in the economic theories I taught reflected the life around me." After witnessing the cycle of poverty that kept many poor women enslaved to high-interest loan sharks in Bangladesh, Dr. Muhammad Yunus lent money to 42 women so they

Microfinance is not only used for investments in economic activity, but also to finance health controls, education, household consumption, as well as reducing vulnerability to crises. Having access to financial services has the potential to enable poor people to improve health and nutrition, increase assets and

household income, and plan for their future (Armendáriz & Morduch, 2010). Furthermore, microfinance programs aim to increase the decision-making power of the clients, as an increase strengthens the clients control over resources and assets, and enhances their ability to manage and prioritize spendings (Littlefield et al., 2003).

Basu Priya , Srivastava Pradeep (2005) in this article revealed that the current status of access to finance for India's rural poor and examines some of the key microfinance approaches in India, taking a close look at the most dominant among these, the Self Help Group (SHG) Bank Linkage initiative. It empirically analyses the success with which SHG Bank Linkage has been able to reach the poor, examines the reasons behind this, and the lessons learned. The analysis in the paper draws heavily on a recent rural access to finance survey of 6,000 households in India, undertaken by the authors.

The concept of microfinance developed from the failures of the formal financial systems. Poor people have continuously been denied access to financial services and in an attempt to reach these people, microfinance emerged as a possible solution (Brau & Woller, 2004). Microfinance is best described as formal and informal arrangements offering financial services to the poor. Initially, these services comprised mainly of microcredit, but the field has grown to include other interventions such as (i) microsavings, (ii) micro-insurance, (iii) money transfers, and (iv) micro-leasing (Stewart et al., 2010). It is estimated that there are between 133 and 190 million clients taking part in microfinance worldwide (Vaessen et al., 2014).

Sinha Rajani (2005) brought out interesting facts the role of microfinance in the lives of underprivileged from the rural areas in terms of equal opportunity for their agricultural and industrial growth and how such microfinance programs can be expanded to more such similar regions

Heather Montgomery, John Weiss (2005) have observed a study about Microfinance institutions (MFIs) being considered as the means of improving the position of the poor. This paper also talks about the effectiveness of micro finance institutions in reaching the core poor. This paper surveys the evidence from Asia and Latin America and contrasts experiences in the two regions. Studies on the former have been carried out more rigorously, but in both regions the evidence that microfinance is reaching the core poor is very limited.

Misra Alok (2006) in his article he found required to list out the millennium goals which involve microfinance which would help in maximizing their impact against poverty, discusses the factors and theoretical position associated with evolution of microfinance.

Khan, Mohammad Ariujjaman; Rahaman, Mohammad Anisur (2007) highlighted the microfinance models which use the group lending methodology for reducing poverty and how effective these models have been in raising the living standard (income, saving etc.) of the poor people in Bangladesh. The various methodology studied in this report are group lending, individual lending, credit unions, village banking and Self Help Groups/Associations. Chittagong district was chosen for study since it had substantial microfinance activity in the past few years.

Frohberg, Dr. Klaus (2007) revealed that an experimental study in Makueni district where participants in microfinance programs and non-participant households were studied overtime; thus yielding a rich pooled data for analysis. The results of the study showed that microfinance was indeed effective in increasing household income and making budding entrepreneurs self-sufficient. The study also concluded that there was a need to come up with innovative microfinance institutions which assume an important role in asset accumulation and wealth creation for their clients. This would involve innovative targeting of potential customers and also streamlined microfinance regulations to protect their clients.

Brau, James C; Hiatt, Shon and Woodworth, Warner (2007) explained to used Guatemala as the region to study microfinance primarily because it is one of the poorest countries in the Western Hemisphere and it already has a significant number of MFIs providing microcredit to the poor. The most common service provided is loans by MFIs, amounts usually consisting of a few hundred dollars to start a tiny enterprise in the informal economy.

Mahanta Admalochan; Panda Gitanjali; Sreekumar (2007) have conducted a study to focus on three major aspect of microfinance, first is the growth and development of microfinance in India and other countries ;secondly the role played by NABARD and other national banks in the growth of Grameen bank and SHG has been analysed. Thirdly it talks about role played by government towards the protection of co- borrowers

Panigrahi and Shobhit<sup>5</sup> (2008) brought out interesting facts to defined microfinance as a system that provides small loans to poor entrepreneurs in specific to small scale self employed cottage and home based businesses which becomes the newest silver bullet for alleviating poverty. The tremendous growth of microfinance occurs in India, due to the loopholes in Indian banking industry. They pointed that the potential of microfinance is more in India as compared to other part of world due to availability of 7.5 crore poor and their demand for small loans. Further they stated different sources of funding to MFIs in India. The presence of keys problems in rural financing like lack of credit, low saving capacity and prevalence of usurious money lenders provides scope to microfinance development. They suggested sustainable working of both MFIs and rural bank branches to cover the gap of credit accessibility and make microfinance

successful. (Panigrahi A. Ad Shobit 2008, "Microfinance for Poverty Reduction in India eds. Lazar D and Palanichamy P. in microfinance and Poverty Eradication- Indian and Global Experiences" New Century Publication, New Delhi, pp. 34-42.) Mamun and Fontaine<sup>6</sup> (2008) defined Microfinance as an instrument to impel the money lender out of business and to bridge the gap created by rural, cooperatives and commercial banks. It is a collection of banking practices build to provide small loans and accepting saving deposits. The authors pointed out the commercial bank negligence towards the poorer with a well excuse of high transaction cost, lack of collateral and geographic isolation. According to them, Microfinance enables the selfemployed people to create productive capital along with protecting existing one which helps them to build assets and hold wealth. Further, they compared two approaches of Microfinance i.e. Institutional and welfarist. The former rejects the subsidy concept in alleviating poverty while the latter supports subsidized interest rate for immediate improvement of economic safety. The major objectives of MFOs following welfarist is to remove poverty and of Institutional as financial deepening. Further they discussed about the key challenges in accessing the performance of MFOs like outreach of poor, institutional financial sufficiency impact of Microfinance in poverty alleviation and empowering women.( Lazar D. and palanichamy P. (2008), "Growth of Microfinance in India" Eds. Lazar D. and Palanichamy P. In "Microfinance and Poverty Eradication- Indian and Global experiences" New Century Publication, New Delhi, pp-1-12)

Lucas, C. E. (2009) have conducted a study about the profitability and productivity of micro finance funded honey production projects in South Africa were evaluated in terms of their profitability and factor productivity. The cost and production data of a sample of twenty MFI financed honey production project in South Africa were collected during the summer of 2008. The finding shows that these microfinance funded honey production project are neither profitable nor productive.

Haque, M. A. and Harbin, J. L. (2009)he has founded about the micro-credit approach to get money in to the hands of the poor by extending credit to the "have-nots" .The finding shows that the issue of micro credit in other countries proves that the have-nots can be just as credit worthy as the haves. An essential ingredient to make it a success is for the micro credit establishments to work with the borrowers and make them feel they can be part of success.

Singh Tejmani N. (2009) in his paper has brought out interesting facts of the overall situation of microfinance in India, its impact, results, and practices. The primary method used in this study was survey and subsequently secondary data was collected via journals etc.

Manish Kumar, Narendra Singh Bohra and Amar Johari (2009) he has revealed to about the growth of the microfinance sector in India and have analysed the performance of various microfinance institutions and

organisations like MFIs, NBFCs. They have also tried to understand the marketing of microfinance products in rural market and importance and role of microfinance in poverty alleviation and profitable agriculture activities.

Nagayya & Koteswara (2009) he have examined in his paper that the recent trends in SHG-BLP of NABARD in the four states viz., Andhra Pradesh, Tamil Nadu, Kerala, and Karnataka with special reference to support organizations. They have given some action required recommendations like need of credit plus services such as counselling, technical training, market plus services etc.

Rubach, J. M. et al. (2010)The author found that the difference micro lending efforts in Iraq and the US and compare the specific reasons for the success of the USAID programs in Iraq and the general failure of micro lending and micro credit efforts in the US. The finding shows that despite the prior lack of government interest and support for micro lending in the US, government support for micro lending in Iraq stands in sharp contrast. Structural differences in market are not the only answer US regulation of financial lending institutions severely restricts micro lending however, the operational and regulatory structures of the US MFI industry have impeded its efficiency and effectiveness.

Tom, R. T. and Selvam, V. (2010) brought out interesting facts to understand the need and expectation of the policy holders in connection with microfinance, its products, services, and the behavior of public to it and sustainable rural women development through micro insurance in Vellore Division, Tamil Nadu, and India. The data was collected from primary as well as from secondary services. Primary data was collected from respondents using questionnaire and interview method. Secondary data was collected from NABARD, LIC, Journals and other published and unpublished records. The study aims to find out how micro insurance is fostering rural growth. The finding shows that must be proper development of products that respond to the need of the clients and in a way that is commercially viable, they should have proper delivery channels. There is a need for market education which will help to demystify micro insurance so that when agents come, people are willing to engage with them.

Battilana, J. and Dorado, S. (2010) Author have conducted a study to explore how new types of hybrid organizations (organizations that combine institutional logics in unprecedented ways) can develop and maintain their hybrid nature in the absence of a “ready-towear” model for handling the tensions between the logics they combine, the findings of the comparative study of two pioneering commercial microfinance organization suggest that to be sustainable, new type of hybrid organizations need to create a common organizational identity that strikes a balance between the logic they combine.



Imhanlahimi, E. J. and Idolor, J. E. (2010) Author brought out interesting facts that studied the recent microfinance policy and attempts by the Nigerian government to encourage private sector led establishment of microfinance banks (MFBs) as a potent means of poverty alleviation. The objectives of the study are to examine the inherent strengths and limitations and proffer solution. The methodology adopted is a clarification of extant concept, explication of rationale for the government's policy, and a brief review of the development micro financing in Nigeria. The findings identified vital constraints to the policy as including weak infrastructures and fraudulent persons in the process and some of the recommendations to improve the success of micro financing to reduce poverty in Nigeria are more efforts at institutionalizations of MFBs and financial liberalization.

Khavul, S. (2010) examined to find out about micro financing to a wider audience of the management researchers and to identify opportunities for future research in this new and growing area. The finding shows microfinance has the appeal of bringing financial power to the people who need it most and whose resourcefulness and ingenuity it will fuel.

Priyadarshini, A et al. (2010) has conducted that to investigate the reasons for such levels of financial exclusion and means and mechanisms that may make the financial inclusion drives more meaningful for the poor. The research findings suggest that social protection programs operate in favorable political environment in India and are being increasingly employed as a means to fight poverty.

Gaur G. (2010) Author investigation that defined Microfinance as a set of financial activities provided to poor masses, which basically incorporates loans, savings, deposits, insurance, transfer services etc. He regarded microfinance as a promising strategy for financial inclusion in India. The author tries to clarify the concept of micro-credit, its impact and weaknesses. As the per cent share of total rural credit, microfinance sector holds 0.68 per cent in 2001 and 6.27 per cent in 2006. The microfinance has shown positive impact on reduction of poverty and improving socio-economic life of members through children's education, food security and nutritive diet but on the other hand due to high interest on the part of MFIs poor performance of banking system, exclusion of the poorest among poor, abuse of recovery practices retards its further development and growth. Therefore, the author suggested adoption of anticipatory and proactive measures to remove lacuna of the system. (Gaur G. (2010) "Micro Credit –Rural Orientation" eds. Ahmed, Bhagat and Sigaiah in "Microfinance in India- Issues and Challenges" DVS Publisher, Guwahati, pp. 247-257).

Khanka (2010) examined that even after 50 years of planning and implementation of various poverty alleviation programmes, 26.1 per cent of total population still lives below poverty line (census 2001). He

pointed the problem of rural finance in India, defects in banking systems and failure in recovery. The major problems of poor people financing of large number in existence, demand for small sums of money, perception of risk and lack of collateral. The microfinance emerged as the effective tool towards all their problems. With the support of several MF institutions like Sa-Dhan, SHARE, SKS, BASIX, MYRADA, PRADAN, India is growing rapidly towards its main objective of financial inclusion (Mahajan 2005: 4416-4419). Due to lack of flexibility of MFI's, the people still prefer to approach money lenders, problems of regulation and supervision, higher interest rate on the part of MFI are certain challenge which created barriers against financial inclusion. In order to overcome these problems Khanka emphasized on code of conduct, clean rules and regulations, awareness among SHG, NGO's, MFI's and formation of national level organization with its unit at state level. He regarded microfinance as an effective tool for poverty alleviation in our country.( Khanka S. (2010), "Microfinance in India, from Evolution to Revolution" eds. Ahmed J. Bhagat D. and Singaiah G. in "Microfinance in India- Issues and Challenges", DVS publishers, Guwahati, pp. 3- 14.)

Srinivasan (2010) have conducted a study of 'Microfinance India' State of the Sector Report 2010. The report contains 11 chapters which give full details of microcredit extended through the SBLP and MFIs, client and credit outreach. Regulatory frameworks of RBI imposed on MFIs.

Shankar & Asher (2010) have found that the need for regulation of MFIs and given some recommendations to regulate them. And highlighted the challenges involved in regulating them. They opined that since MFIs deals with poor, uneducated peoples who are least able to bear finance related risks. It is the responsibility of the MFIs to offer them the right product and financial education. They have recommended for RBIs norms for prudential and nonprudential regulation of MFIs.

Microfinance is not only used for investments in economic activity, but also to finance health controls, education, household consumption, as well as reducing vulnerability to crises. Having access to financial services has the potential to enable poor people to improve health and nutrition, increase assets and household income, and plan for their future (Armendáriz & Morduch, 2010). Furthermore, microfinance programs aim to increase the decision-making power of the clients, as an increase strengthens the clients control over resources and assets, and enhances their ability to manage and prioritize spendings (Littlefield et al., 2003).

"Microcredit is based on the premise that the poor have skills which remain unutilized or underutilized. It is definitely not the lack of skills which make poor people poor charity is not the answer to poverty. It only helps poverty to continue. It creates dependency and takes away the individual's initiative to break through

the wall of poverty. Unleashing of energy and creativity in each human being is the answer to poverty.” (Muhammad Yunus, Expanding Microcredit Outreach to Reach the Millennium Development Goals, International Seminar on Attacking Poverty with Microcredit, Dhaka, Bangladesh, January, 2003)

Gaur(2010) explained the defined Microfinance as a set of financial activities provided to poor masses, which basically incorporates loans, savings, deposits, insurance, transfer services etc. He regarded microfinance as a promising strategy for financial inclusion in India. The author tries to clarify the concept of micro-credit, its impact and weaknesses. As the per cent share of total rural credit, microfinance sector holds 0.68 per cent in 2001 and 6.27 per cent in 2006. The microfinance has shown positive impact on reduction of poverty and improving socio-economic life of members through children’s education, food security and nutritive diet but on the other hand due to high interest on the part of MFIs poor performance of banking system, exclusion of the poorest among poor, abuse of recovery practices retards its further development and growth. Therefore, the author suggested adoption of anticipatory and proactive measures to remove lacuna of the system. (Gaur G. (2010) “Micro Credit –Rural Orientation” eds. Ahmed, Bhagat and Sigaiah in “Microfinance in India- Issues and Challenges” DVS Publisher, Guwahati, pp. 247-257).

Bateman (2010) Has expressed how international donors such as the World Bank and USAID pushed for a shift and spread of microfinance, but in effect it had little to do with that. Rather, it essentially created, a relatively small elite of microfinance providers who (much like lenders in the US ‘subprime’ credit market) entered into unsustainable patterns of lending that ensured short-term profitability but increased the vulnerability of the poor.

Sriram (2010) has showed his article titled “Microfinance: a Fairy tale turns into a nightmare” mentioned that it was inevitable that the commercial model of microfinance in India, with its minimalist and standardised model of lending, would grow into a bubble and run into trouble. Many microfinance commercial organizations have entered the market in search of profits and are competing to lend to the poor. In the process, they have put the “understanding” of the needs of the poor aside and have started chasing targets and numbers. For these institutions, the poor are not seen as human beings having individual identities and needs. Instead, they are seen as data points that add up in their profit statements. The anxiety for growth is dictated by the fact that the investors in the market-based models are impatient and look for high returns – and then exit.

Sriram (2010) in his article he highlighted points that unlike Grameen Bank and similar institutions around the world that are funded primarily by deposits raised from their own borrowers and non-members, Indian MFIs are prohibited by law from collecting deposits. So Indian MFIs did not have a legal framework that

would allow them to 'involve the community in the ownership structure of an MFI' has also pointed to another aspect of this transformation that has more in common with the various other methods of the 'get rich quick' capitalism of the past decade in India. In a study that examines in detail the 'transformation' of four prominent MFIs in India (SKS Microfinance Ltd, Share Microfin Ltd, Asmitha and Spandana), he noted that in some cases this was also associated with the private enrichment of the promoters through various means. These included inflated salaries and stock options provided to the top management, who were usually the promoters. A more interesting legal innovation was the use of mutual benefit trusts (MBTs) that aggregated the member borrowers of SHGs as members. The grant money received for the purposes of 'developmental' microcredit could then be placed in the MBT, which would in turn contribute to the newly created for-profit MFI. In the case of two of these companies (Share Microfin and Asmitha) the matter was compounded by cross-holding, since the promoters of the two companies were the same family.

Manoharan, P. et al. (2011) brought out investigated facts that the studied to analysis the financial performance of various microfinance institutions operating in India based on their operating profile, financial health and performance. The period employed for the study is from 2005- 2006 to 2009-2010, five years. The statistical tools such as mean, standard deviation and analysis of variance are used. The finding shows that MFIs must be able to sustain themselves financially in order to continue pursuing their lofty objective, through good performance and vivid functioning. Thus there is a urgent need to widen the scope, outreach as also the scale of financial services to cover the unreached population.

Kundu, A. (2011) has determined the studied microfinance program through joint liability credit contract with the help of a two-stage game when the program is operated by a non-motivated NGO with the help of a commercial bank and government. It also discusses the possible outcomes of government subsidized microfinance program in total absence of social sanction. The finding shows that even in the presence of public-private cooperation and back-ended subsidy provide by the government, both individual sanction as well as social sanction play an important role of security against credit for proper functioning of the program. It is also proved that the nonmotivated NGO, who itself plays the function of the self-help group, can offer credit to the group members at lowest possible rate of interest and arrange sufficient training for the group members for skill improvement after group formation, if and only if, it gets sufficient financial support from the government in the initial period and if the linked commercial bank charges low lending rate to the group in credit-linkage program.

Kulshrestha, A. C. (2011) revealed that the problem of measuring the unorganized sector and explains the approach taken by the Indian Central Statistical Office in terms of the employment it generates and its contribution to value added. The finding shows that it is essential to strengthen surveys on informal sector

activities to provide more reliable information in order to facilitate a proper analysis of the dynamics of unorganized sector.

Sriram (2011) have conducted a study to constant observer of the activities of Microfinance Institutions in India, in his article “Micro Finance Industry in India: More Thoughts” finds that, Micro finance institutions need not be treated as holy cows. Shows there need not be any soft regulations on MFI’s. MFI should be treated on par with Non- Banking companies. Soft corner on MFI’s will certainly allow them to deviate from their specified objectives of serving the poor. Also provides an insight into behavioral problems prevailing in MFI’s.

Krishnan (2011) has found on the aspect of functioning of financial system for a long-term sustained economic growth of the country. The paper looks how the economic and financial development of India brought on by LPG through the 1990s to the current year, assessing the development of financial markets in particular. In doing so, it highlighted the dualistic development of the financial sector and finally made an attempt to elaborate on this dualistic behaviour and suggest viable strategies for the future development of these markets particularly microfinance development in India.

Devaraja T.S (2011) has determined to trace the evolution of the Microfinance revolution in India as a powerful tool for poverty alleviation. This paper shows the three major areas where the government needs to play a role. The first relates towards the protection of the rights of the micro-borrower and people who use micro-financial services. The second is that of prudential oversight of risk-taking by firms and third is a developmental role, emphasising scale-up of the microfinance industry where the key issues are diversification of access to funds, allocation of funds and productive changes in distribution and product structure, and the use of new technologies such as credit bureaus and the UID. Each of these roles needs to be placed in an existing or a new regulatory agency.

Abhijit Banerjee, Esther Duflo (2011) showed on the various schemes of microfinance institutions in order to help the poor. This paper revealed the effectiveness of the schemes launched by such institutions and its impact on the core poor.

Guntz, Sarah (2011) has examined on the technicalities of microfinance and how it can be used to extend working capital to the poor at interest rates and payback amounts feasible for both the lending institutions and the customer to whom loans have been given. The author in this paper has studied the cost optimization techniques of various Microfinance Institutions (MFIs) and offered suggestions to improve the profitability to create sustainable lending institutions of the future.

Bi , Zohra ; Pandey, Lal Shyam Dev (2011) showed the fact that how microfinance works in correlation with other fundamental factors such as basic social welfare, and basic health care to assist in poverty reduction. Their study revealed a number of factors such as the ability of MFIs to reach a more diverse category of the populace who are in need of financial aid, and how the tools for implementation of microfinance are rather inexpensive and can return useful yields. Their study focuses on how social economic factors come into play, and how one most obtains the necessary reach and targeting in case of microfinance services.

Arunachalam (2011): has analyzed to found out a number of causes for the Andhra Pradesh crisis, which are closely related to the very functioning of the sector in both for-profit and not-for-profit variants. In particular, the explosion of multiple lending and borrowing was a prime cause, and this was positively encouraged by MFI lenders. Poor households took on multiple loans from different sources, often only for the purpose of repaying one of the lenders, and this was fed by the combination of aggressive expansion in the number of clients and strict enforcement of payments. Further, despite the claims about personal involvement and group solidarity being the basis of the lending process, Arunachalam notes the widespread use of agents. There are two main types of microfinance agents: local grassroots politicians, who use the loans to add to their political clout; and the heads of federations of borrower groups (or SHGs), who make an additional profit by controlling or appropriating the flow of loans

Microfinance Information Exchange (2012) have conducted a study the report of MIE states like this is - Asia is the largest continent in the development of microfinance: as on 2010, 75% of microfinance borrowers of the world are from Asia i.e., around 74 million. Out of 10 borrowers 7 live in India some 32 million or some 22 million in Bangladesh. India has become hub for microfinance institutions, where as the number of borrowers in Bangladesh remained same in the 2000s. In India as on 2011, about \$4.3 billion credit was extended to 26.4 million borrowers, and nearly 90% of them were concentrated in Andhra Pradesh and Tamil Nadu.

Economic Survey (2011–2012) brought out the interesting facts that the survey report states that the growth rate in extension and outstanding of credit has increased in recent years. but it is decreasing in present period. There are two different models of microfinance linked with banks: SHG bank linkage model (SBLP) and microfinance institutions (MFI) model. In SBLP model, a direct relation exist between the members and the banks. The newly formed SHGs were financed by the bank from 2009 to 2010. The number of new SHGs financed by banks has decreased from Rs.15,87, 000 in 2009–2010 to Rs.11,96,000 SHGs in 2010–2011. It is clear from thre report that, around 80% of the SHGs were of women and the share in the disbursement of loan is around 85.73%.

Belgaroui, H. M. and Belgaroui, E. I. (2012) revealed that to analyze performance of micro finance institutions in Tunisia and evaluates the micro credit on different basis like jobs created, promoter's education, sector credits and gender basis. The study shows that credits are generated to promoters with academic level and even to illiterates. Promoters having a secondary level of education are generally the most beneficiaries and the statistics reveal that TBS has been efficient in resources utilization through targeting several categories of deprived citizens as well as maintaining a certain financial viability through funding and self-refinancing.

Arora, S. and Meenu (2012) has determined the facts that the role of the micro financing intervention to analyze how far it has been successful to meet the financial needs of the rural poor in terms of their preference for formal and informal sources of finance, their financial awareness and the level of satisfaction with regard to micro financing services. The study has been carried out in the rural areas of Punjab, For this purpose three Districts have been selected namely Amritsar, Jalandhar and Ludhiana. Further the respondents were selected block wise (Four blocks from each District). A convenient randomizes sample of 120 respondents from the aforesaid blocks has been selected. Percentages, weighted average score and chi-square have been used to draw the meaningful inferences from the study. The study found that good saving habits among the rural poor, maximum of them save regularly and that too in formal financial avenues, similar in the case of credit utilization, majority of the respondents (55.56%) were using bank micro credit that breaks that the old myth about rural people to approach their personal contact for credit. The study also observed that no doubt, the formal sector of finance specially the banking sector has marked a significant progress in achieving the financial inclusion target but still a lot of efforts are required to pave the way for the micro financing movement among the banking sector.

Nair, T. (2012) have conducted a study to starts with an analysis of the growth trends in SHGs and MFIs followed in the second section by the examination of the changes in the flow of bank credit to the two channels. Then some of the newer forms of funding that have emerged along with the transformation of MFIs as profit seeking will be discussed in the third section. The concluding part summarizes the main arguments in the paper and raises some fundamental questions about Indian approach to financial inclusion using commercial MFIs. The finding shows that in general the banking system had steadily shifted its patronage to big MFIs since the mid-2000s, such increased appetite among banks for MFI financing during the latter half of the 2000s need to understood in light of the increase flow of equity investment to the micro finance system. The micro finance institutions (development and regulation) bill 2012 currently awaiting approval by parliament is widely believed to moderate the conduct of MFIs both in non-profit and for-profit sectors.

Vichore, S and Deshpande, S (2012) has determined to analyses the financial performance of independent micro finance institutions (MFIs) in terms of cost efficiency, cash constraints and net portfolio in India and the role of micro finance in the Indian economy. It also focuses on the current performance of the sector in relation to financial services in general. The data used for the research is supported by NABARD, M-CRIL and RBI. The finding shows that primarily the regulations improvisation which is caught in the head light of draconian regulation is uncertain which way to go and the crisis not only had the effect of bringing micro finance in Andhra Pradesh to a halt it also caused a sudden rash of prudence in commercial bank lending to MFIs resulting in an increase in lending rates.

Vijender, A. et al. (2012) found to stresses on improving farm level efficiency through micro financing and micro insurance in achieving their economic and social goals, which at present find have largely identified only limited success. The finding shows micro finance institutions (MFIs) have to become steady profitable to trim down poverty and role of state government in crucial in augmenting farm investment, micro financing, micro insurance, facilitating private investment and spreading institutions to help the poor in realizing inclusive growth of the India.

Tiwari, A. (2012) highlighted a comparative study between India and Bangladesh in terms of loan lend by institutes to customers, clientele, financial sustainability of MFIs in order to comprehend how MFIs in India are performing as against those MFIs in Bangladesh as it is considered to be the originator of microfinance. The conclusion determines that no doubt Indian MFIs are more gainful and operating more efficiently than those in Bangladesh.

Vichore, S. (2012) brought out the interesting facts to how the massive microfinance company (SKS) after taking a conversion source to commercialization has focused only on the supporters profit and not the investors and the study also spotlight on thoughtful what rooted microfinance in India to trip. For analyze of MFI, the study of M-CRIL, NABARD and appropriate publication on the enlargement of correlated area in the country is been studied. The conclusion that suggest the idea there the MFIs to guarantee more measured growth and better control system. It also involves more informed saver behavior to ensure that capital flows to socially responsible institutions in support of long term economic benefits of financial inclusion rather than in detection of short term financial gains.

Ranjani, K. S. (2012) revealed that the required for conceptual framework for regulation of MFI in India. The research conclusion recommend that like every other financial mediator, microfinance institutions will advantage the customer as well as the industry at big when they subject themselves to both self and statutory regulations.



Sibghatullah Nasir (2012) highlighted the current situation of the Microfinance with admiration to its emergence till now. This paper investigation the drawbacks in the microfinance institutions such as the lack of diversification in products, customer repetition issues, higher interest rates and hence this paper comes up with suggestions to determine and face the challenges faced by these institutions.

Hadia, Hina (2012) examined the effectiveness of obtainable microfinance institutions in alleviating poverty and also studied the function banks have taken up in the field of microfinance. She has recommended strategies to enlarge the penetration of microfinance in fostering sustainable entrepreneurship and reduce the backing gap that potential entrepreneurs look in their access to capital these days.

Microfinance Summit Campaign Report (2012) showed the explanation presents information about the outreach of microfinance worldwide. It states that out of 3,652 microfinance institutions, 1009 are establish in function in Sub-Saharan Africa, 1746 in Asia and the Pacific, and 647 in Latin America and the Caribbean. Microfinance as a financial involvement is admired in mounting countries of the world. In those continents Asia and the Pacific, have mainstream of client outreach of some 82%. Next to comes the Latin America and the Caribbean countries (6.47%), Sub-Saharan African countries (5.67%). India has gained momentum in advance an expansion of microfinance institutions. The client outreach has increased from 18.64% in 2005 to 53.38% in 2011.

Rao, Venkateshwar and Rao, Narsimha (2013) showed in their paper to found that on exploring the impact of diverse microfinance and legal training programs manners, their results explained that it led to a diversity of enhancements most notably, better child survival rates, enhancement in the standard and level of education amongst other factors.

Nasir Sibghatullah (2013) brought out interesting facts that the harms established in microfinance in India and also made challenge to arrive at explanations for the troubles looked by the obtainable microfinance institutions. Here, attempts have been made to spotlight the harms of microfinance at social and cultural level, political level, educational level, etc. Key issues identified in microfinance in India were Low outreach, High interest rate, negligence of urban poor, Client retention, loan default, low education level, language barrier, late payments, geographic factors, debt management. The study found some suggestions and recommendations to surmount these harms.

Sane, R. and Thomas, S. (2013) examined on the proper regulatory department towards microfinance and investigations the dilemmas of financial regulation in this field from first principles and disputes that majority mechanisms of consumer protection and micro-prudential guideline require to be adapted. The

research conclusions recommend regulatory strategies that require to be assumed for production with micro credit and financial allocation should focus on the poor.

Kamath, R., Dattasharma, A and Ramanathan, S (2013) have conducted a study that how the everyday household cash flows get impacted with or without MFI loans by using the financial diary methodology with 90 poor household in Ramanagaram, Karnataka, India. The investigation illustrates that the microfinance movement in India still has a long mode to go in being truly “bottom-up”.

Barinaga, E (2013) revealed that the first year of hard works to set up microfinance as a device to work with susceptible groups in Sweden and to investigate whether microfinance can be seen as a tool to evaluate social modify in developed welfare states such as Sweden. The examination revealed the mobilization and generation of social capital and the frame alignment development set in motion by microfinance.

Bankoli Bankong (2013) observed to draw a structure of the assorted functions that is being played and supplied by microfinance such as economic order, political stability and climate modify. This paper observed to present a serious appraisal of the debate on the efficiency of microfinance as a successful implement for eliminating poverty and also the history of microfinance banks in Nigeria. The suggestion of this study is that the federal government of Nigeria and financial institutions in the country should take up the challenge of establishing bank branches in the rural areas or make frightening agreement for supplying more credit to the rural dwellers.

Jayati Ghosh (2013) have conducted a study in a Delhi based Feminist Economist & an viewer of Microfinance, planned the evaluation of the recent literature on microfinance in mounting countries and a critical opinion of its kindness in her article “Microfinance and the challenge of financial enclosure for development”. In the article, the writer examines the understanding of India, which has one of the major microfinance sectors in the world, and chiefly the unfolding of the microfinance crisis in Andhra Pradesh. It found that microfinance cannot be seen as a silver bullet for expansion and that profit-oriented microfinance institutions are challenging. To convince yet several of its progressive goals, it must be regulated and subsidized, and other strategies explicable financial inclusion of the poor and of small creators must be more aggressively pursued.

Tripathi Vivek Kumar (2014) cited that the geographical extend of microfinance in India and dinged into the troubles holding it back. There are still around 200 million Indians who lack access to proper credit. In order to make sure a sustainable economic expansion it is essential that we build up our microfinance institutions and also increase their quantity and reach so that the poor and underprivileged in both rural and urban areas get chance to start their own projects.

Tripathi, Kumar Vivek (2014) examined that how the progression of microfinance came to be, its current enlargement and its prospect scenario in India. In winding up, it observes microfinance as a minimum to accomplish essential social missions mandatory urgently in India on account of its large rural populace.

Tripathi Vivek Kumar (2014) cited that the geographical extend of microfinance in India and dinged into the troubles holding it back. There are still around 200 million Indians who lack access to proper credit. In order to make sure a sustainable economic expansion it is essential that we build up our microfinance institutions and also increase their quantity and reach so that the poor and underprivileged in both rural and urban areas get chance to start their own projects.

**Verma Richa, Meenu and Priyanka (2014)** have conducted s studied Microfinance as a device for poverty improvement. There are diverse companies, societies, trusts and other corporate bodies occupied in as long as microfinance to the poor households as a corresponding to the banking system. There are two major models in this structure – Self Help Group – Bank Linkage (SHG-BL) and Microfinance Institutions (MFIs). Central government has understood the importance of microfinance as a tool for poverty alleviation and has thus passed the Microfinance Institutions (Development and Regulation) Bill, 2012 on 11, February 2014 to afford a statutory framework for the promotion, development, regulation and orderly development of such MFIs and thereby aid financial enclosure.

Dr. D. RAJASEKAR (2014) in his journal investigated to evaluate the impact of Microfinance in the area of rural development with specific allusion to poor people at Virudhachalam. This paper discovered how microcredit plays an imperative role in the expansion of rural poor especially for women. Therefore, the suggestions, recommendations are created which is measured to be the major part of the study

Kapilananda Mondal (2014): the founder & CEO VSSU, brought out interesting facts in his article ‘Community Development through Innovative Microfinance’ published in Microfinance Barometer 2014: he has brought out that the microfinance sector in India has recently onlooker the terrible impact of extreme spotlight on numerical achievements. Improvement does not follow any scientific formulae of progress; it requirements to be client focused, process-oriented, and have a holistic approach with sustainable impact as its goal.

Santosh et al (2016) investigated the enlighten points that in India microfinance operates through two main channels viz. a) SHG –Bank Linkage Programme (SHG-BLP) b) Microfinance Institutions (MFIs). The Self-Help Group (SHG) Bank Linkage Programme has during last two decades covered more than 10.01 crore Indian poor households, making it the largest community based microfinance programme in the world.

Reddy and Muhammed (2017) brought out the interesting facts that new paradigm shift and performance of Microfinance sector and analyze the impact of financialtechnology (Fin Tech) on this sector. They studied

the emerging trends in Indian Microfinance and the impact of policy reforms, financial technology (Fintech) and banking initiations. The Government of India and Central Bank (RBI) reaffirmed the role of Microfinance Institutions (MFIs) in financial inclusion by introducing NBFC-MFIs guidelines, Priority Sector Lending (PSL), promoting MFIs as Business Correspondents (BC) of banks and launching of MUDRA bank due to its easy viability and wide range beneficiaries across the country. As a result of the recent movement of the Indian government towards demonetization (8th Nov-2016) and Andhra Pradesh Microfinance crisis of 2011, this sector is dropping large collections and experienced loan defaults due to the cash crunch. Harika and Ramakrishna (2017) in their paper attempt to assess the status of microfinance in India in terms of Saving Amount, Loan Amount and Outstanding Amount through trend analysis. To analyse the status of microfinance in India in terms of above indicators over the period 2010-11 to 2015-16, Compound Annual Growth Rates, Mean, Standard Deviation (SD), Coefficient of Variation (CV) and Instability Index were calculated. The study concluded that the SHG-BLM has emerged as a dominant model in terms of number of borrowers and loans outstanding. Due to widespread rural bank branch network, the SHG-BLM is very suitable to the Indian context.

## **2. Women empowerment**

Gita Sen and Caren Grown (1987) has described that women's empowerment is the transformation of the structures of subordination, including changes in the law, civil order, property and inheritance rights, and control over women's bodies and labour, and the social and legal institutions that endorse male control. They call for resources (finance, knowledge, and technology), skill training, leadership on the side and democratic process, dialogue, participation in policy and decision-making, and techniques for conflict resolution, if women are to be empowered. Empowerment should lead to capacity building and personal enrichment. It also should help them develop leadership qualities, entrepreneurship, and exposure to the outside world.

Ramanathan (1993) found the origin of SHGs to the ineffectiveness of supervised rural credit programs as felt by the members of Asia Pacific Rural and Agricultural Credit Association (APRACA) in the workshop held in China in 1986. The Sixth general assembly of APRACA held in Nepal decided to launch SHG linkage program. In Srilanka, some of the operating SHGs emerged voluntarily and others took birth due to Self Help Promotional Institutions. While in the former, members belong to different income groups, in the latter membership was given to specific target groups. It is observed that smaller the group, viability is brighter and also better managed. The SHGs evolved many instruments to promote thrift among members. They generated a common fund from internal savings to grant small emergency loans. Some SHGs

supplemented the common fund with the seed money or contributions from self help promoting institutions (SHPIs). Upto 1993, the rate of loan recovery was around 90 per cent. He concluded that on the whole, the performance of SHGs was fairly well compared to other borrowers of the formal banking system.

Longwe and Clarke (1994) have conducted a study that women empowerment as an on-going cyclical process having five stages. The first stage is welfare stage and at this stage the women's resources are not fully recognized and met. The second is access stage, where women recognize it and take action to gain access to these resources. The third stage is the conscientisation level stage, where women realize that their lack of access to resources and their general subordinate status are due to socially constructed beliefs and phenomena. The fourth stage is the participation level stage, where women become actively involved in decision-making processes within their households, communities and societies. The final stage is control stage; in which women get control over access to resources and distribution of benefits by increasing their participation. This control increases women's power and respect within their households, communities and societies at large.

Stromquist (1995) revealed that empowerment includes both cognitive and psychological elements. It involves "women's understanding of their conditions of subordination and the causes of such conditions at both micro and macro levels of society. It involves understanding the self and the need to make choices that may go against cultural and social expectations".

Noor (1995) has highlighted the linkage-Banking while studying the SHGs in Indonesia, Thailand, Philippines, India, Nepal and Bangladesh. He observed that the seeds of linkage banking were sown in 1986 and today SHGs are widely accepted as an alternative for collective credit delivery to the poor. He discusses the variants of linkages and models followed in Indonesia, Thailand and Philippines. His study reveals that the repayment rate of SHGs was 100 per cent in Thailand, 99 per cent in Bangladesh, 96 per cent in Indonesia and 68 per cent in Philippines

Different researchers have explained women empowerment by considering its different aspects. According to Pillai (1995), women empowerment is an active, multidimensional process which enables women to realise their full identity and powers in all spheres of life. Power is neither a commodity to be transacted nor can it be given away as alms. Power has to be acquired and once acquired it needs to be exercised, sustained and preserved.

Giriappa (1997) brought out the interesting facts that the women empowerment with the corresponding levels of discrimination and effectiveness of decision-making by women in different rural enterprises and concluded that the female headed households were effective in taking decision in respect of work mobility, schooling, health care, asset creation, employment generation and social participation in low social status households. The informal empowerment was wide spread through women earning members, their decisions were subjected to various degrees of discrimination by males.

Jyothi (1998) have conducted a study on employment pattern and empowerment of rural women in Kolar district that the distribution of women according to the level of empowerment showed that most of the women had medium level of empowerment (58), while few women (8) belonged to high level of empowerment, remaining 54 women had low level of empowerment.

National Bank for Agriculture and Rural Development (NABARD) (1998) has explained the features of the innovative supplementary credit channels, objectives of the SHGs, models of the credit delivery mechanism evolved in Andhra Pradesh (India) which were tested successfully for replication. It has emphasized the strategy for expanding the role of SHGs and made suggestions for improving bank linkage with SHGs. The study has revealed several features such as efficient flow of credit, utilization of credit for income generating activities, excellent loan repayment and improved empowerment of SHG members.

Mayoux (2000), examined that, "Microfinance and the Empowerment of Women: A review of the Key Issues" reveals empowerment more directly with power, as "a multidimensional and interlinked process of change in power relations" and points out -'Power within', enabling women to articulate their own aspirations and strategies for change; 'Power to', enabling women to develop the necessary skills and access the necessary resources to achieve their aspirations; 'Power with', enabling women to examine and articulate their collective interests, to organize, to achieve them and to link with other women and men's organizations for change; and 'Power over', changing the underlying inequalities in power and resources that constrain women's aspirations and their ability to achieve them. The study concluded that all these power relations operate in different spheres of life i.e. economic, social and political at different levels such as individual, household, community, market and institutional level.

Kaushik (2000) explained that the defined Empowerment in terms of discretion over one's choice in life is desirable but seemingly unachievable for sizeable majority of women in South Asia.

Garba (2000) found that felt that empowering women is a means to an end, the end being to improve their lives rights to participate in decisions that affect them.

Sharma (2001) revealed that stated empowerment as, both a process and product. Empowerment is a process aimed at changing the nature and direction of systematic focus, which marginalize women and other disadvantaged section in a given context.

As illustrated by Kabeer (2001) there are two essential elements of women empowerment, i.e., process and agency. A process is defined as the series of events that produce gradual change. The process of women empowerment leads to expansion in their ability to have resources and to make strategic life choices. The agency element of women empowerment describes that women themselves are the significant actors in the process of change. It is the process through which choices are made. Empowerment cannot be offered by a third party rather it has to be claimed by those who would become empowered. Kabeer (1999) explained that women's empowerment refers to the process by which those who have been denied the ability to make strategic life choices, acquire such ability. The ability to exercise choices incorporates three inter-related dimensions: Resources, which include access as well as future claims to both material and social resources; Agency, which includes the process of decision-making, negotiation, deception and manipulation; and Achievements, which refers to the well-being outcomes of choice.

Agency is a central concept used in a study by Sen (1999). Kabeer's (2001) understanding of agency is mainly based upon Sen's study. Agency is defined as an actor's ability and involvement to make meaningful choices. It encompasses the ability to formulate strategic choices, to control resources and decisions that affect important life outcomes.

Kabeer (2001) explained the defined empowerment as the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them. It helps to distinguish empowerment from other closely related concepts i.e., the idea of process or change from a condition of disempowerment, to that of empowerment.

Suguna (2002) brought out the investigated those three dimensions of women empowerment namely economic, social and political. The economic empowerment includes skill development, income generation, credit availability whereas the social empowerment consists of equality of treatment, equality of respect, equality of opportunity, equality of recognition and equality of status. The political empowerment represents the process of controlling power and strengthening of their vitality.

Narayana Reddy (2002) investigated that empowerment as enabling people especially women to acquire and possess power resources, in order to make decisions on their own or resist decisions that are made by other which affect them. Recently, the World Bank has made gender mainstreaming a priority in development assistance. In a policy research report, World Bank (2001) identified both gender equality and women

empowerment as development objectives and means to promote growth, reduce poverty and support better governance. In the literature available on women empowerment, some of the concepts like gender equality, female autonomy or women status etc. are referring to as either similar or different concepts.

Wadiwale (2004) brought out the enlightened in study that in Baroda city slum women were empowered by saving-credit programme and educational status of respondents in terms of their attitudinal change to various issues is considerably high.

Vashishtha and Kunwar (2004) have discovered the points that the activities of the SHGs have succeeded in achieving empowerment of women both economically and socially and the perception of the stake holders regarding the effectiveness of SHGs was highly satisfactory, positive and encouraging while attempting to improve the programme further.

Sudhindra (2005) examined on empowerment through watershed development in Kolar district of Karnataka state and found that the members of the self help groups are empowered now, to clear off their old debts through their savings and have started economic activities like goat rearing, milk selling etc.

Deepa (2005) have found the facts that empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives. In the broadest sense, it is the expansion of freedom of choice and action. It means increasing one's authority and control over the resources and decisions that affect one's life. She outlined the elements of empowerment as access to information, inclusion, participation, accountability and local organizational capacity.

Suseela Menon (2007) explained the point's empowerment as such levels of cognitive, affective and behavioral growth and development within the individual which will enable one to do more self depending and self sustaining activities. Empowered women are real assets to the society.

Sujatha Sreenivasan (2007) revealed that empowerment is an ongoing process with psychological, social and economic facets to it. When one is enabled to decide about and take control of one's life one is empowered. And for the process of empowerment to be total, one has to be psychologically, socially and economically empowered to decide about one's life.

Thamaraiselv (2009) described the highlighted points of Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business. Apart from training programs, Newsletters, mentoring, trade fairs and exhibitions also can be a source for entrepreneurial development. As a result, the desired



outcomes of the business are quickly achieved and more of remunerative business opportunities are found. Henceforth, promoting entrepreneurship among women is certainly a short-cut to rapid economic growth and development.

This means that the whole process of women empowerment requires the ability and active involvement of women themselves. If it does not include women as the agents of that change rather than merely as its recipients, it cannot be considered as empowerment. This implies that women empowerment is a 'bottom up' rather than 'top down' approach. Empowerment cannot be injected from outside, rather it has to be acquired by the women through their active involvement in the development process. But it does not imply that all improvements in women position are brought about by women themselves only. Social and political environment is also considered to play an important role in the same. It is the responsibility of the governments and multilaterals to promote policies to set up such type of legal, political and economic environment which help women to have greater access to resources and promote gender equality. For instance, in India through the 73rd and 74th constitutional amendment a provision is made for reservation of 1/3rd seats mandatory for women in Panchayati Raj institutions and local bodies and has generated a suitable environment for their political empowerment.

In this way, women empowerment is a process of improvement in the existing status and abilities of women to make them able to lead their lives in an autonomous way. Women empowerment is a complicated and continuous process, which aims at changing the way of thinking of the whole society to ensure equal enjoyment of human rights for all. It is a continuous process of increasing the economic, social, political and psychological strengths.

The supporting agencies, social, political, cultural, financial etc., which are involved in uplifting the cause of women cannot claim that they have empowered women with their help. One cannot claim empowerment unless the intervening process involved women as agents of that change. Kumar and Paul (2007) wrote, "development agencies cannot claim to empower women rather they can provide appropriate external support and intervention which can, however, be important to foster and support the process of empowerment, i.e., act as facilitators".

### **3. Women empowerment and microfinance**

Coleman (1999) has conducted a study the impact of microfinance lending of village banking programme in Thailand. He looked at two microfinance institutions, the Rural Friends Association and the Foundation for Integrated Agricultural Management. A sample survey of 455 households, participants and non-participants, showed no evidence that programme had an impact on any asset or income variable. There was no evidence

of increase in the productive activity as the access to bank loans increase. The author cautioned against extrapolating these results to other countries since Thailand was rather a developing country. One of the reasons of weak poverty impact was that there was a tendency for wealthier households to self-select into village banks and then relative small size of loans might be used for consumption purpose.

Kulshrestha (2000) brought out the points of various advantages of the micro finance programme and states that this development paradigm had concepts like self reliance, self sufficiency and self help as its core. For the socioeconomic development of rural areas, steps taken for promoting micro finance, has a significant bearing on rural development.

Nagayya (2000) has found that self help groups can contribute towards improving the quality of lending by offering loans in prompt and simple manner, ensuring need-based loans, and keeping the loan size within the repaying capacity of the borrowers. So the self help groups can have the advantage of intimate knowledge about their members compared to the bank staff.

Singh (2000) examined to look at the micro credit delivery mechanism especially the role of self help groups in rural Rajasthan. Formation of self help groups has led the empowerment of the poor in Rajasthan by providing rural credit delivery. They are serving dual purposes of bringing the poor together for self support and enhancing their capacities to raise family income. Further the micro finance under the scheme has the potential to impel the rural folks to ponder small scale productive ventures.

Rajasekhar (2000) revealed that the contribution made by microfinance programmes initiated by two NGOs, namely, Shreyas and RASTA to poverty alleviation and women's empowerment in Kerala. The results of the study revealed that the better participation of members in microfinance programmes resulted in savings and credit operations that were conducive to women's needs truly contributing to poverty alleviation and empowerment of women. Although microfinance programmes emphasize the provision of facilities and opportunity for the poor to save, savings mobilizations tended to be slow and irregular due to problems like lack of job, health problems etc.

Joanna (2000) investigated that microfinance has evolved as an economic development approach intended to benefit low-income women and men. Although clients of microfinance are poor, they are generally not considered to be the poorest of the poor. He argues that micro enterprise credit does not result in significant net gains in employment but it can and does lead to increased use of family labour. He stated that there is yet no solid evidence of business growth and transformation as the result of micro enterprise credit but there is evidence of credit enabling enterprises to survive in crisis.

Puhazhendhi and Satyasai (2000) brought out the interesting facts commissioned by NABARD covered 560 sample households from 223 SHGs spread over 11 states across India. For assessing the impact of the programme, a comparison of pre- and post-SHG situation was made. With a view to quantify the empowerment of SHG members, economic and social empowerment index was computed for each household by using the scoring technique. The findings of this study showed 33 per cent rise in average annual income from pre- to post-SHG situation. Forty per cent of this incremental income was generated by non-farm sector activities. The estimated employment days per household worked out to 375 person days during post-SHG situation that had registered an increase of 17 per cent from pre-SHG situation. Sample households took up 200 additional economic activities by utilising 85 per cent of the borrowed funds for productive purposes. The share of families living below the poverty line was reduced by 20 per cent in post-SHG situation. The social empowerment of sample SHG members in terms of self-confidence, involvement in decision-making, better communication, etc. improved in a significant.

The National Bank for Agriculture and Rural Development (NABARD, 2000) cited that on the impact of Micro Finance (MF) on the living standard of SHG members. The study aimed to find out how far the SHG bank linkage programme had lightened the burden of life for the average member of a SHG and to analyse the betterment of household by gaining access to micro finance. The study covered 560 SHG member households from 223 SHGs spread over 11 states. It showed positive results. There were perceptible and wholesome changes in the living standards of the SHG members, in terms of ownership of assets, increase in savings and borrowing capacity, income generating activities and income levels. The study revealed that almost all the members developed saving habits in the post SHG situation as against 23 per cent of households who had this habit earlier and the average borrowings per year per household increased from 4, 282 to 8, 341. The study concluded that the involvement in the group significantly contributed in improving the self- confidence of the members. The feelings of self-worth and communication with others improved after association with the SHGs and the members were relatively more assertive in confronting social evils and problem situation. As a result, there was a fall in the incidence of family violence.

Thingalaya.N.K (2001) observed on “Microfinance and Rural Employment: An Appraisal of the Potentialities” observed that for enabling the SHGs to play their assigned role efficiently, there is an imperative need for avoiding target fixation, subsidy distribution and political intervention also. The urgent of necessity providing are vocational training, general guidance and organizational support for marketing facilities. The small commonwealth of self-help groups has to be protected from political interference and excessive state intervention.

Namboodiri and Shiyani (2001) found to examine the potential role of self help groups in terms of reach linkage with banks for savings and credit for the weaker sections of the rural households. They conclude that the system evolved through the self help groups for collecting savings, group consumption credit, integrating social and economic goals among small groups has the potential not only for financial deepening in the rural areas but also for the empowerment of women in particular.

Satish (2001) highlighted that self help groups promote savings among members and use the pooled resources to meet the emergency needs of their members, including consumption needs. They are able to provide banking services to their members, which may not be sophisticated but are costeffective, simple, flexible, accessible to their members and above all without any default in repayments of loans. Linking self help groups to banks helps in overcoming the problem of high transaction cost to banks in providing credit to the poor.

Dadhich (2001) described his study experimental that, as a result of participation in the Oriental Bank of Commerce Project (OBGP), a large number of women were able to take up subsidiary occupations like manufacturing pickles, dairy, grocery shops and diversification of agricultural activities. As a result, the family income had substantially increased. The study also shows that a properly designed and effectively implemented microfinance programme not only alleviate poverty but also empower women. It has positive effect on social changes in the project area. As a group, women have also gained more confidence and power. She opines that in order to facilitate the designing of innovative savings cum loan products and leasing services as also to ensure uninterrupted flow of microcredit and availability of staff dedicated to financing of micro enterprises, it is desirable to keep specialized microcredit branches outside the normal commercial business of the bank (Dadhich 2001: 419-421).

Nedumaran. S. (2001) has found on performance and impact of Self-Help Groups indicated that more than 62 % of the members were scheduled castes/tribes and about 67 % were illiterates. And the main occupation of about 70 % of the members was agricultural labours. And 47 % of SHGs were registered as with their saving performances. Then the saving and the over age loan group member in the groups showed an increase based on the age of the groups. The average annual saving per member was Rs.550 in the Self – Help age group 2–3 years, which almost doubled and the loan advanced increased by 33 % after a period of four years, the repayment of loan was to the extent of 95 to 98 %. The annual net family income of the members in the post– SHG situation was increased by 20 % over the pre– SHG situation gradually.

Manimekalai N and Rajeswari G (2001)<sup>27</sup> the author point out the impact of SHG in creating women entrepreneurship in rural areas of Tamilnadu by taking 150 SHG members. They found that the SHGs have

helped to initiate micro enterprises including farm and non-farm activities, trading and service units. It was reported that there was significant difference in the mean performance of the entrepreneurs based on their age, education and previous experience. The micro finance has facilitated the women to have economic and social empowerment; it has developed a sense of leadership, organizational skill and management of various activities of a business, right from acquiring finance, identifying raw materials, marketing, etc., by themselves.

Choudhury .R. C (2001) has conducted a study to document the experience of SHGs in promoting micro enterprises through micro-credit interventions and the efficiency of Self Help Promoting Institution (SHPI). The study analysed the core issue of poverty reduction and efficacy of SHG route for micro enterprise promotion. The main objectives of the study were to analyse the operating systems in SHGs, to explore the effectiveness of SHGs in identifying the micro enterprises and to suggest appropriate policy intervention for effective performance of SHGs. The study was carried out in selected clusters spread over regions in the states of Tamilnadu, Karnataka, Andhra Pradesh and Maharastra. The study covered 76 SHGs, 450 members and 135 micro entrepreneurs from five regions. The case study-cum-survey method was followed. Secondary data were also collected from the records of SHGs. It was observed that group enterprise on a big scale would involve greater risks but would yield better returns to the entrepreneurs. The study brought to the fore the fact that, out of three SHPIs namely, NGOs, banks and government. NGOs were better equipped for capacity building of SHGs and promotion of micro enterprises. The study also showed that SHG were still in a state of flux and their sustainable development depended on a number of factors which were internal and external to the organization.

Mohanan .N (2001) in his observation found that in Trissur district of Kerala that the average membership of SHGs was 18, who are drawn from labour, petty trades and marginal farmers. Purpose-wise, loan extended indicated domestic consumption accounted for 58 per cent. The characteristics of micro entrepreneurs in SHGs revealed that a very high proportion of them were unemployed prior to joining SHGs (90 per cent). In terms of enterprise orientation, tailoring was found to be the most preferred activity (47 per cent). They had an investment level less than 5000, and able to earn 1977 per month with a net profit of 700 indicating a turnover profit ratio around 37 per cent.

Singh (2001) examined a study on the socio-economic impact of microfinance programme in Uttar Pradesh. In order to study the impact, rural areas of Kanpur district were selected on account of highest number of credit linked SHGs as compared to other districts in the state. For the purpose of the study, out of 11 SHGs linked with RRB, one group in Beridayria village was selected. It was found that in pre-SHG situation most of the members were dependent on income from labour but in the post-SHG situation their main source of

income was dairy. The survey showed that simple and quick credit delivery with lower interest rates in SHGs replaced the money-lenders. During pre-SHG some of the loans were taken for consumption purpose but in the post-SHG situation the loans were mainly taken for income generating purposes. The study showed that the average value of assets increased by 46 per cent and the annual income per household increased by 28 per cent in post-SHG periods. The most interesting feature of SHGs was compulsory savings even by cutting the necessary expenditures. Recovery rate was quite high which ranged from 95 to 100 per cent. The study also revealed that the commercial banks were not prompt in linking SHGs for loans.

MYRADA (2002) in his views he has mentioned the empowerment of women members through SHGs of southern states of India. The study found that most of the SHG members were young (26-35 years of age) married women in both type of SHGs (less than one year to more than three years old). While agriculture and allied business were the main occupations for the SHG members in the new group, agricultural labour and manufacturing were the chief occupations for the older group. The study also found that impact of the SHG on the level of comfort and confidence of members was reflected more in the older groups than that of new. The contribution of SHG members in their respective household income was also found to be higher for older groups as compared to that of younger ones.

Jaya S Anand (2002) has investigated the performance of selected SHGs and NHGs in Malappuram District, to assess the impact of micro credit programme on empowering women. SHGs promoted by three voluntary agencies in Chungathara Panchayat, viz. Shreyas, BVM, and CDS have been selected. The CDS is government-sponsored, while the other two are non-governmental agencies, which are actively involved in community development through SHGs. Through the study, it is found that micro credit is seen to have created a positive impact on the families of the members. Factors other than investments made out of micro credit have also contributed to the increase in their income through group activities. The study has also shown that a positive change has taken place in the attitude of the beneficiaries. One major impact of SHGs on the women members has been the creation of awareness about newer economic opportunities available to women and the abilities needed to tap them. The author states that, beyond financial intermediation, SHGs can and should bring about drastic changes in the lives of the poor. It has been clearly established that delivering credit alone may not produce the desired impact. The supporting services and structures through credit delivered, ranging from group formation and training to awareness-raising and a wide range of other supporting measures are critical in making the impact of group activity strong and sustainable.

The broad objective of this study has been to assess the changes caused by SHGs members and their households.

Kumaran .K.P (2002) he has observed the primarily intended to document the experiences in SHGs in promoting micro enterprises through micro credit intervention. The study was conducted in the pune district of Maharastra state. 15 sample cases of SHGs were selected for the study on a random basis. Among them 10 groups were promoted jointly by NGOs and banks, while the remaining five of them were formed by District Rural Development Agency (DRDA).

Jothy K and Sunder J (2002)he has described in their study of evaluating the programme of Tamil Nadu mahalir thittam found SHGs are currently involved in economic activities such as production and marketing of agarbathis, candle and soap, ready made garments, pickles, appalam, vathal, fur toys, bags, palm leaf making, herbal products, fancy seashell, ornaments, eatables, coir mats and other coir products, mattress, chapels, leather good etc. In addition, the SHG women monitor the normal functioning of the ration shops, maintain vigil to prevent brewing of illicit group, helpthe aged, deserted and windows to obtain loan.

Mambula (2002) he has evaluated major constraints faced by SMEs in Nigeria. The author recommended that small business entrepreneurs should collaborate each other to sort out the various problems faced by them. There is a need to form alliance of government. Research institutions and financial institutions were created to appropriate training for prospective small business.

A study by Karmakar (2002) brought out the thoughts in his study that among Microfinance models, the SHG model is a flexible one and variation of size and composition are permitted as also deep of flexible interest rates, for various purposes and varying repayment terms. However, Self Help Group – Bank Linkage Programme (SHG- BLP) was facing the problem of upscaling, as there was a lack of good number of credible NGOs, and other agencies/individuals, which could do social intermediation, i.e., formation and nurturing of SHGs. He argues that, the sustainability of SHGs depends, to a great extent on the quality of the SHGs, on the one hand and the quality of SHGs is dependent on the care and attention given by the SHPIs in the formation stage on the other.

Manimekalai and Rajeswari (2002), explained the various points on “Grass roots entrepreneurship through Self Help Groups (SHGs)”, with the objective to find out the factors which have motivated women to become Self Help Group members are eventually entrepreneurs and analyze the enterprise performance of Self Help Groups in terms of growth of investment, turnover, capacity utilization, profit etc.It is understand from the analysis that the Self Help Group entrepreneurs have improved a lot with respect to their enterprise performance. It is observed that the women have been depending only on agriculture and now have become independent. Apart from the improvement on the personal growth, the community as a whole has gained through the organization of the Self Help Groups.

Sudhir Raj .K (2002) he has revealed that “Micro Finance and Empowering Rural Women” viewed that micro credit through SHG experiments is being viewed today as one of the powerful tools for alleviating poverty and empowering the rural women development. The development thinkers are constantly in search of practical, workable solutions to the deep rooted challenges of poverty eradication; micro credit through SHGs appears to be an exciting solution by delivering financial services at an appropriate scale and by mechanism approachable to rural people empowerment.

Cheston and Kuhn (2003) in his study he has explained that the surveyed 60 MFIs in Ghana found that there was a strong evidence that microfinance would lead to women empowerment. Women increased their self-confidence, self-esteem and increased participation in decision making. They also found that women’s financial contributions helped them to earn greater respect from their children and husband. They also found some limitations to empowerment including limits to the level and kinds of change in women’s social status, limited decisions making power to make small purchases or other smaller decisions, clients husbands withdrawing their support from the household, and women hiding their savings or even their business from their husbands because they fear that their husbands can minimise their financial support in household management (Cheston and Kuhn 2003: 77-78).

Soile et al, (2003) observed in his study that to examine the role of NGOs engaged in microcredit delivery across the country. The study revealed that membership and outreach of these institutions expanded greatly. However, the overall effective cost of credit from these institutions was too high to encourage entrepreneurs. The study was advice that there was a need to encourage the establishment of more of these institutions. They stated that the poor are illiterates, sometimes unskilled but are engaged in viable entrepreneurial activities and they hardly progress and improve because they lack capital and training to expand their different business (Soile et al 2003: 378-389).

Rajasekhar (2004) the author has mentioned the various points that microfinance leading to IGAs contributed to women empowerment and regular savings enabled the people to develop confidence, and introducing them to local banks would contribute to improved credit worthiness of the poor. It is also noticed that productive assets were more, where the savings were regular in SHGs. However, it has been argued that the ability of microfinance programme to provide credit to the poorest was limited for both structural and technical reasons. The linking of savings to credit, collateral requirements and the emphasis on the short-term credit prevented the poorest from accessing credit and enabled the less poor with assets to access more credit. He argued that the poorest were also discriminated against not so poor members of the group, management committees and did not have the confidence or skills to borrow from the groups because of the minimalist approach to credit that were practiced.



Sa-Dhan (2004) he has established that microfinance enabled the under privileged to access credit by lowering entry barriers. It improved the access to credit by providing doorstep delivery of credit and other financial services and a social technology to keep the transaction costs under control at the lower levels. It encouraged the flow of credit to the poor by substituting physical collateral with social collateral. The study also revealed that microfinance encouraged women to be more mobile within and outside their villages and it improved their access to information and had a positive impact on their self esteem (SA-Dhan 2004: 10)

Malhotra, 2004, he has described that how women entrepreneurs affect the global economy, why women start business, how women's business associations promote entrepreneurs, and to what extent women contribute to international trade. It explores potential of micro-finance programmes for empowering and employing women and also discusses the opportunities and challenges of using micro-finance to tackle the feminisation of poverty. According to her, the microfinance programmes are aimed to increase women's income levels and control over income leading to greater levels of economic independence. They enable women's access to networks and markets, access to information and possibilities for development of other social and political role. They also enhance perceptions of women's contribution to household income and family welfare, increasing women's participation in household decisions about expenditure and other issues leading to greater expenditure on women's welfare.

Singh (2004) has conducted a study that the role of microfinance in poverty alleviation and income generating activities by explaining the microfinance delivery approaches. The few approaches of microfinance discussed in this paper along with their case examples shows that microfinance had made impact on the life of people and strengthened the capabilities of poor people to start income-generating activities/ micro enterprises. The study also found that recovery rate was very high under micro- finance projects, which reflected the economic and financial sustainability of the projects (Singh 2004:24).

Chakrabarti (2004) he has revealed that to reassess the microfinance scenario in India and the impact of microfinance programme on poverty eradication and to discuss the role of banking sector in outreaching and financial sustainability. The study found that the focus of banking, particularly of RRBs over the period, had shifted from outreach to financial profitability. The locational distribution of RRBs had also undergone a shift from rural to semi-urban and urban areas. The study argued that in order to keep some balance between outreach and profitability, microfinance succeeded in providing an important way to banking sector to operate in the rural areas. The study acknowledged the role of NGOs in promoting microfinance programmes. Though over half of the SHGs were formed by the Government agencies, NGOs continued to play a critical role in promoting and financing SHGs (Chakrabarti 2004:137).

Anbalagan et al (2005) he has found that challenged to examine the importance of NGOs in SHG formation. They argued that the impact of microfinance to micro enterprises owned by SHGs was quite significant in terms of socio-economic transformation. They also came to a conclusion that the need of the hour is not only to make SHG members better bankable with financial institutions but also to increase the level of flexibility in credit instruments that would match their multiple credit requirements.

Suma Hasalkar, Suhasini Rao Chhaya Badigar (2005) he has conducted a study that to focuses on the various enterprises taken up by the self help groups in the selected area and the identification of entrepreneurial qualities of women members of these groups organized in the rural areas of Dharwad district. The study revealed that out of the 15 self-help groups, three were registered and all groups had the bank account with joint signatories and conducted regular meetings. As high as 85.97 per cent members participated in the wholesale purchase and sale of consumer goods with marginal profit to the society or self-help group. The traditional enterprises of leaf plate production and marketing was taken up by maximum percentage of women (31.7 per cent). About 40.2 per cent members were identified to have the quality cooperation followed by the quality 'contribution of new ideas in meeting' (17.95 per cent and purchasing abilities 17.56 per cent). Qualities like 'innovative ideas' and 'self-confidence' were identified in the least percentage of members of the selected self-help groups.

Hannover (2005) he has investigated that there is a shift in the borrowing pattern of the members from consumption loans to loans for income generating purposes. Internal savings and capital formation improved the self sufficiency capacities and even out of the household's cash flow. The access to formal financial services also contributes to a strongly reduced dependency on informal money lenders with positive effects on the reduction of capital costs.

Rangarajan (2005) he has viewed about a serious impact on the economic conditions of the rural poor has to be made; a much larger flow of credit to support a much broader production base is required. Self-help groups (SHGs) have to graduate into promoting micro enterprises. Though micro enterprises are not a panacea for the complex problem and chronic unemployment and poverty in rural and urban areas, yet promotion of micro enterprises is a viable and effective strategy for achieving significant gains in income and assets for poor and marginalized people'.

Sreejata Banerjee & Swamidoss (2005) in his study he has found to understand how far the beneficiaries of SHGs have been empowered. To examine structural issues that is impediments to empowerment. They try to identify steps that can be adopted to enable the vulnerable people to be economically strengthened in the road map to empowerment. The success of a microfinance programme should be measured not only from

the standpoint of high repayment ratio but also from the perspective of how far self-sufficiency has been achieved. The authors have identified four basic factors that influence the consumption behavior of marginalized people, which impinge on the success of microfinance. They are awareness, self-esteem, dependence and sustainability. We analyse each of these factors in relation to their impact on the ability of the SHG member to be self-sufficient and lead a better quality of life.

K Somasekhar and M Bapuji (2005), he has revealed that “the Empowerment of Women through SHGs: the Case of DWCRA in Andhra Pradesh”, argue that SHGs have proved themselves to be a better source of credit to the poor women for different purposes. They are formed as micro-credit network for promoting the socio-economic betterment of women as well as capacity building, micro entrepreneurship, collective action with the ultimate aim of empowering the poor women in different spheres. According to them, the participation of rural poor women in SHGs has not only enabled these women to meet their credit needs, but also resulted in general awareness, capacity building, self-confidence and courage which can be translated into empowerment. They also point out that the SHGs have improved the socio-economic conditions of the women to a large extent. As a result they have gained control over their labour and economic resources, reproductive choice, freedom to move and interact with others, improvement in leadership quality, etc.

M. Soundarapandian (2006) in his study he has found “Micro Finance for Rural Entrepreneurs Issues and Strategies”, made an attempt to analyse the growth of the SHGs and the role of microfinance in developing the rural entrepreneurship. The study suggests that though there is a positive growth rate of the SHGs in states get in terms of growth of the SHGs there is wide variation among states. Linkages of banks with the SHGs are found impossible for this variation.

It is reported that only 15 per cent of the matured SHG members had graduated to micro enterprises (Chowbey and Mishra, 2006). Difficulties in getting adequate credit, low level of awareness and lack of skills were the main reasons for not graduating to micro-enterprises. Those 15 per cent who had graduated to micro<sup>37</sup> enterprises were still at the nascent stage and their business size was not economically viable. Micro-enterprise development and microfinance has been widely adopted as anti-poverty strategies in most of the developing countries. Micro enterprises have been accepted as the engine of economic growth and for promoting equitable development. Women owned businesses are one of the fastest growing sectors of micro-enterprises. Economic growth, stability and equity can be achieved significantly through micro-enterprises (Krishna, 2007).

Sriram and Parhi (2006) he has observed that a village level study in Udaipur district of Rajasthan for identifying the financial status of the rural population. The funds flow indicated that the overall asset-

saving-income profile of the rural poor was not alarming. However, most of the assets and savings are liquid, forcing the poor to borrow at high cost. They argue that one of the most important reasons for saving by the poor is to face risks. They emphasize that credit and savings are equally important and one cannot survive without the presence of another. The study indicates the failure of institutions including micro finance mechanism like self help groups to penetrate the savings in loan market.

Meron Haileselassie (2007) examined the study ascertained that improved access to microfinance has been able to empower women economically. Although the results vary, the study indicated that the income and saving levels of the majority of the clients have increased after the delivery of microfinance. Encouraging results have also been shown in the enhancement of the women's of self-confidence with respect to the capability to work on their own and improve their lives. On the other hand, there is no indication of an enhancement in the decision making power of women and in their political empowerment as reflected in respect for their legal rights, ownership of household assets and holding of political positions. In addition, the delivery of microfinance has failed to bring about changes in their decision making at the household level. The study recognizes the limits of the transformative capacities of microfinance and it shows that financial empowerment does not necessarily lead to a transformation in gender relationships which is a basis for the overall empowerment of women.

Ranjula Bali Swain and Fan Yang Wallentin (2008) he has conducted a study on Working Paper on Economic or Non-Economic Factors – What Empowers Women? Microfinance programs like Self Help Group Bank linkage program (SHG); aim to empower women through provision of financial services. We investigate this further to determine whether it is the economic or the non-economic factors that have a greater impact on empowering women. Using household survey data on SHG from India, a general structural model is adopted where the latent women empowerment and its latent components (economic factors and financial confidence, managerial control, behavioral changes, education and networking, communication and political participation and awareness) are measured using observed indicators. The results show that for SHG members, economic factors, managerial control and behavioral changes are the most significant factors in empowering women.

Uliveppa, Siddalingappanavar (2008) investigated that story of Akkamahadevi Women Self Help Group in Bhootamhatti, Belgaum District (Karnataka), which shows encouraging results. Women members expressed that there has been an overall increase in the purchasing power, income and standard of living of the family besides their own empowerment. It is clear that the SHG strategies positively contribute for the development of women and nation.

A study carried out on Self Help Groups of Kanyakumari District, in the state of Tamil Nadu India, (Pazhani, 2008) found that participation in the SHGs enriched the empowerment of women with regard to employment, income, savings and repayment. Self confidence among the women also increased. According to the study, when the participation of women is high in the meetings, interaction with different officials, women are empowered to a certain extent.

Preeti Sharma (2008) explained her view that, “Women Empowerment through Entrepreneurial Activities of Self Help Groups”, Empowerment in the context of women’s development is a way of defining, challenging and overcoming barriers in a woman’s life through which she increases her ability to shape her life and environment. It is an active, multidimensional process, which should enable women to realize their full identity and power in all spheres of life. India envisions a future in which Indian women are independent and self-reliant. It is unfortunate that because of centuries of inertia, ignorance and conservatism, the actual and potential role of women in the society has been ignored, preventing them from making their rightful contribution to social progress. It is also because of distorted and/or partial information about their contribution to family and society that they are denied their rightful status and access to developmental resources and services contributing to their marginalization. Studies have shown that rural women help in producing upto 80 per cent of food in developing countries, yet they are entitled to only a fraction of farm land, and access to just 10 per cent of credit and five per cent of extension advice (Agrawal, 2003). Women must be empowered by enhancing their awareness, knowledge, skills and technology use efficiency, thereby, facilitating overall development of the society. The concept of Self Help Groups (SHGs) is proving to be a helpful instrument for the women empowerment. SHG is an organization of rural poor, particularly of women that deliver micro credit to undertake the entrepreneurial activity. Entrepreneurship development and income generating activities are a feasible solution for empowering women. It generates income and also provides flexible working hours according to the needs of homemakers. Economic independence is the need of the hour. Participation in income generating activities helps in the overall empowerment of women. Thus to investigate the empowerment of women through entrepreneurial activities of self help groups, this particular research was conducted with the specific objective to investigate the empowerment.

Subbalakshmi.A.V.V.S (2008) has revealed that the study entitled “Micro Finance: A Study of Sample Blocks of Kancheepuram” observed that micro finance programmes have been very successful in reaching women. This shows that microfinance institutions an extra ordinary opportunity to act intentionally to empower poor women to minimize the potentially negative impact some women experiences also. The World Education found that the combination of education and credit put women in a stronger position to ensure more equal access for female children to food, schooling, and medical care facilities.

Vimala (2009) brought out the points in her study that in Thrissur district of Kerala found that there was a vibrant participation of the rural people in the Neighborhood Groups (NHG) activities. About 85 per cent of the NHG's recorded more than 80 per cent of attendance during group meetings, indicating active involvement of members. NHGs programmes have generated a positive impact on employment generation. The programme also contributed significantly in ensuring co-operation and confidence among women. The members found NHG meetings as a forum to exchange their ideas. But respondent faced major problems like marketing of finished goods, high cost of credit, increased cost of production and inadequate infrastructure (Vimala 2009: 38).

Ahirrao (2009) have conducted a study of rural women empowerment through micro finance. The study reveals manifold importance of micro finance and empowerment of women. The study maintained that small loans have made good business sense among the women. The success of microcredit initiatives has often been attributed to their particular focus on empowering women and encouraging their self-reliance through developing their own means of income. With the formation of women SHGs, these women are now achieving social and physical mobility and control over income leading to greater levels of economic independence. Through the income of micro enterprises, the borrowers of micro-credit can enjoy better life, self-health care, and education for their families and above all, these small earning will provide a hope for better future.

Venkatarao (2009) examined that the SHGs played a remarkable role in ensuring basic welfare amenities such as housing, sanitary latrines, electrification of houses, etc. The self-confidence and self-esteem of the women improved and enhanced their social status. Another remarkable noteworthy achievement of SHGs was the inculcation of saving habit among its members, which was absent prior to becoming SHG members. The dependence of the members on moneylenders reduced after joining the SHG. However, regarding welfare and control, there was no substantial improvement among the members of the SHG, which may take some time, if the SHG functions properly (Venkatarao 2009: 31-32).

Reddeppa Reddy .A and K.Narasimhulu (2009) jointly found out the facts in the study on "SHG in India: A Tool for Urban Poverty Eradication" analysed that the linkages between different approaches towards development, poverty reduction and empowerment must be considered for the empowerment. The economic indicators of poverty and other determinants of human poverty in terms of health and education require attention also. Hence, social poverty, which manifests in the presence of evils like caste, dowry and alcohol, needs to be checked. In India, which is a home to a third of the World's poor and where have been discriminated for generations, thousands of poor in general, and poor women in particular are spearheading a silent revolution in this field also.

Karmakar (2009) in his article the author describe about the role played by NABARD in developing microfinance programmes. He has briefed a number of innovative projects funded by NABARD including SHG-BLP. He pointed out various merits of the SHG-BLP project on women empowerment and the challenges involved in the process. Author also recommends for improvement in outreach of financial services to less developed region of the country.

Muhammad (2009) has found to understand the nature and extent of the corporate success of Grameen Banks and Micro credit enterprises and its claim about poverty reduction and women empowerment. He reviews the success of the Grameen Bank Model how it has crowned as a panacea for poverty eradication and empowerment of women. And uncovered the information that, large majority of microcredit borrowers are women and only 10% could be sure about their control over the loans availed. The rest has to share or hand over it to husband or any other male members of the family. The success of the model is not because of alleviating poverty, but by creating profits by integrating poor into the market. He concludes with the opinion that GB model has failed as a tool for poverty eradication and empowerment of women.

Kumar and Gopal (2010) he has observed that in Kerala found that the provision of microcredit and the consequent micro enterprises activities could generate full-time and part-time self-employment for the beneficiaries. But employment generation, other than self-employment, possible by the micro entrepreneurs reveals that a great majority of the respondents could not generate any employment other than self-employment. However, microfinance helped SHG members generate both full-time and part-time self-employment even up to 20 days in a month at a very low investment (Kumar and Gopal 2010:9-10).

Gupta et al (2010) he has revealed that on potential contribution of microfinance in reducing poverty. They argue that microfinance succeeded to some extent in reducing poverty but there was a doubt that microfinance can contribute to a substantial reduction in poverty in all occasions. They found that extreme poor are always excluded from SHGs due to several reasons (Gupta et al 2010:29).

Sathiabama, K., (2010) in her paper entitled, "Rural Women Empowerment and Entrepreneurship Development", described that Empowerment of women has emerged as an important issue in recent times. The economic empowerment of women is being regarded these days as a Sine-quo-non of progress for a country; hence, the issue of economic empowerment of women is of paramount importance to political thinkers, social scientists and reformers. The Self Help Groups (SHGs) have paved the way for economic independence of rural women. The members of SHGs are involved in Micro Entrepreneurships. Through that, they are becoming economically independent and providing employment opportunities to others. This

article deals with empowerment of rural women through entrepreneurship and the advantages entrepreneurship among the rural women. Economic empowerment of women led to development of family and community. This statement is proved by a collective Micro Entrepreneurship in Tamilnadu.

Gordon Knowles (2011), in his study he has analyzed the points on the basis of the review of literature on self-help groups, argued that the contribution of women to their communities is enlarged through their group participation and enhanced empowerment. One of the significant implications that flow from group activity is that women enjoy a higher degree of respect and credibility in their own communities. This was resulted from the growth of trust and bonding through self-help group facilitation and has seen an increased confidence in participation by women in the affairs of the community. Group activity was reflected in the new interest and involvement of women in the otherwise male domains of civic budgets and panchayat elections. An enhanced level of social capital in the community is demonstrated by women, who took control of their lives, becoming conscious of their own situation and position, setting their own agendas, gaining skills, building self-confidence, solving problems and developing self-reliance. The regular group meetings held in the villages focus on topics relevant to social issues concerning them and the community. Another positive achievement of group members and their families was escape from the clutches of moneylenders who charge exorbitant rate of interest. Women have realized the seriousness of high cost of credit. Women's access to loans helped their husbands to start new businesses or improve already existing businesses. The savings influence of the group has also spread to adolescents who have commenced savings groups.

Vadde, S. (2012)<sup>9</sup> analyses the operating system of SHGs for mobilization of saving, delivery of credit to the needy, management of group funds, repayment of loans, in building of leadership, establishing linkage with banks and social benefits derived by the members. The findings shows that the Self-Help Group (SHG) bank linkage programme in past eighteen years has become a well known tool for bankers, development agencies and even for corporate houses.

Sarmah, G. N and Das, D. K. (2012) has conducted a study the role of microfinance and Self-Help Groups (SHG) for the socio economic development of the poor people in Lakhimpur District of Assam. For collecting the primary data a total of 50 SHGs and five (5) members from each SHG (50\*5=250 respondents) were randomly selected covering the entire Lakhimpur District. From the study it has been found that after joining the SHGs the poor rural people can increase their income and improve their standard of living by performing economic activities independently.



Bateman and Chang (2012) examined that microfinance does not do much for poverty reduction, to argue that 'microfinance actually constitutes a powerful institutional and political barrier to sustainable economic and social development, and so also to poverty reduction'. They provide some trenchant arguments in support of this conclusion: the microfinance model ignores the crucial role of scale economies and thereby denies the importance of large investments for development. It ignores the 'fallacy of composition' and adds to the saturation of local economies by microenterprises all trying to do the same or similar activities. Partly as a result of this, it helps to reindustrialize and infantilize the local economy. Microfinance fails to connect with the rest of the enterprise sector and so does not allow for synergies to develop in productive activities, without which innovation and productivity improvements do not occur. The model is pre-programmed to precipitate a subprime-style oversupply of credit. By emphasizing individual access and achievement, it ignores the crucial importance of solidarity and local community ownership and control. Bateman and Chang therefore argue that the widespread adoption of this model and its international acceptability are not because of its inherent positive qualities, but rather related to the fact that it is a model for poverty alleviation that is politically acceptable to the neoliberal establishment.

A study by Anjali Sharma, Bikash Roy and Deepa Chakravorty (2012), jointly observed the view points on the effects of the SHG strategy on women's economic activities and possible occupational change. They have also tried to analyse its impact on asset creation, the degree of participation of women in decision-making process in domestic issues and group activities. Their study showed that after joining SHGs women experienced a great change in their attitudes and capacity. About 94.9 percent women had taken decisions on the domestic matters. Women took part in organizational activities and participated in group discussion. The authors concluded that SHGs not only mobilize micro-finance and provide micro-credit to the needed members but also provide self-employment training, awareness programmes, promote the leadership qualities and give confidence to their members. The SHG activity will empower women. Providing adequate financial support, guidance to start small business, technical support can uplift their standard of living. The authors felt that if women can utilize this efficiently, they won't face poverty. Their activity will also increase the productivity of the nation resulting in growth of Gross Domestic Product and per capita income.

NABARD (2013) has developed the new microfinance released model i.e., SBLP which become well-liked in the whole world. Microfinance in India, as elsewhere, initially began as ingredient of a developmental and poverty-reduction ventures, led by NGOs who thought this would be a successful mode of allowing the poor to lift themselves out of poverty by their own hard work. Many NGOs began the practice of group lending supported on self-help groups (SHGs) and the linkage with commercial banks (whereby banks were allowed to lend to groups with a established pathway proof of repayment) further engorged its scope. SHGs

and their federations became the intermediaries connecting individual clients (who were regularly women) and the commercial banking system through the SHG–Bank Linkage Programme (SBLP). National Bank for Agriculture and Rural Development approximation that currently around 97 million households have access to regular savings through 7.46 million linked to different banks. About 4.78 million SHGs also have access to direct credit facilities from banks; around 82% of these are women-only SHGs. The spotlight on women borrowers has been a foremost characteristic of microcredit provision in India as in Bangladesh and is normally mentioned as one of the ongoing public strategies for women’s economic empowerment

Eswarkuma & Raghvendra (2014) he has explained the Role of Shri Kshetra Dharmasthala Rural Development Project (SKDRDP) in Micro Finance Through SHGs –A Study in Shimoga District of Karnataka they analyse the role of SKDRDP in sustainable rural development through microfinance. The study reported that SKDRDP are playing vital role in the formation of SHGs and motivating women to join the groups and linking the groups with the banks for microfinance. But, SKDRDP played limited role in marketing the products of SHGs. The Self Help Groups (SHG), through micro enterprises development, is recognized as an important mechanism for empowering women. Micro enterprises in India lead to economic empowerment of rural women. This allows them to express and impose their views because if women make adequate economic contributions to the family, they are bound to be treated at par with men (Vasanhakumari, 2012).

After in-depth review of the literature on empowerment, a very few studies have been dealt with Bank led or Government promoted SHGs or combination of all the promoters in a region. The present study will focus on SHGs promoted by all the three main promoters, namely, NGOs, Co-operatives and Government simultaneously. It tries to find out what are the problems faced by these SHGs and tries to provide suitable remedies to the problems. It is apparent that many of the studies are not touched the issues like how far they gained income is exactly used by the women themselves. In this regard how far the promoters outreaching services made it possible? answering this equation would reveal the extent of actual empowerment of women. Despite more than two decades of micro-finance services by different promoters, sizeable number of SHG members is still under the mercy of money-lenders, because of many relative advantages of such lenders. Only few studies have just overviewed the relative difference of promoters in curbing such borrowings. Therefore it is necessary to compare the same among the promoters. The impact of SHG microfinance also differs by social groups such as Scheduled Caste (SC), Scheduled Tribe (ST) and others. There is hardly any study analyzing the impact of microfinance on economic empowerment of social groups.

A review of several studies conducted in regional, national and international levels, reveals mixed results and conclusion on the ability of SHG micro-finance in empowering women and poverty reduction was incomplete. As the impact of SHG microfinance on women's empowerment and poverty reduction differs by the sources of promoters of SHGs, it is imperative to study the extent of variations in the impact of SHG microfinance provided by different promoters, impact on different social groups and income groups and draw correct policy suggestions for sustained reduction in poverty through empowerment. Against this background, the present study considers the SHGs promoted by NGOs, Co-operatives and Government. The study also made an attempt to compare the different social groups.

#### **4. Impact of women empowerment through microfinance**

Mula G, Sarker S. C (2008) he has explained the various aspects of the empowerment of women through microfinance. A sample of 144 people from Behar district of eastern India was taken. To assess the impact paired t-test and Impact Index analysis were done. The study revealed that majority of the members was middle aged and belonged to Scheduled Caste farming family. A number of income generating activities were undertaken by the SHGs. Briefly, microfinance through SHG seems to be a unique action oriented rural development strategy to tap the gesture for the upliftment in social and economic point of view. The UK Department for International Development (DFID), working to support the MDGs, state that, "progress on gender equality is a critical factor in achieving all the Goals" (DFID, 2007:1). Furthermore, they explain the importance of microfinance in relation to gender equality: "Tackling gender inequality in access to services and resources is proven to increase women's productivity, and reduce poverty and hunger. Economically empowered women play a more active role in household decision-making, with greater bargaining power to increase spending on education and health. Educated girls and women have better opportunities for entrepreneurship and to earn higher wages, lifting themselves and their families, out of poverty. They also tend to be better informed about the risk of HIV, meaning they are more likely – and better able – to negotiate safer sex. The ability of women to make free and informed choices regarding their sexual and reproductive lives underpins their ability to control all other areas of their lives" (DFID, 2007:2). SHG

The studied effects of microfinance, such as poverty alleviation, women's empowerment, increased education, and decreased starvation (e.g. Amin et al., 1998; Bolnick & Nelson, 1990; Goetz & Gupta, 1996; McKernan, 1996; Pitt & Khandker, 1998; Schuler & Hashemi, 1994; Wydick, 2002), are all related to the Millennium Development Goals (MDG), set up by the United Nations, and adopted by all member states. There are eight goals: (i) eradicate extreme poverty and hunger, (ii) achieve universal primary education, (iii) promote gender equality and empower women, (iv) reduce child mortality, (v) improve maternal health, (vi) combat HIV/AIDS, malaria and other diseases, (vii) ensure environmental sustainability, and (viii)

develop a global partnership for development (UN DESA, 2014). The aim of the eight MDGs is to, “uphold the principles of human dignity, equality and equity, and free the world from extreme poverty” (UN DESA, 2014: 3). Growing evidence shows that microfinance “is a critical factor with strong impact on the achievement of the MDGs” (Littlefield et al. 2003: 1). Why microfinance plays a critical role is due to the focus on financial services to the poor, and gender equality; by investing in women and thereby promoting the female population, MFIs challenge the existing norms (Littlefield et al. 2003).

Shastri, R. K. (2009) he has mentioned in his study about the dynamic growth of the microfinance industry which has been promoted not only by market forces but also by conscious actions of national governments, on-governmental organizations (NGOs) and the donors who view microfinance as an effective tool for eradicating poverty. The finding shows creating self employment opportunities in one way of attacking poverty and solving the problems of unemployment. The scheme of microfinance has been found as an effective instrument for lifting the poor above the level of poverty by providing them increased self employment opportunities and making them credit worthy.

Davis, I. (2009) talked about an effective legal framework for microfinance and the various aspects of it. The finding shows as countries undertake efforts to establish a framework for microfinance, the Microcredit Regulatory Act of 2006 is an example of an effective law that will provide a favorable legal frame work for microfinance. A majority of microfinance clients are women, as most microfinance institutions (MFIs) practice gender targeting; that is, they consciously target women exclusively, or tend to have a majority of female clients. The MFIs do this because women use the services better than men; where men tend to consume loans, women invest in productive activities (Brau & Woller, 2004). Studying this phenomenon, Khandker (1998) concluded that when women versus men borrowed, it had a greater positive impact on the entire family, ensuring health control, education, and investments. Furthermore, research shows that microfinance targeted at women has the potential to empower women (e.g. Amin et al., 1998; Goetz & Gupta, 1996; Schuler & Hashemi, 1994). Women’s empowerment, both financial and social, is important in promoting women, and decreasing the existing gender inequalities and discriminations (Swain & Wallentin, 2009).

Anuradha, P. S. and Ganesan, G. (2010) he has highlighted the focal points on social and economic issues and the use microfinance as a strategy for inclusive growth and sustainable development. The finding shows that microfinance is a powerful tool for sustainable development and helps in attaining inclusive growth by creating productive employment, reducing gender and geography differences which led to the expansion of economic, thereby contributing to the growth of economy. Inclusive growth is key for equitable and sustainable future. The ability of individuals to be productively employed depends on the opportunities to

make full use of available resources as the economy evolves over time. The role of government is that of an enabler and private sector participation could catalyze inclusive growth through initiatives like microfinance and microfinance has paved the way to create a centre for inclusive growth by identifying and replicating the best practices and models that are economically viable and sustainable.

Vetrivel, S. C. et al. (2010) he has focused the importance of the role of microfinance on women employment through Self Help Groups (SHGs) Bank Linkage Programs which has been successful not only in meeting financial needs of the rural poor women but also in strengthening collective self help capacities of the poor leading to their empowerment. The research presents some findings the microfinance can contribute to solving the problems of inadequate housing and urban services as an integral part of poverty alleviation programs.

Shylendra, S. H. et al. (2010) he found the points to how the concept of SHG has been adopted under the linkage program and in what ways SHG are able to help the poor obtain access to savings and credit facilities from the formal institutions in a relatively backward districts (Sabarkantha) of Gujarat state in western India. The finding reveals that the linkage program has given a fillip to the formation of SHGs in the study district. It also reveals a few potential strengths as well as some inherent constraints of SHGs. An adoptive behavior of SHGs could seem especially in tackling challenges relating to the monitoring and enforcement of loan transactions. Social backwardness of members, including poor development of skill and ability in self managing group affairs and the varied response of FIs to the needs of SHGs are identified as major factors influencing the performance of SHGs.

Jothi, V. N. (2010) he has mentioned an overview of evolution of microfinance for socio economic development. The research findings suggest that the Self Help Groups contribute substantially in pursuing the conditions of the female population up and through that chip in poverty eradication as well. Tripathi, K. K. and Jain, K. S. (2010)<sup>36</sup> studied to assess the governance issue in the operation of Self Help Groups (SHGs) in rural India in two Districts each of Haryana and Orissa States, varimax analysis of the performance parameters identifies the underlying factors which have an impact on the governance of SHGs and the performance of micro finance ventures. The main problem areas are found to be low financial base due to the absence of appropriate credit linkage, nonprovision of socio economic incentives to members and the lack of group commitment to task accomplishment. The findings underline the need for an integrated approach to program governance in rural areas which can help in improving the implementation of rural self-employment programs.

Stewart et al. (2010) he has revealed that microcredit can both have positive and negative effects; some people are made poorer, while others are made richer- mainly depending on if the microcredit client invests or spends its money. Furthermore, the study shows that microfinance can help the poor in dealing with shocks, such as natural disaster or death. Stewart et al. (2010) suggests that using the model of micro saving instead of microcredit may be more efficient in poverty alleviation. In regards to women's empowerment, Stewart et al. (2010) explains that there is some evidence (although the evidence is inconsistent across studies) that microcredit is empowering women, while none of the studies discuss the effect of micro savings on empowerment.

Dutta, P (2011) brought out the investigated the contribution of SHG-bank linkage program initiated by NARABRD in poverty reduction and social empowerment of the people, by comparing the pre-SHG and post-SHG scenario. It also studies the regional and intra-regional disparity in the development of SHG-Bank linkage program among the states. The finding shows as a result of collective effort of the Indian government, banks, NGOs and SHGs, more numbers of rural people now have access to the benefits of the modern financial system. The SHGs-bank linkage program is yielding promising outcomes in terms of availing new loans, repeat loan and repaying the loan. Though there is rapid increase in the number of SHGs all over India, but the growth is not uniform throughout the country. The growth of SHGs is dominant in the southern region of India. The ongoing process of training and consultation by NABARD and other organization will help in the development of the other regions of India, to a great extent, the program is successful in poverty alleviation and it uplifted the income and savings of the poor, especially of women.

Regi, E. M. (2011) he has found that the empowerment impact of microfinance program of neighborhood groups (NHGs) in Kerala and is based on primary data collected from 200 respondents in 30 (NHGs) functioning in 11 Gram panchayats in Nilambur block in Kerala. The finding revealed that part from providing savings and credit to its members; NHGs were instrumental in bringing desired social change among the members. The ability to contribute to household income as a result of the credit access and increased income from income generating activities helped the members to get respected in their family and community as well. This acceptance in turn helped to gain confidence, increased role in household decision-making, and control over resources, ability to freely interact with members of the group as well as outsiders, ability to deal with adversities and involvement in community activities.

Moses, E. (2011) he has enlighten on the origin and concept of micro finance, features and role of microfinance in India, reviewing the progress and weakness followed by suggestion for making micro finance as an effective instrument of poverty elevation, women empowerment and rural development in India. The finding shows micro finance is being viewed as one of the most powerful tools for uplifting the

economic conditions of the asset-less poor through group approach that ensures active participation and involvement of the beneficiaries in effective implementation of the program.

Samuel, J. et al. (2011) he has evaluated the impact of microfinance on the rural women. The study revealed that majority of the SHG members were middle aged, married and belonging to nuclear families from backward castes. The impact was 45.59, employment was 112.48, the asset position of members after joining the self-help group was 53.43 and the consumption change in member household was 25.8 percent. The regression analysis revealed that income of the members increased by 0.50 from one rupee investment, savings increased to Rs 4.92 and employment increased to the income by Rs 40.37. The finding also shows that the major constraints faced by members were conflicts among group members, improper savings or procedures involved and lack of training or skill up gradation as moderate problems.

Maurya, R. (2011) he has explained some perspective to elaborate the empowerment of women through micro financé. The finding shows that the success of financial inclusion would ultimately depend on a collaborative strategy wherein there is an adequate supply of correctly price and appropriate financial products and services accompanied by an efficient delivery mechanism along with financial awareness and a co-operation between financial institutions, government and civil society organizations.

The organized analysis by Duvendack et al. (2011) found to examine the impact of microcredit on the well-being of poor people worldwide, and focuses on the methodology of microfinance impact evaluations, assessing its validity. The review classifies and scores the research designs and method of analysis used in the impact studies based on the methods' internal validity, cross-classifying them to create a single value. The given value then explains if the combination of research design and analysis method used is of low, middle, or high internal validity. The studies with high internal validity did not address the issue of women's empowerment, and therefore they concluded that there is no evidence of microcredit raising women's status.

The third SLR, by Stewart et al. (2012), he has found the field by looking at the impact of not only microcredit, but also microsavings and micro-leasing on poor people worldwide. The review included studies that were judged 'good enough' through a quality assessment, and it focuses on "engagement in economic opportunities and the outcomes of this engagement for clients" (p.1). They conclude that there is no evidence on the impact of micro-leasing due to the lacking research in this area, and the impacts of microcredit and microsavings were mixed. There was some evidence that microcredit affects the engagement in economic opportunities, while microsavings have no such effect. Furthermore, the review

states that there is limited high quality evidence on women's empowerment, and therefore no conclusions on this topic could be made.

Mula, G. et al. (2012) he has revealed to examine the growth and promotion of SHGs and performance of financial institution in micro finance in Cooch Bihar District, west Bengal. The study revealed that District took the second position in credit linkage in spite of being slower physical growth of SHGs (seventh position) in the state. The study also revealed a skewed growth of SHGs in different stages of promotion among the different blocks.

Padama K. M. S. et al. (2012) he has brought out the facts about the framework to help MFIs to adopt the systematic way of risk management practices in order to capitalize new opportunities and also to minimize the risks in their operations. The finding shows the micro finance industry has experienced dramatic growth during the last two decades, in general and the last decade, in particular. Such growth is not only sought by many MFIs but also needed in most countries because the un-served and undeserved market continues to remain large. However, pursuit of growth in terms of breadth, depth and scope of outreach does not mean that MFIs can ignore risk management.

Duflo, E. et al. (2013) have conducted a study on the first randomized evolution of the impact of introducing the standard microcredit group-based lending product in a new market. They found no changes in any of the development outcomes that are often believed to be affected by microfinance including health, education, and women empowerment. In light of the potential power that microfinance has, there has been a growing enthusiasm for promoting microfinance as a rural development initiative (Murria & Verma, 2013). However, if microfinance is too been seen as a development initiative, it must be able to reach all members of the rural community, including the poorest and most remote people (Reddy & Manak, 2005). As a solution to this issue, a new delivery mechanism of microfinance was designed: self-help groups (SHG). Murria and Verma (2013) define self-help groups as "a small informal association of poor having similar socio-economic background, who come together to realize group goals on the principles of collective liability and peer pressure" (p.305). The main function of a SHG is members collectively lending to other members. Poor people, however, do not have sufficient funds to lend to others, which is why microfinance is incorporated.

Since its formation in the early 1990s, the microfinance SHGs has received much attention (Murria & Verma, 2013). There is an increasing amount of studies that examine the impact of microfinance SHGs on women's empowerment. However, the effects concluded in these studies vary, showing both positive and negative effects (see table 1). The variations in effects cause implications in understanding the relationship



between SHGs and women’s empowerment. Without full understanding of its effects, SHGs should not be promoted as a rural development initiative. In light of this issue, this study will investigate the relationship between microfinance SHGs and women’s empowerment.

**Table no.3-1: Positive and negative empowerment outcomes as a result of microfinance interventions**

Positive	Negative
<ul style="list-style-type: none"> <li>↑ access to financial resources</li> <li>● ↑ control over financial resources</li> <li>● ↑ control over other resources</li> <li>● changes in the household allocation of resources</li> <li>● ↑ access/ control to savings’ opportunities</li> <li>● ↑ access to emergency fund</li> <li>● ↑ participation in household decisions</li> <li>● ↑ female (self)-employment</li> <li>● ↑ job mobility</li> <li>● changes in local gender relations</li> </ul>	<ul style="list-style-type: none"> <li>● women do not control the financial resources (access ≠ control) but the repayment obligation remains</li> <li>● ↓ consumption women and children</li> <li>● no increased access and control over other resources (tangible and intangible)</li> <li>● increase of double/ triple working day</li> <li>● increase of domestic violence</li> </ul>
<p>E.g. Amin et al. (1998); Hashemi &amp; Schuler (1994); Kabeer (2001); Kaboshi &amp; Townsend (2005); Zaman (2000); Holvoet (2006)</p>	<p>E.g. Brett (2006); Goetz &amp; Gupta (1996); Mayoux (1999); Lessinger (1990); Rahman (1998); Yaqub (1995);</p>

*Source: Vaessen et al. (2014:18), ed. by authors*

The most recent SLR by Vaessen et al. (2014) has brought out the interesting facts on microcredit and its impact on women’s empowerment, entailing a narrower scope than previous SLR. Vaessen et al. (2014) chose to use women’s control over household spending as a measure of empowerment, as this control can influence changes in “the social status of the woman within the household and the community and ultimately gender relations” (p. 15). Additionally, they found that this aspect of female empowerment frequently recurs in microfinance impact evaluations. Vaessen et al.’s (2014) conclusions are in line with the previous systematic reviews in that although there is much evidence of microcredit impact on

empowerment, many studies lack sound methodologies. The high-quality studies that were included showed little or no evidence on the effect of microcredit on female empowerment.

Das Kumar Prassann (2014) he has explained to derive a link between microfinance developments in India affecting the socio-economic status of rural populace of India. This paper has extensively studied and discussed various aspects such as the conceptual framework, interlinks with SHG growth and policy framework that is affected by various microfinancial services in India.

## **5. ECONOMIC EMPOWERMENT OF WOMEN**

Kabeer (2001) he explained various defines of empowerment as “the expansion in people’s ability to make strategic life choices in a context where the ability was previously denied to them.” It involves individual agency, i.e., the idea of acting on one’s own behalf, and collective actions to engage in a process of transformative change. Thus, women must themselves be actors in the process of change and, for empowerment to occur, the change has to be manifest in the woman herself.

Kabeer (2001) in his paper he observed to construct indicators of women’s empowerment, focussing in particular on the meanings given to these measures and values embedded within them. Kabeer defines empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability. She argues that there is a wide gap between this understanding of empowerment and the more instrumentalist definition attached to efforts to measure and quantifies empowerment. In her analysis, the ability to exercise choice incorporates three interrelated dimensions: resources (defined broadly to include not only access, but also future claims, to both material and human and social resources); agency (including processes of decision making, as well as less measurable manifestations of agency such as negotiation, deception and manipulation); and achievements (well-being outcomes). The paper concludes that these three dimensions of choice are indivisible in determining the meaning of an indicator and hence its validity as a measure of empowerment.

Cheston and Kuhn (2002) this study revealed that the term empowerment is used to refer to self reliance and self respect in order to enable each person to reach his/her God given potential, they also state that empowerment is about change, choice and power. Empowerment is also considered as a process of change by which individuals or groups with little or no power gain the power and the ability to make choices that affect their lives. Women’s empowerment should also reflect on their sexual and reproductive rights and health. An empowerment approach to women’s health emphasizes women’s individual sense of self worth connecting to the values they attach to their own health (linked to “power within”) women’s individual decision making over access to health care (“power to”) and women’s collective empowerment through

organizing to make health services more accountable and to increase women's choice decision making and control over their bodies ("power with"). As mentioned earlier, access to microfinance, by and large, has a positive economic impact. The impact becomes larger for those closer to the poverty line and it also increases with the duration of membership or intensity of loans as members begin to invest in assets rather than consumption (Morduch and Haley 2001). Microfinance delivery in various points of the world has improved the economic position of households, enhancing the asset base and diversification in to higher return occupations among members.

(Mayoux, 2002) in this study he tried to analyzed taht Women's access to credit is generally believed to result in their economic empowerment. As a result, the provision of microfinance to women has been called for by various international and national organizations in light of their productive role for economic development and women's rights. However, many still question the empowering capacity of credit in relation to the economic social and political conditions of women. The impact of microfinance on income has been observed to be variable. It appears that for the majority of borrowers income increases are small and even in some cases negative. This is due to the fact that most women invest in existing activities which are low profit and insecure. In addition, women's choices and ability to increase income is constrained by gender inequalities in access to other resources for investment in household responsibility and lack of mobility (Mayoux, 2002).

Hence, the presumption that access to credit automatically leads to women's empowerment is not often true. This is because women with access to credit are usually unable to gain and maintain control of it. In addition there are additional disadvantages that women face including inability to access information, productive resources and social networks that hinder their access to and control of resources (Mayoux, 2002).

Vaill (2003) he tried to mentioned some views that 'More than Money: Strategies to Build Women's Economic Power, Impact Report This report synthesises the key lessons learned from the Global Fund for Women's three-year Economic Opportunity Initiative. It finds that the most effective interventions for women's economic empowerment are those efforts that iterate explicit objectives that go beyond income generation. Specifically: providing women with access to information on their rights and building self-esteem helps reverse their lack of power and economic independence in the home. Creating access to credit, skills training and economic literacy enable women to successfully run their monetary affairs. Linking women to local providers of technical assistance and business expertise ensures the long-term sustainability of their economic ventures. Educating men about the value of improving the status of women and girls in the family and society can engage men in the advancement of female family members. Supporting women's labour rights organizing and policy advocacy helps challenge the harmful effects of the rapid expansion of

free markets. Supporting related programs in the following areas recognizes the complexity of women's lives and yields more effective outcomes:

M.P. Boraian (2003) he has mentioned in his article named "Empowerment of Rural Women: Towards Reversal of Gender Relations", paper deals with the impact of SHGs, promoted by eight leading NGOs in two southern states of India, namely Tamil Nadu and Andhra Pradesh. All these organisations come under a partnership programme promoted by the Development Promotion Group (DPG, Chennai) with financial support from EED, Germany. The study has revealed that women's groups have succeeded in reversing the gender relations in their favor and proved that they can effectively replace the leadership in local institutions and provide better governance to the community. Empowerment is the process of challenging existing power relations and of gaining greater control over the sources of power. The goals of women's empowerment are to challenge patriarchal ideology, to transform the structures and institutions that reinforce and perpetrate gender discrimination and social inequality, and to enable poor women to gain access to and control over both material and informational resources. Empowerment is not externally bestowed upon people, but instead, the women need to be the agents of their own empowerment; outsiders and outside organisations can only help create the conditions favorable to women's empowerment and can support the process that works in these directions.

M.P. Borain (2003) he has talked about the various topics that Skill training activities among the SHG members is at a low level. Members concentrate on accumulating their savings, distributing credit and ensuring its prompt repayment. Attention on credit utilisation by members is poor. However, members state genuine reasons and utilise it for the stated purpose, unlike in most of government schemes. Often, the SHG members avail the credit for redeeming their old debts, consumption purposes and domestic exigencies, rather than on concrete productive activities. Collective economic activities, too, have not opened their account in most of the groups. 'All these will certainly follow', asserted the women and attributed the present practice as inevitable, in the initial phase of credit utilization from the SHG. 'Growth will be gradual', said the women and, 'progress is inevitable', assured the group.

Mark et al. (2003) he observed that two third majority (66.6%) had medium access to resources while, above three quarters (78.4%) had low control over resources. Overall impact of selected schemes on economic empowerment of beneficiaries was found to be low (41.6%) followed by medium (40.0 %) and high among only 18.3 per cent of respondents.

M.P.Borain (2003) in his study he enlighten the points that ‘Measuring Women’s Empowerment as a Variable in International Development’, this paper presents a review of theories and strategies to foster women's empowerment in the development context. It defines empowerment as the ability of people to make strategic choices in areas that affect their lives. Two key factors in the process of empowerment are identified: control over resources (the conditions for empowerment) and agency (the ability to formulate choices). Section one of the paper outlines the conceptual framework, whilst section two discusses how empowerment can be measured in practice, with an overview of various frameworks which cover economic, socio-cultural, familial, legal, political and psychological dimensions. It identifies the following elements of economic empowerment at three levels:

#### 1. Household level

- Women’s control over income;
- Relative contribution to family support;
- Access to and control of family resources.

#### 2. Community level

- Women’s access to employment;
- Ownership of assets and land;
- Access to credit;
- Involvement and/or representation in local trade associations;
- Access to markets.

#### 3. Broader access

- Women’s representation in high paying jobs;
- Women CEOs;
- Representation of women’s economic interests in macroeconomic policies, State and federal budgets.

The report argues that in practice, measuring empowerment depends on the establishment of universal standards (such as human rights), but at the same time must allow for indicators which are sensitive to context. Recommendations include the need to develop a framework that can be used across settings, and to address empowerment at the mezzo/community level as well as at the level of the macro (legal/political) and micro (family).

Chaitanya (2004) he has found that a considerable majority of (44.44%) of women in all enterprises had medium economic empowerment followed by low (29.89%) and high (25.67%) economic improvement.

Joshi (2004) he examined his study on ‘women’s empowerment : Experience from Watershed Project’ and revealed that women members are economically empowered where, about 496 SHGs have generated group

savings of about 30 lakhs, which they are circulating among themselves and also stated that involvement of SHG members in economic activity have helped women to gain respect and self confidence. SHG members have been earning between 500-6000 rupees since taking up various income generating activities.

Savitha (2004) found that economic empowerment was high for agricultural labourers (53.33%) followed by small farmers (26.67%) and landless farmers (6.67%).

Asokan (2005) described that National Institute of Rural Development (NIRD) conducted a study on micro enterprises which are developed by SHGs in Kerala. The characteristics of micro entrepreneurs under SHGs revealed that a high proportion (90%) of them were unemployed prior to joining SHG and tailoring was found to be the most preferred activity (47%). The study also found that the average monthly turnover of micro projects taken by members of SHGs members was around Rs.1917 and net profit worked out to be Rs.700 per month. This indicates a high level of profit i.e. 60 per cent of individual units have investment less than Rs.5,000. A study conducted in Trichirapalli rural area found that before starting micro-enterprises their annual income was just 4,800 and after engaging in micro enterprises their annual income was increased to the tune of Rs.50,879. NABARD (2005) studied the impact of SHGs on economic empowerment of its member in Ballir district, Uttar Pradesh. And reported that there was an increase of the monthly income of each of the families by at least Rs.700/month and this increase was solely due to the business that they were able to do by virtue of taking loan after the activities of SHG started.

Rao (2005) talked about that the highest average annual household income (Rs.45,600) is from among respondents of papads and pickles and lowest (Rs.38,600) from respondents of chalk making activity. And the micro enterprises roughly provided 117-mandays/respondent which was a great contribution.

Dasaratharamaiah et al. (2006) revealed that 10.0 per cent of beneficiaries had income between Rs.7,201 and above, 20.67 per cent have income between Rs.4,801 to 7,200 and 31.33 per cent have income Rs. 3,601 to 4,800 and 38.00 per cent have income below Rs.3,600 per annum after implementation of DWCRA. And it was found that there are no persons without any income. And it was also found that 50 per cent of beneficiaries have less than 100 man days of employment, 21.67 per cent of the beneficiaries have employment between 101 to 180 man days, 20.00 per cent of the beneficiaries have employment between 181 to 240 man days as against 8.33 per cent of the beneficiaries who have employment between 241 and above man days of employment per annum.

Joseph and Easwaran (2006) has conducted that 51.28 per cent of respondents had income between Rs.25,000 to Rs.50,000. Majority of respondents had assets worth of below Rs.1 lakh and more than one-half of the respondents as a whole (51.28%) had assets below Rs.1 lakh. They also studied the perceived impact of SHGs on Tribal development and found that majority of respondents reported high level of socioeconomic impact of SHGs on tribal development. When studied the relationship between the composition and impact of SHGs. The perceived impact of SHG was found to be significantly associated with three variables duration of membership, members participation and perceived group cohesion.

Martinez (2006) in this study explained 'The Courage to Change: Confronting the limits and unleashing the potential of CARE's programming for women. This report summarises findings from Phase 2 of CARE International's Strategic Impact Inquiry on Women's Empowerment. It is based on nearly 30 research sites and secondary data from nearly 1,000 projects in the CARE International portfolio, all of which make some claim to advancing the rights and well-being of women and girls. A key finding of the evaluation is that there is an important difference between the many examples of success of isolated interventions and the few examples of success in fundamentally transforming gender relations. It identifies two central paradoxes of work to promote empowerment:

1. Income does not in itself equal empowerment; nor do morbidity reductions, educational attainment, voting, group membership or even rights awareness.

These things can be accomplished in ways that empower or disempowered, that are sustainable or easily reversible.

2. A drive to show attributable results in the short term can blind us to the real progress and pathways of long-term impact on women's empowerment.

Bridge (2007) brought out the points on Report on 'Gender and Indicators' explains, what is meant by gender-sensitive indicators and measurements of change. It makes the case for gender-sensitive measurements and outlines how to go about measuring in practice. According to the analysis, empowerment combines not only observable action, but also the meaning, motivation and purpose attributed to such action. As such, women's empowerment must be measured along a number of indicators. Moreover, purely quantitative indicators may not be sensitive enough to capture the nuances of gendered power relations inherent in empowerment processes; nor can they measure an individual's (subjective) sense of agency or self-worth. In order to understand the socio-cultural context within which social interaction and gender relationships take place, it may be useful to use in-depth qualitative methods. Approaches to measuring women's empowerment must also take into account the fact that empowerment can be a slow process of change. The report identifies a key challenge as balancing the need for both universal standards to measure

empowerment and context-sensitive indicators. One approach is to use multi-level indicators, where broader-level indicators might be applicable across a range of contexts, while indicators at the community and household level might be adapted for specific contexts.

John (2008) he has explained his views on empowerment of women through SHGs in Ernakulam district of Kerala state. The district cooperative bank took the initiative of organizing SHG. A sample of 50 women members of SHGs were randomly selected from the eleven self help groups of Tripunithura area in Ernakulam district. The researcher found that majority (82 per cent) of the women in SHGs stated that they had economic independence after forming SHGs and he also found that increase in freedom in spending their earnings in meeting their needs and 18 per cent of the respondent have no economic independence.

Centre for Economic and Business Research (2008) talked about the relevant knowledge about how and when specific project level instruments and/or policy interventions work to increase gender equality and to foster economic development through increased empowerment of women. Part 4 (pp 22-45), summarises the evidence from a range of microfinance, education and legal aid interventions which aim to empower women, the study finds considerable evidence indicating that supply-side interventions in the areas of microfinance and education can lead to empowerment of women. The available literature does not allow for the identification of factors which make the individual microfinance arrangements successful. The study also makes the point that very few studies attempt to weigh the effects found against the costs.

HelgeRoxin (2010) he has conducted a study that an empowerment concept has been especially developed for the purposes of the study, which makes it possible to understand and illustrate change processes in the lives of women. The concept is based on a particular definition of empowerment: empowerment happens when individuals and organized groups are able to imagine their world differently and to realise that vision by changing the relations and structures that have been keeping them in poverty. Empowerment is a non-linear, multidimensional process, which evolves along different pathways – material, perceptual, cognitive and relational. Taking women's access to credit as a starting point, we observed several positive changes on a material level, such as business expansion, higher income and increases in expenditure on immediate and strategic needs. These changes translated into an expansion of opportunities of choice in the economic sphere together with an enhanced agency of clients. However, economic empowerment cannot be understood in terms of material change only. The ability to imagine the world differently and to change structures that determine the opportunities of choice and agency also need to be considered. In this sense, the economic empowerment of clients remains at a basic level. Furthermore, transforming the positive



impact of microcredit into subsequent dimensions of empowerment is more complex. Building on material change, initial changes in the social sphere take place, affecting such areas as clients' self-esteem and household contribution.

Duvendack (2010) in this study he talked about the re-examining the actual data used in a highly positive evaluation by USAID of the microfinance programme of Self Employed Women's Association (SEWA) in Gujarat, India, found that careful use of the data did not support many of the claims of success. He argued that not only do these data and methods not provide support for the idea that microfinance is highly beneficial to the poor, rather than perhaps benefitting a slightly better off group, but it leaves open whether microfinance is of any real benefit at all, since much of the apparent difference between microfinance participants and controls is likely due to differences in their characteristics rather than the intervention.

Helpdesk Research Report (2010) found that DFID Asia- 'Measuring Women's Economic Empowerment' The states that there is no single standard definition of women's economic empowerment and the term is often used loosely. From the literature reviewed for this report, it would appear that the majority of efforts to measure women's economic empowerment programmes focus primarily on quantitative outcomes - such as increased access to credit or increased business revenue - even where the stated objectives include broader empowerment goals. Whilst some evaluations include variables to show that women have not been disempowered, few succeed in showing that specific aspects of women's power have actually increased (e.g., more household resources dedicated to women's consumption and personal time, increased women's decision making and control over household resources, increased autonomy). As is often noted in the literature, positive outcomes in financial terms, do not necessarily equate to empowerment (Kabeer 2005) and can even have disempowering effects (Martinez, 2006).

Golla et al (2011) has revealed emphasizes that women's economic empowerment requires her to have both the ability to succeed and advance economically, and the power to make and act on economic decisions. Succeeding economically means women must have the skills and resources to compete in markets, and fair and equal access to economic institutions. Having power and agency to benefit from economic activities requires that women have the ability to make and act on decisions, as well as to control resources and profits. Microcredit enables a woman to access financial capital, a critical factor in economic empowerment. However, it is just one of the resources she needs for economic success. Other factors include human capital (e.g., education, skills, training), physical capital (e.g., land, machinery) and social capital (e.g., networks).

In addition, for empowerment, a woman also needs the ability to control resources and to define and make choices.

Duvendack et al (2011) in his study explain the careful review of all the empirical literature that had been drummed up in support of microfinance (Duvendack et al 2011) came to the conclusion that the widespread policy enthusiasm for microfinance in the global development community had no empirical basis – rather it was built on “foundations of sand”. By now, even strong votaries of the microfinance model have come to accept that the structure is flawed and fragile.

Bateman and Chang (2012) in his study he observed that it does not do much for poverty reduction, to argue that “microfinance actually constitutes a powerful institutional and political barrier to sustainable economic and social development, and so also to poverty reduction”. They provide some trenchant arguments in support of this conclusion: The microfinance model ignores the crucial role of scale economies, and thereby denies the importance of large investments for development. (This point has also been made very effectively by Amsden 2012). It ignores the ‘fallacy of composition’ and adds to the saturation of local economies by microenterprises all trying to do the same or similar activities. Partly as a result of this, it helps to deindustrialise and infantilise the local economy. Microfinance fails to connect with the rest of the enterprise sector and so does not allow for synergies to develop in productive activities, without which innovation and productivity improvements do not occur. The model is preprogrammed to precipitate a sub-prime style over-supply of credit. By emphasizing individual access and achievement, it ignores the crucial importance of solidarity and local community ownership and control. Bateman and Chang therefore argue that the widespread adoption of this model and its international acceptability are not because of its inherent positive qualities, but rather related to the fact that it is a model for poverty alleviation that is politically acceptable to the neoliberal establishment.

Centre for the Study of Financial Innovation (2012) brought out the points that by now, even strong votaries of the microfinance model have come to accept that the structure is flawed and fragile. Simply put, across the world, ‘too many clients of too many MFIs have taken on too much debt’ and the sector is displaying the problems that are widespread in other parts of the financial sector: wrong incentives, poor corporate governance and lax or inadequate risk management. Certainly, it has moved very far from the original motivations of poverty alleviation that drove the early manifestations of the model.

Rekha Mehra, (2012) she has to enlighten in her studies that “Financial Services for Low-Income Women: Opportunities for Economic Empowerment?” In a Revised Final Report prepared for International Centre for Research on Women (ICRW) they made an analysis of the evidence on the ways in which financial sector interventions have or have not contributed to women’s economic empowerment. In the 1970s, a number of different individuals and organizations started offering loans to the poor in various parts of the world. They included a bank in Indonesia, a U.S. non-profit in Brazil, Muhammad Yunus in Bangladesh and Ela Bhatt, founder of SEWA (Self-Employed Women’s Association) Bank in India. They shared the idea that small loans to the poor would help reduce poverty. It would give them the opportunity to grow their microenterprises, repay their loans and reinvest for greater growth, thereby setting in motion a virtuous cycle of economic growth and development. Microcredit was born. Loan repayment was especially important for the nascent microfinance industry because it aimed for self-sufficiency. It adopted a business-like approach—a characteristic that set it apart from other development organizations seeking to help the poor. Thus, it mattered that clients repaid their loans and were also willing to pay interest and fees. Loan repayments became the source of funds for future lending, while earnings from interest and fees were used to finance costs. As MFIs grew and scaled their operations, some even became profitable. Initial investments in MFIs came primarily from national and international aid agencies, but now include others: internally generated loan funds from member savings, private equity funds, individuals and IPOs. In 2009, cumulative funds invested in microfinance amounted to \$21.3 billion. Investors are willing because they see potential for profit.

Diana Wu (2013) in his study he tried to examine the Women’s Entrepreneurship Working Group (WEDWG) of the Donor Committee for Enterprise Development (DCED). Based on a literature review, this report proposes a set of four domains to represent economic empowerment viz., Agency, Institutional environment, norms, recognition and status, Social relations, accountability, networks, influence and Economic Advancement. This framework offers an important foundation for shaping the review on measuring economic empowerment in the context of women’s entrepreneurship. However, it is important to note that the concept of women’s economic empowerment is complex. Understanding women’s economic empowerment requires taking into account the fact that economic empowerment definitions will vary across contexts and diverse groups. To begin to understand the changes in women’s economic empowerment requires reflection on interrelated aspects of a woman’s life to explore not only what has changed, but also how change has been experienced in order to ensure that positive gains are sustainable and that the intervention does no harm.

Paola Perezniето and Georgia Taylor(2014) has found that “A review of approaches and methods to measure economic empowerment of women and girls”, this article presents findings from a review of 70 evaluations of development interventions which had direct or indirect impacts on the economic empowerment of women and girls. It is based on secondary data and by reviewing various studies the four dimensions of power are referred to by the authors are defined as follows:

1. Power within: the knowledge, individual capabilities, sense of entitlement, self-esteem, and self-belief to make changes in their lives, including learning skills to get a job or start an enterprise.
2. Power to: economic decision-making power within their household, community, and local economy (including markets), not just in areas that are traditionally regarded as a women’s realm, but extending to areas that are traditionally regarded as men’s realms.
3. Power over: access to and control over financial, physical, and knowledge based assets, including access to employment and income-generation activities.
4. Power with: the ability to organize with others to enhance economic activity and rights.

## **6. SOCIAL EMPOWERMENT OF WOMEN**

(Goetz and Gupta, 1996) revealed that Microfinance members are also expected to have enhanced decision making powers regarding reproductive rights than non-members. These include the decision on abortion, contraception use, and number of children and age at marriage for their daughter. In addition, the livelihood of female decision making has been increases when channeling loans through women’s groups rather than to individual women.

The other social impact of microfinance is on domestic violence. Domestic violence might reveal either a declining or an increasing trend with women’s access to microfinance (Goetz and Gupta, 1996). The reason for the decline could be the increase in awareness among family members that provides women a public forum where they discuss matters that were previously kept privately. On the other hand, according to the report compiled by (Rahman, 1999) an increase in domestic violence has been observed for 70 percent of 120 women borrowers of Grameen Bank (microfinance institute found in Bangladesh) following their involvement in microfinance.

Puhazendi and Jayaraman (2001) he has pointed that the involvement of the rural poor in SHGs significantly contributed to their "social empowerment" in terms of improvement in their confidence, their treatment within the family, communication skills and other behavioural changes. More so, the empirical finding of the study revealed that the SHG was an institutional arrangement which positively contributed to the

economic and social empowerment of rural poor and the impact on the latter was more pronounced than in the former.

Deepti Aggarwal et al. (2002) brought out the points that half of the respondents had very low social empowerment, followed by medium (20.83 %), high (18.05 %), very high (10.85%) and only 0.27 per cent were in low empowerment category

Narayana Reddy (2002) in this study he found that organization of self help groups and development of their institutional and managerial capacity was an imperative element in the empowerment process of women. The formal financial institutions such as banks and DRDA had extended credit for Income Generating Activities to SHG women. Women interacted with these agencies and professionals with confidence, which was an evidence of their social empowerment. They were able to articulate their needs and seek help from various schemes of development. Women themselves were able to access resources and public facilities to a large extent. Such mobilization can be considered as an indicator of empowerment and sustainability.

(Cheston and Kuhn, 2002) he has conducted a study that Claims that participation in microfinance activities has implications for women's empowerment within the household were investigated by a number of studies with varying results. Intra-household decision-making was one commonly investigated indicator of women's empowerment. While there is evidence that microfinance can have an impact on women's role in household decision-making, it has not occurred evenly in all contexts or in all areas of decision-making

(Kabeer, 2005) in this study he observed that in addition to economic impacts, social changes also result from the work of micro finance organizations. The delivery of microfinance is expected to result in social changes because women working in groups can achieve what might not be achievable individually. Micro finance organization strategies provide the poor the possibility of belonging to a group they choose despite the socially or economically imposed relationships (Kabeer, 2005). This allows for meeting with others of similar experience and share knowledge. Such practices in effect are believed to empower them both individually and collectively.

(Mayoux, 2005) in this he tried to explained that the provision of financial services is directly associated with two specific sets of social relations. The first relate to interactions with the staff of the organizations which have the potential to bring change through training and other activities. The second set of social relations is those between members of the groups organized by microfinance organizations. However, these groups do not embody the same principles of organization or the same kind of relationships between members

(Kaber, 2005) he talked about the Child education also improves with the provision of microfinance. In this regard, the delivery of microfinance to women results in greater return as compared to men

Preethi and shashi (2008) they both were explained the jointly views that 41 per cent of the women entrepreneurs had low social empowerment and 35 per cent of women entrepreneurs had high social empowerment.

## **7. OTHER IMPACTS OF WOMEN EMPOWERMENT THROUGH MICROFINANCE**

(Byrne et.al, 1996) in this study he has wondered that there are a range of possible mechanisms to increase women's participation in political life with varying degrees of success. The first is the reform of political parties through quotas and other forms of affirmative action. Another mechanism is training to develop women's skills and gender sensitive working with women's political organizations is the other mechanisms to enhance their participation. Measures that can be taken by microfinance institutions to increase the quality of women's political participation include awareness raising, training programs for female candidates, the cultivation of links and networks between women in local government and quotas in NGOs and timing of meetings and provisions of child-care to fit with women's domestic responsibilities. Measures to increase the quantity of women representatives need to be accompanied by measures to improve the quality of their participation.

Even programs that are not explicitly addressing women's rights and political participation have had some impact on political and legal empowerment (Cheston and Kuhn, 2002). By contributing to women's knowledge and self-confidence and by widening their social networks, many microfinance programs give women the tools and skills they need to participate more effectively and successfully in formal politics and to informally influence decisions and policies that affect their lives.

The goal of empowerment can be achieved through microfinance programs that are broad based, gender focused and financially sustainable. A gender based policy involves more than just targeting women. Creating gender- based policy involves a process through which an institution re-examines all of the underling structures and assumptions about gender roles, rights and responsibilities that have historically discriminated against women as borrowers and employees. It is also important for microfinance institutions to set guidelines pertaining to employee recruitment, promotion, roles and responsibilities. In this regard, the formulation and enforcement of the guidelines is expected to bring about positive social changes. Further more, involving women both as staff and borrowers has the potential for increased levels of economic

empowerment and financial stability that will benefit the individual women, their families and communities (Mayoux, 2002).

The following are some general considerations that should be made when designing programs with the aim of creating gender based strategy (Vyas, 2002). First, a program must contribute to the self esteem, confidence and competency of women. This is because women often find it difficult to express their concerns about harmful political and economic policies much less discuss their consequences for gender empowerment. Second, there must be a strong female contingency in the leadership and planning roles of microfinance program. Filling management positions with women would help to break the belief that women are not capable of handling jobs traditionally held by men. With proper education and increased self esteem, women will have the ability to break traditional cycles of subordination and inherent cultural procession. Lastly, a microfinance program with a focus on gender must have an idea, founded on solid research and reliable information of the financial senses that will be most beneficial to women clients.

(Cheston and Kuhn, 2002) has brought out the points which mentioned that Microfinance is viewed as an effective tool for overcoming the political exclusion of women. The global average of women's representation in national parliaments remains low at 17 per cent as of 31 January 2007 (UN, 2007). Women in government, parliament, the judiciary and other institutions serve as role models and thus as pull factors for other women.

(Mayoux, 2002) in this he has conducted a study that Microfinance has also been strategically used by some NGOs as an entry point for wider social and political mobilization of women around gender issues. However, in most programs there is little attempt to link micro-finance with wider social and political activity. In the absence of this, it is not possible to measure the contribution of microfinance. To the contrary, there is the possibility that micro-finance and income earning may take women away from other social and political activities.

(Cheston and Kuhn, 2002) found the enhance women's access to credit, the establishment of new and strengthening of existing micro credit mechanisms and micro-finance institutions needs to be undertaken to enhance the outreach of credit. In addition, other supportive measures should be undertaken to ensure adequate flow of funds. The promotion of women's political participation is an important approach to supporting their empowerment. This includes promoting women in government and national and local party politics as well as supporting women's involvement in NGOs and women's movements. Generally although women are found in large numbers in lower-level positions in public administration political parties, trade unions and business, their representation in chief executive and economic areas is generally very poor.

Kishtwaria and Rana (2004) talked about the rural women as food providers not only to family members but also to animal stock. They also observed that there was a significant increase in per capita output and production area under operation with use of improved technologies and concluded that developed fodder collector used in fodder collection has a significant contribution in reducing drudgery and improving the output and satisfaction of mountain women.

Badiger et al. (2004) he has examined that the use of traditional technologies reduced work efficiency and that women have remained as shadow workers. Improved technologies, if properly used can reduce the drudgery of farm women and increase work efficiency, as technological empowerment of farm women is the need of the day for increased productivity.

(Skarlatos, 2004) has wondered that Women's access to financial resources has been substantially increasing over the years. However; their ability to benefit from the access in is limited by the gender related disadvantages. In addition, despite their growing capacities, some microfinance institutions provide a decreasing percentage of loans to women. The loan size provided to women also appears to be smaller in comparison to men although both participate in the same program and belong to the same community. In addition to women's poverty levels, social discrimination against women results in smaller loan sizes in comparison to men.

(Kabeer, 2005) in this he has detailed out the furthermore there are only a limited number of women in the leadership of microfinance institutions, which might be one reason for the biased loan access. However, regardless of the odds, microfinance programs still have the potential to transform power relations and empower the poor. Although microfinance does not address all the impediments to women's empowerment, it can contribute to their empowerment if properly implemented. Agencies also need to develop approaches that provide opportunities for women to decide for themselves about their needs and interests and how positive change can be achieved. Promoting empowerment also requires some fundamental changes within agencies in reviewing their structures and procedures to increase their accountability to the women whose empowerment they aim to support. Generally, it is essential that empowerment strategies are designed to enable women to gain greater access to information, access and control over resources and the ability to make decisions themselves. (Kabeer, 2005)

Devi et al. (2007) in this study explained an impact analysis of technological training on women self help groups. A multistage stratified random sampling technique was adopted in selecting the sample in Cuddalore district, Tamil Nadu, India. The percentage analysis was done to study the socioeconomic characteristics of the respondents. The technological training programmes attended by the members of



women SHGs resulted in the incremental increase in their employment pattern and asset position. The SHGs have helped the respondents to be more gainfully employed in the non-farm activities. It is emphasized that policy planners might think of launching evaluation studies of such programmes on a continuous basis, so as to understand and undertake efforts for the success of SHGs. Efforts may be initiated to impart the required training to the members on the identified new ventures.

### **3.7 RESEARCH DESIGN**

The research design is a basic research. It is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. The design includes an outline of what the researcher will do from writing the hypothesis and its operational implications to the final analysis of data. This study examined banking sector employees in different bank branches in order to collect information required to meet the objectives of the study.

Researcher had used descriptive research design in this present study.

#### **DESCRIPTIVE RESEARCHER DESIGN**

Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group, concerned with specific predictions. It is a pre-planned design for analysis and structured or well throughout instruments for collection of data and advanced decisions about operational procedure.

**Universe:** - The Universe in research study will be finite. In finite universe, the number of items is certain. In this research study, the Universe is Udaipur cluster.

**Sampling unit:** - Out of the finite universe, the researcher will randomly select respondents of Udaipur cluster, Rajasthan including Mavali, Fatehnagar, Bhinder, Kanore, Dhanriyawad, Gogunda, Jhadol, Badgaon, Bedla, Umeda, Kalarwas, and Girwa.

**Sample size:** - An optimum sample is one, which is appropriate representative and within the reach of the researcher. SHGs of Udaipur district were taken for the study, The majority of 165 numbers of members in SHG are belongs to 15 members, after that only 14 of number of member in SHG are belongs to 12 members and 13 category belongs to 20 members in SHG and lastly 8 a few members are belongs to 16 members in SHG were selected randomly and in total, 200 sample respondents were chosen for the study.

## **SOURCES OF DATA**

The present study supposed to collect first hand and relevant information from selected respondents. So the study used Primary and Secondary; both sources for the purpose of collection the data. The Researcher used questionnaire method. For determining the factors to measure satisfaction level in women empowerment through microfinance, the pilot study method was administered. The most important aim was to assess the soico economic impact of microfinance in the empowerment of women.

(A) Primary data - Primary data is one, which is collecting by the investigator himself for the purpose of specific inquiry or study & the researcher will complete the research through observation, discussion, interview, and questionnaire. The primary data will be collected through the following :-

### (i) Questionnaire

#### •Pilot Survey

The questionnaire will be framed on the basis of a pilot study through which initial fillers and trends will be available. This may enable the researcher to incorporate worthwhile queries and eliminate the irrelevant.

#### •Finalization of Questionnaire

The Researcher shall in personal visit the respondents and persuade them to get filled in the questionnaire to avoid the drawback of the questionnaire technique.

### Observation

The Researcher believes that keen observation of respondents and non-respondents fall in the relevant age group may enable to cross verify the responses.

(B) Secondary data: - The sources of Collecting secondary data for research study will be following:-

1. Published books on women empowerment microfinance.
2. Published journals and reports.
3. NGOs.
4. Research papers.
5. Magazines.
6. Concerned websites.

7. Published and unpublished research projects, surveys and reports.

## **STATISTICAL TOOLS AND TECHNIQUES USED IN THE STUDY**

There are several ways of collecting the appropriate data which differ considerably in context of cost, time and other resources at the disposal of the researcher. Primary data can be collected either through experiment or through survey. If the researcher conducts an experiment, he observes some quantitative measurements, or the data, with the help of which he examines the truth contained in his hypothesis.

The researcher selected methods of collecting the data taking into consideration the nature of investigation, objective and scope of the inquiry, financial resources, available time and the desired degree of accuracy. Primary data was collected with the help of questionnaire and for analyzing the primary data Statistical Tools and Techniques were used in the study, which included the following:

1. Mean
2. Standard Deviation
3. t-test
4. Z-test
5. ANOVA

### **3.8 Limitations of the Study**

1. This study is based on survey method this makes difficult to contact the person.
2. It is restricted to five cities of Rajasthan only.
3. Time & Cost is the major constraint of this research.
4. The accuracy of data largely depends on the correctness of info. Provided by the customer.
5. Some of the respondents have chosen more than one options while responding to the questions.
6. Researcher had no control over the variables and reported the factual status of what respondents perceived and opined.

## **REFERENCES**

Armendáriz, Beatriz and Morduch Jonathan (2005), 'The Economics of Microfinance', MIT Press.

Yunus, Muhammad (2005), 'Grameen Bank's Struggling (Beggar) Members Program', Available at: <http://www.grameen-info.org>.

Nair, Ajay (2002), 'Sustainability of Microfinance Self Help Groups in India:Would Federating Help?' Woodrow Wilson School of Public and International Affairs, Princeton University, USA.

Prof. Chhipa M.L., sharma swatantra,, kr dubey rajrsh(2014), "impact of microfinance on women empowerment, poverty alleviation and employment security in rural areas of Rajasthan" international journal of innovative research in science, engineering and technology(an iso 3297: 2007 certified organization)vol. 3, issue 2, February 2014.

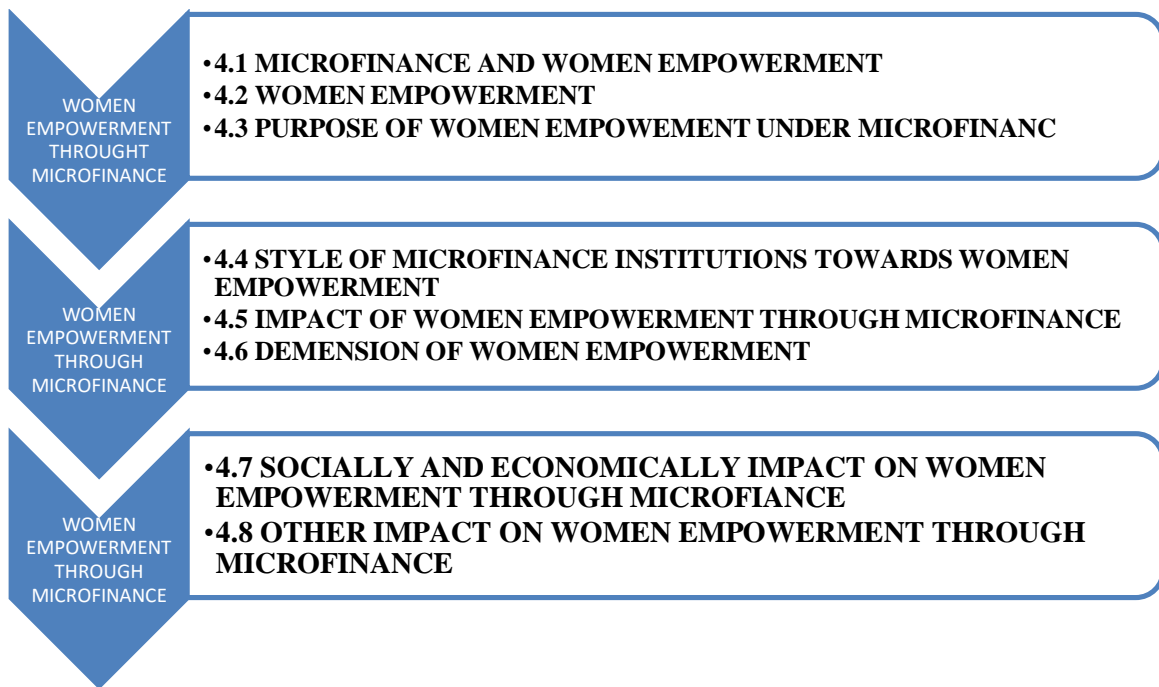
Dr. Mathur t.n.; dr. Jain mamta; mr. Saxena abhineet ; mr. Kumar yadav suresh (2013), " SHG bank linkage programme for inclusive growth:- a study of Rajasthan state" zenith international journal of business economics & management research zjibemr ,issn 2249- 8826, vol.3 (11), November (2013) online available at [zenithresearch.org.in](http://zenithresearch.org.in).

Ahirrao, J. (2009). Rural Women Empowerment Through Micro Finance. Kurukshetra , 57 (4), 23-25.

Servin, R., lensink, R. and Berg, M. V. D. (2011). Ownership and Technical Efficiency of Microfinance Institutions: Empirical Evidence from Latin America. Journal of Banking and Finance, 36(7), 2136-2144.

## **CHAPTER 4**

# **IMPACT OF WOMEN EMPOWERMENT THROUGH MICROFINANCE**



## **CHAPTER-4**

### **IMPACT OF WOMEN EMPOWERMENT THROUGH MICROFINANCE**

#### **4.1 Microfinance and Women Empowerment**

In this study, an empowered woman is considered to be there one who has accomplished her life enhanced by having access to and consumption of funds supplied by microfinance programme. She also brings to bear and contributes in the household decision-making. She proves self-confidence along with also contributes in the self-governing institutions in their area. She has large awareness of the available social, economic and political environment.

Microfinance recommends women with the financial support they desire to commence business ventures and actively contribute in the economy. It presents them self-confidence, enlarges their situation and produces them more energetic in decision-making, thus persuading gender impartiality.

The individual feature of microfinance programme is that it important points on women for progress. There are extra ninety per cent women consumers under this programme. The essential design is to empower women by presented those financial help along with allowing them to get a self-regulating income, make an expense financially to their households and generate self-employment. This economic self-government is expected to produce inflamed self-worth, self-worth, self-assurance as well as other appearances of empowerment for women contributor of the programme. The track of empowerment of the beneficiaries of the programme is not habitual, however depends upon numerous causes. These qualities may be potentials, surroundings, scheme and category of women as group.

The empowerment of women is impressively attached through micro-finance agendas, for the explanation that several studies have showing that civilizing women's income through micro-finance has a noteworthy ending on their empowerment. An enormous sum of literature exist on the center, and the possibility to which microfinance agendas empower women, is an exceptionally wondered with reference to focal point, which scholars and practitioners tend to disagree upon. In this thesis, microfinance is defined as an umbrella express which encloses loans, savings, and insurance, transfer services and other financial products targeted at low-income customers. Empowerment is defined as the fulfilling of the deliberate gender necessities of women, and as a course of action by which people attain to enlarge their potential to live the assortments of life's they aspiration. This explanation is explained additional absolute later on.

The imperative suggestion behind micro-finance is to end poverty by increasing people's access to credit – be it in the form of institutional credit, or group-based investments involving only financial means from the suppliers themselves. Over and over again traditional banks and financial institutions have unsuccessful to gather together the necessities of chiefly poor women. This has shaped a desire for replacement institutions and programs that get jointly this group's demand for financial services and saving possibilities. Women compose the size of suppliers in micro-finance programs, even though the programs mainly did not have women as their comprehensive object group.

In spite of the widespread make use of of micro-finance as a poverty improving empowerment tool, habitually surrounded by women; it is substance of a combination of positions of measurement and



exchange. A general criticism towards micro-finance is that the programs rely seriously on provider financial helps. This means that still ventures that have been operational for years are not competent to function on their own as well as are incompetent to completely envelop up their operational expenses. The mainstream of programs are enormously dependent on donor financial support, given that they do not have the prospect of estimate advanced interest rates, as these would be too high for borrowers to bear.

Rotating towards the accountability of micro-finance in the empowerment of women, Mayoux states that women's access to credit and women's inflated incomes through micro-finance do not fundamentally amend authority associations all the way through society. Mayoux conflicts about micro-finance should be associated to a wider women's relationship for revolution of gender kindred. Pearson in addition disagrees that micro-finance has occur to portion of a gender and magnification suggestion since women have come to be the head borrowers, outstanding to their highly developed partiality to reimburse and follow the regulations to the circumstances of loans. She still claims that fresh micro-finance plans do not have as their function to empower women or to modify gender relations. Connecting these statements to the research question of this thesis and Moser's theory on sensible and designed gender necessities of women, this advocates that micro-finance, by mounting women's income, assembly their practical gender needs. But, considering as micro-finance, as doubtful by Mayoux, does not modify authority transactions all the way through society, it cannot be said to congregate the considered gender necessities. Pearson's claim that micro-finance does not desire at shifting gender relations, chains this dispute, but does however not eliminate the likelihood of micro-finance having an indirect outcome on the empowerment of women.

The spotlight on women's empowerment in the situation of microfinance conveys to glow the implication of gender associations in policy expansion circles more importantly than ever ahead of. Women are vaunted as a 'weapon against poverty' (DFID 2006,). The justification for provided that women right of entry to microfinance services is that gender inequalities slow down economic enlargement and progress (World Bank, CIDA, UNDP, UNIFEM). Hence, the Canadian International Development Agency (CIDA) provides "increased access to productive assets (especially land, capital, and credit), processing, and marketing for women" (CIDA 1999).

Opponents of the progress viewpoint disagree that the policy progress approach to empowerment is tremendously instrumental. As Cornwall and Edward (2010) put it, "women's empowerment is heralded as a means that can create extraordinary ends ... their empowerment inscribed as the explanation to a congregation of well-established social and economic troubles. The principal picture of empowerment in expansion is that of women ahead (material) means to empower themselves as individuals, and situating this

to the service of their families and communities.” This is mainly since empowerment is unspoken in relative to purposeful and considered involvements such as electoral quotas, education, and economic empowerment proposals, legislative modify and non-governmental public exploit.

The substitute viewpoint highlight that women’s empowerment appears: (i) as a consequence of cultural, economic and other modifies, such as the accessibility of new technologies in their lives (e.g. mobile phones and satellite television); (ii) as women’s present prospects and limitations; and (iii) as a procedure in time, across productions (Cornwall and Edwards 2010). Since the situation of women’s lives substances and the same involvements are not successful universally, the majority of the policies stay behind unsuccessful (Abdullah, Aisha and King 2010; Sardenberg 2010a). The know-hows of empowerment and disempowerment are connected not immediately to substance resources and involvements, but also to social associations (Kabeer and Haq 2010; Sardenberg 2010a), narratives (Priyadarshani and Rahim 2010), voice (Goetz and Nyamu Musembi 2008), choice (Kabeer 2008) and negotiations (Huq 2010; Johnson 2010).

This assess critically is fine replicated in the three patterns of women’s empowerment through microfinance: (i) feminist empowerment pattern; (ii) financial self sustainability pattern; and (iii) poverty alleviation pattern (Mayoux 2005, 2006). It is not that MFIs do not pay awareness to women’s empowerment issues; on the other hand, they do so slightly by adhering to the latter two patterns. As Mayoux (2005, 2006) powerfully enlightens, “in the financial self-sustainability pattern, women’s empowerment tactics are seen as requiring improper costs, as the pattern’s explicit intend is to expand completely financially self-sufficient MFIs. In the poverty alleviation pattern, women’s empowerment is seen as an external obligation by Western inclined middle-class feminist selected, with little significance to the requirements of poor women. It is also seen as politically responsive and concerning disagreements within households and communities that may challenge organizational sustainability.” Both patterns were recognizing conflict between women’s empowerment and enlargement aspires.

Consequently the feminist pattern – where the central apprehension dishonesty in encouraging gender impartiality and human rights – has been highlights as a successful course to women’s empowerment through microfinance institutions. Even though microfinance programmes hold on to the latter two patterns, there are points of view on why MFIs should assume empowerment approaches:

First of all, microfinance performs do not for eternity produce automatic empowerment settlements for women; consequently, empowerment must be tactically designed for in MFIs. Secondly, empowerment approaches agree to microfinance institutions to comprehend their full impending in causative to a number of decisive magnitudes of women’s empowerment. In conclusion, empowerment approaches are frequently

well-suited with other approaches to microfinance (e.g. financial sustainability), and can really develop aspires of these supplementary approaches in a lot of cases. – Mayoux (2006)

An outline of aiming women for loan access, and cracking the empowerment characteristic, will thus be an anti-poverty policy that is not only realistically inharmonious, but also ethically impenetrable. For this ground, the schedule for MFIs should be to enlarge helpful connections between the purposes of MFIs and their empowering probable.

## **4.2 Women Empowerment**

Women empowerment is to empower women by encouraging their contribution in all part and segments to construct stronger economies, recover their superiority of life and bring gender parity. With the catchphrase of women empowerment the question occur that “are women become really strong” and “is long term struggle has ended”. Numerous plans have been realized and run by the government such as International Women’s day, mother’s day, etc in sort to get knowledge in the society concerning the accurate rights and value of the women in the improvement of the nation. Women require being advancement in the number of specialties. There is an elevated level of gender dissimilarity in India where women are ill treated by their family members and strangers. The percentage of illiterate population in India is generally enclosed by the women. The actual gist of the women empowerment is to construct them well educated and depart them free so that they can be able to obtain their own judgments in every field. Women gives birth to the baby means future of the nation so simply they can enhanced occupy in manufacture the bright future of the nation through the appropriate enlargement and expansion of the children. Women necessitate to be empowered in its place of pleasuring as a powerless wounded of male prejudice.

Women’s economic empowerment gives to the capability for women to benefit from their right to organize and advantage from possessions, assets, income and supervise risk and progress their economic position and well being.

1. Social women empowerment- A serious feature of social empowerment of women is the encouragement of gender impartiality. Gender impartiality involves a society in which women and men get pleasure from the similar opportunities, results, rights and commitment in all specialties of life.
2. Educational Women empowerment- It means empowerment women with the acquaintance, cleverness’s, and self-confidence required to contribute wholly in the expansion course. It means creation women awake of their rights and improvement self-assurance to claim them.

3. Economic and work-related empowerment- It involves an enhanced superiority of material life through sustainable livelihoods owned and handled by women. It means dropping their financial confidence on their male counterparts by making them a momentous element of the human source.

4. Legal women empowerment- It advocates the condition of an effectual legal construction which is helpful of women empowerment. It means concentrating on the gaps among what the law stipulates and what really arises.

5. Political women empowerment- It means the subsistence of a political system helping the contribution in and manages by the women of the political decision-making process and in governance.

Empowerment refers to course of actions and procedures intended to enlarge the quantity of autonomy and self-government in the life of people and in communities in arrange to (re-)facilitate them to signify their benefit in a answerable and self-determined method, acting (again) on their own authority. Empowerment refers together to the progression of self-empowerment and to specialized hold of people, which facilitates them to conquer their intelligence of helplessness and require of power, and to distinguish and ultimately utilize their resources and likelihood.

The term empowerment is also used for a proficient state of self-responsibility and self-determination.

The term empowerment begins from American community psychology and is connected with the social scientist Julian Rappaport (1981).

Empowerment is the progression of acquiring fundamental opportunities for marginalized people, whichever straight by those people, or through the assist of non-marginalized others who allocate their own access to these opportunities. It also contains aggressively awkward challenges to refuse those opportunities. Empowerment also embraces heartening, and mounting the abilities for, self-sufficiency, with a focal point on abolishing the future necessitate for donations or wellbeing in the individuals of the group. This procedure can be complicated to establish and to execute successfully.

Women's empowerment is extremely indispensable for the enlargement of society. Empowerment means individuals attaining the authority to imagine and operate freely, exercises option and accomplish their potential as full and equivalent members of society. As per the United National Development Fund for women (UNIFEM), the term women's empowerment means:

Getting acquaintance and sympathetic of gender associations and the conduct in which these associations may be changed.

Mounting an intelligence of self-worth, a trust in one's capability to protect preferred amends and the right to organize one's life.

Gaining the capacity to produce selection exercise bargaining power. Increasing the aptitude to systematize and authority the course of social modify, to generate an additional immediately social and economic order, generally and globally.

Thus, empowerment means an emotional wisdom of personal organize or manipulate and a concern with real social authority, political authority and legal rights. It is a multi level build referring to individuals, associations and group of people. It is a worldwide, continuing process centered in the local community, connecting joint esteem, critical likeness, thoughtful and group partaking, through which people missing an identical contribute to appreciated resources increase greater access to the organize over these resources.

Empowerment can be out looked as means of generating a social environment in which one can compose decisions and compose choices whichever individually or cooperatively for social revolution. It reinforces the inborn capability by way of obtaining awareness, influence and occurrence (Hashemi Schuler and Riley, 1996).

Empowerment is the development of facilitating or permitting personality to believe, take achievement and organize job in a self-governing way. It is the developments by which one can expand organize over one's fortune and the conditions of one's lives. Empowerment contains control over possessions (physical, human, intellectual and financial) and over principles (beliefs, values and attitudes). (Baltiwala, 1994). It is not purely a sense of superior extrinsic manage, but also cultivates inherent aptitude, superior self-possession and an interior alteration of one's realization that permits one to trounce outside obstacles to accessing resources or altering traditional principles (Pinto, 2001).

In social work, empowerment appearances a realistic approach of resource-oriented involvement. In the field of nationality education and democratic education, empowerment is seen as a device to enlarge the accountability of the citizen. Empowerment is a type of impression in the discussion on encouraging community appointment. Empowerment as an impression, which is differentiated by a shift away from a deficit-oriented towards a more strength-oriented awareness, can gradually more be originated in management conceptions, as well as in the districts of ongoing education and self-help.

Freshly, the World Bank has completed gender mainstreaming a main concern in expansion support. In a policy research report, World Bank (2001) acknowledged equally gender impartiality and women empowerment as expansion objectives and means to encourage enlargement, decrease poverty and hold enhanced governance. In the literature obtainable on women empowerment, some of the perceptions like gender parity, female autonomy or women status etc. are referring to as either comparable or diverse concepts.

As described by Kabeer (2001) there are two important fundamentals of women empowerment, i.e., procedure and society. A development is defined as the sequence of actions that construct regular modify. The method of women empowerment leads to development in their capability to have resources and to make deliberate life choices. The society factor of women empowerment describes that women themselves are the momentous actors in the development of change. It is the procedure through which choices are made. Empowerment cannot be presented by a third party somewhat it has to be claimed by those who would become empowered. Kabeer (1999) found that women's empowerment refers to the process by which those who have been denied the ability to make strategic life choices, acquire such ability. The ability to exercise choices incorporates three inter-related dimensions: Resources, which include access as well as future claims to both material and social resources; Agency, which includes the process of decision-making, negotiation, deception and manipulation; and Achievements, which refers to the well-being outcomes of choice.

Society is a vital idea used in a study by Sen (1999). Kabeer's (2001) understanding of agency is mainly based upon Sen's study. Agency is defined as an actor's ability and involvement to make meaningful choices. It encompasses the ability to formulate strategic choices, to control resources and decisions that affect important life outcomes.

Longwe and Clarke (1994) revealed that women empowerment as an on-going cyclical process having five stages. The *first* stage is welfare stage and at this stage the women's resources are not fully recognized and met. The *second* is access stage, where women recognize it and take action to gain access to these resources. The *third* stage is the conscientisation level stage, where women realize that their lack of access to resources and their general subordinate status are due to socially constructed beliefs and phenomena. The *fourth* stage is the participation level stage, where women become actively involved in decision-making processes within their households, communities and societies. The *final* stage is control stage, in which women get control

over access to resources and distribution of benefits by increasing their participation. This control increases women's power and respect within their households, communities and societies at large.

Different researchers have explained women empowerment by allowing for its dissimilar features. According to Pillai (1995), he has brought out enlighten the women empowerment is an active, multidimensional process which enables women to realise their full identity and powers in all spheres of life. Power is neither a commodity to be transacted nor can it be given away as alms. Power has to be acquired and once acquired it needs to be exercised, sustained and preserved.

Stromquist (1995) has conducted a study that empowerment includes both cognitive and psychological elements. It involves "women's understanding of their conditions of subordination and the causes of such conditions at both micro and macro levels of society. It involves understanding the self and the need to make choices that may go against cultural and social expectations".

This means that the whole procedure of women empowerment necessitate the capacity and energetic partaking of women themselves. If it does not contain women as the mediator of that modify slightly than simply as its receiver, it cannot be measured as empowerment. This involves those women empowerment is a 'bottom up' rather than 'top down' approach. Empowerment cannot be introduced from outside, somewhat it has to be obtained by the women through their energetic participation in the expansion procedure. However it does not involve that all enhancements in women location are brought regarding by women themselves only. Social and political environment is also measured to play an imperative responsibility in the identical. It is the accountability of the governments and multilaterals to endorse guidelines to set up such sort of legal, political and economic environment which aid women to have superior access to property and encourage gender parity. For illustration, in India through the 73rd and 74th lawful modification a stipulation is completed for reservation of 1/3rd seats compulsory for women in Panchayati Raj institutions and local bodies and has produced a appropriate environment for their political empowerment.

In this method, women empowerment is a procedure of development in the presented position and skills of women to construct them capable to lead their lives in a self-sufficient technique. Women empowerment is a complex and permanent procedure, which aspires at varying the technique of thinking of the complete society to make sure identical satisfaction of human rights for all. It is a permanent development of mounting the economic, social, political and psychological powers.

The sustaining organization, social, political, cultural, financial etc., which are implicated in inspiring the motive of women cannot declare that they have empowered women with their assist. One cannot claim empowerment unless the intervening progression implicated women as representative of that transform. Kumar and Paul (2007) wrote, “development agencies cannot declare to empower women somewhat they can offer suitable outside support and involvement which can, however, be imperative to proceed and hold the procedure of empowerment, i.e., act as facilitators”.

### **4.3 Purpose of women empowerment under microfinance**

In the world Seventy percent of the women are poor. However habitually women have been lacking in access to credit and additional financial services. Commercial banks often spotlight on men and formal businesses, ignoring the women who create up a huge and increasing section of the relaxed economy.

Microfinance on the other hand repeatedly purposes women, in a little case completely. Female customers characterize eighty-five percent of the poorest microfinance customers attained. Consequently, purposing women borrowers makes intellect from a public strategy position. The business case for spotlight on female customers is considerable, as women customers record elevated settlement rates. They also donate superior portions of their income to household utilization than their male counterparts. There is thus a strong business and public policy case for purposing female borrowers.

Children of women microfinance borrowers also reap the profit, as there is an enlarged likelihood of full-time school enrolment and lower drop-out rates. Studies explain that new incomes produced from microenterprises are often first supply in children’s education, mainly helping girls. Households of microfinance regulars materialize to have recovered health performs and nourishment than other households. Positive environmental impact is also realizable as microfinance programmes may maintain green jobs and renewable energy systems. Microfinance consequently makes a well-built involvement to the awareness of the Millennium Development Goals.

Most micro finance association’s objective poor women and frequently those from socially expelled groups. The explanation for the purposing of women under microfinance methods is the association connecting gender and expansion. An assortment of researches behavioral by institutions such as UNDP (1995) and the World Bank (2001) specify that gender dissimilarity inhibit expansion and expansion. Therefore, recognizing the widespread gender dissimilarities and the impact on expansion, microfinance afford women with access to working capital and training to assemble women’s fruitful capacity to improve poverty and



overlay the way for growth. Women are essentially the poorest of the poor. According to UNDP (2003) Human Development Reports, women create up the majority of worse paid and unemployed segment of mainly economies. It is supposed that the benefit of a family is improved, when women are assisted to amplify their incomes. This is due to the reality that women expend mainly of their incomes on their households. Hence, assisting women produce a multiplier outcome expanding the impact of the family wants and, consequently, an additional explanation for charitable main concern to them.

An additional disagreement in support of main concern to women is their effectiveness and sustainability. Women are supposed to be improved in their settlement records and cooperativeness (Cheston and Kuhn, 2002). Women's refund rates also outshine that of men and their lower arrears and loan rates have an imperative achieve on their competence and sustainability of the institutions. Women's equivalent access to financial resources is also a human rights issue (Beijing platform for action, 1995).

According to USAID (1995) financial institutions that present deposit services are extremely eye-catching to women. If a gender-footed association is aspiring to gather the preferences and wants of its customers, savings services must be an important constituent of its program.

Saving programs purposing at women have the probable to improve economic empowerment because women make financial security protection and stipulation priorities in their households (UN Expert group on women and Finance, 1995).

As specify previously, microfinance services originally target women. Though, it is not enough only to provide to women customers to resolve gender issues. A gender responsive approach is comprehensive relatively than limited (Jahan, 1995). Gender kindness is guaranteed when taking into account the wants and constraint of together women and men throughout the design and delivery of finance. On the other hand, the "women only" purposing advance might further aggravate gender inequalities.

#### **4.4 Styles of Microfinance Institutions towards Women Empowerment**

Support for purposing women in microfinance agendas comes from associations of broadly opposed viewpoints. Mayoux (2005) found that classifies three complementary patterns with diverse fundamental plans and thoughtful and diverse policy recommendations and main concerns in relative to microfinance and gender strategy. The three patterns, specifically the feminist empowerment, poverty decline and financial sustainability, also have dissimilar importance in the way they recognize the inter-linkages connecting microfinance and women's empowerment.

## **1. Feminist empowerment styles**

With a focal point on gender awareness and feminist organization, microfinance is supported in brightness of a wider strategy for women's economic and socio-political empowerment. In this observe, microfinance must be part of a sectional approach for modify that recognizes prospects and limitations within industries which can elevate the projection for women, when addressed. In addition, microfinance should be supported on participatory values to construct up incremental awareness of industries and facilitate women to enlarge their strategies for change.

## **2. Poverty reduction styles**

This pattern is handled by various NGO incorporated poverty-targeted community improvement plans. The foremost spotlight of such plans is the enlargement of sustainable livelihoods, society expansion and social service stipulation like literacy, health care and infrastructure. The programs classically objective the poorest of the poor. The approaches aim women because of elevated levels of female poverty and women's accountability for household well-being. The statement is that growing women's access to microfinance will enable them to make superior donation to household income which is supposed to explain into well being for women and consequence in change gender dissimilarity.

## **3. Financial sustainability styles**

This inspires the styles of microfinance encouraged in view of the fact that the mid-1905 by the majority donor agencies. Great programs which are gainful and self supporting and that participate with other private banking institutions and competent of elevating funds from international financial markets, is the eventual intend of such activities. Financial sustainability is observed as toting up to generate institutions which achieve momentous number of the poor. The accomplishment of the programs is considered in conditions of covering costs from incomes. They require for purposing women is acceptable on foundation of elevated female settlement rates and the want to encourage women's economic activity. It is supposed that growing women's access to microfinance services will in itself lead to individual economic empowerment though facilitating women's conclusions regarding savings and credit utilize to set up micro enterprise, mounting incomes under their organize.

## **4.5 Impact of Women Empowerment through Microfinance**

The query of whether microfinance empowers women has concerned awareness in both educational and policy circles. The responses sort from microfinance having the impeding to empower women wholly to microfinance alone cannot empower women to how the programmes can really disempowering women.

The sense of microfinance's possible for empowerment is comparable to the economic model of empowerment: microfinance makes women economically self-determining by putting capital and financial resources in their hands. Economic self-government results in superior bargaining power for women in their households and communities, and subsequently consequences in elevated prestige and self-esteem. Here the purposes of microfinance are synchronous with its potential to empower.

Microfinance has been noticed as contributing not merely to poverty diminution and financial sustainability, but also to a sequence of 'virtuous spirals' of economic empowerment, enlarged well-being and social and political empowerment for women themselves, thereby dealing with aims of gender equal opportunity and empowerment (Mayoux and Hartl 2009, 8).

Empowerment through microfinance is acknowledged and calculated in an assortment of magnitude: impact on decision-making, on self-assurance of women, on their category at home, on family associations and the occurrence of domestic violence, on their participation in the community, on their political empowerment and rights (Cheston and Kuhn 2002). Even though it is complicated to determine the accurate contact of access to microcredit on dissimilar magnitude – such as impact on decision-making and on self-confidence – studies have exposed that MFIs certainly have a optimistic consequence on each of these dissimilar magnitude of women's empowerment.

For occurrence, an MFI institution in the Philippines (Tulay sa Pag-unlad, Inc. [TSPI]) reported a remarkable increase, from 33 to 51 per cent, in women's position as funds executives in their households, with only 5 per cent surrendering organize of household funds management during that period (Ledesma 2002). Correspondingly, in Nepal, Shrestha (1998, 28) revealed that women participating in the MFI programme were able to make small purchases of necessary items such as groceries independently.

This reverberated the conclusion of Ashe and Parrott (2002, 152). jointly explained that in "listing the ways how Pact's Women's Empowerment Program (WEP) had changed their lives, the three most frequently mentioned categories had to do with: empowerment and education, increased self-confidence and a greater

role in decision-making, followed by literacy and the knowledge of women's rights." Savings and lending did not make it to this list. The findings of WEP in Nepal reported that about 68 per cent of women experienced an increase in their decision-making power in areas that were traditionally dominated by men, such as family planning, a daughter's marriage, children's schooling, and the buying and selling of property. The Nirdhan Utthan Bank in Nepal found that most of their women clients were making decisions about business investments jointly with their husbands, rather than their husbands making such decisions alone (PLAN 2001). In the context of Bangladesh, Kabeer (1998) investigated that just bringing financial resources to the households gave women an agency and a sense of the power they have within themselves.

According to the field studies mannered under the IFAD gender mainstreaming examination, the empowerment of women – concerning the magnitude of their capability to make conclusions and their experience of self-assurance and self-esteem – showed that women were capable to “choose on expenditure their own income even though men were often asked, articulate their out looked and command concentration and esteem within the household, and frequently inside the community. Enlarged self-confidence was particularly prominent when women had been showing to training on women's rights and social and political issues” (Kay 2003, 71).

Other studies point to the self-help groups (SHGs) umpired by microcredit have aided women expand manage over assets and subsequently obtain self-worth acquaintance and authority (Zaman 2001; Simanowitz and Walker 2002).

In accumulation to the impact on women's decision-making influence and society, MFI entrance is also detailed to have completely exaggerated women's associations inside the household, predominantly the experience of domestic hostility. This is an imperative decision specified the character of exacting culture in the majority of the households in Asia. For occurrence, in her study of the Small Enterprise Development Project (SEDP) in Bangladesh, Kabeer (1998, 44) interpretation that women's contribution to the household helped bring about a reduction in abuse and strengthening of their relative position within an interdependent relationship with their husbands.

Other studies in Bangladesh support Kabeer's decision and highlight that access and economic involvement to the household certainly concentrated exploitation inside the household (Hashemi, Schuler and Riley 2001; Schuler et al. 2001). It also meant capacity to get away from an insulting association, and superior capability to oppose wife-beating and alcoholism. In Nepal, the Working Women's Forum (WWF) originate

that 40.9 per cent of its members that had experienced domestic violence stopped it because of their personal empowerment, while 28.7 per cent were able to stop it during group achievement. The Centre for Self-help Development (CSD) in Nepal also observed a greater resistance to wife-beating and alcoholism among its clients (Cheston and Kuhn 2002).

In adding together to presenting esteem inside the household domain, microfinance institutions have empowered women in spaces other than the private domain, mainly in their communities. In Nepal, an important numeral of women in CSD communities are supposed with reverence and established without purdah in public spaces (Shrestha 1998, 28). Similarly, in Bangladesh, women showed a good deal of empowerment in their capacity to articulate their needs and in their receptivity to new ideas (Kay 2003). More impressive was the emergence of women's groups as a dynamic, articulate constituency (Krishnaraj and Kay 2002).

Empowerment in public spaces is also strong-minded by women's skill to form social set of connections and social funds and their talent to endorse, manipulate and modify social norms. According to Krishna (2003), has conducted a study that empowerment means increasing the capacity of individuals or groups to make effective development and life choices and to transform these choices into desired actions and outcomes. The nature of empowerment here is of women not only at an individual level, but collectively as well. The linkage between this aspect of empowerment and microfinance was explored by Sanyal (2009) in her study found that 59 microfinance groups in West Bengal. She found that economic ties produced through access to microcredit led to improvements in women's social capital and their ability to influence social norms. This fostered women's capacity to undertake collective action and facilitated their collective empowerment.

In accumulation, research designate that social arrangement facilitate communal backing that engendered belief and commonality, which in revolve lower costs to MFIs and give to their expected sustainability and to sustained empowerment settlements, since they basically decrease risk and thereby lower some fundamentals of the cost of providing services to poor people.

A case study in Narathiwat, a chiefly Muslim region in southern Thailand, demonstrates women's empowerment both within the household and at the community level (Kay 2003, 76). Here, SHGs were created to produce products such as batik and embroidered articles. The author explained that the project has fostered participation of all members, including women. This has led to "enhancement of women's status in

the household and also at the community level. Some members of the women's groups are reportedly engaged in local community management structures and issues.”

Lastly, most important verification of women's empowerment through microfinance was established in its impact on women's political empowerment and rights. In the Philippines, for instance, Cheston and Kuhn (2002, 24) found that women clients of Opportunity Microfinance Bank have gained leadership experience and confidence as leaders of their Trust Banks, and have gone on to be elected as leaders within their *barangays* – a community-level political unit. In Bangladesh, Hashemi, Schuler and Riley (1996) investigated that microfinance programmes of the Bangladesh Rural Advancement Committee (BRAC) promoted social and political awareness and participation in political campaigns and protests. In Nepal, Shrestha (1998, 28) revealed that the CSD programme resulted in women's political participation: 96 women were elected to village and district development committees. In India, there is evidence of microfinance programmes leading to women's political empowerment through political mobilization. WWF has a money-lending branch, and it has also successfully trained and mobilized women to take civic action to support women's rights and against social problems (Cheston and Kuhn 2002). Similarly, Sanyal's study (2009) observed that women in self-help microcredit groups in West Bengal mobilized in response to issues related to domestic violence, men's extra-marital affairs, acquiring public goods and anti-gambling and anti-alcoholism campaigns.

#### **4.6 Dimension of Women Empowerment**

The dimension of empowerment is not an inconsequential concern, which can be without statements and boundaries. Essentially, the study of the dimension of empowerment can only be in a specified socio-economic-political perspective in which an involvement is completed. The dimension phase can discriminate among ongoing features of traditions, ethnicity and normal manners of women (which may be restricting their progress) and modify in manners after involvement and materialize as compliant to the accessible norms.

Malhotra et al. (2002) brought out the interesting facts that measurement of empowerment is a primary development issue and so far neither the World Bank nor any other credible agency has given a rigorous methodology for measuring the changes in level of women empowerment.

**The foremost troubles in determining the empowerment are:**

The dimension of women empowerment engages equally quantitative as well as qualitative data such as access to financial funds, partaking in household decision-making, modify in the stage of self-assurance, self-worth, stage of spatial mobility, level of responsiveness etc. The qualitative pointers of empowerment are complicated to determine. Empowerment is an enduring progression and to compute the changes in a progression, data is to be composed for at least two positions in time. Although this technique is supplementary limited as it is complicated to choose the time gap over which the changes are to be deliberate as some signs of empowerment can be seen in a tiny time period of 2 to 3 years while for others a longer time period may be mandatory. There may be a change in the significance of empowerment pointers over time. Also, more time and resources are compulsory to determine the impact.

Due to the complication of defining and determining women empowerment, merely a few empirical studies on the theme have attempted to inspect the impact of microfinance on women empowerment. In arrange to determine the impact of microfinance programme on women empowerment; several of the studies have evaluated the position of the contributors after combination the microfinance programme with their condition before joining the programme. The amends over time are measured as the impact of microfinance programme. A number of the studies have used the demonstration techniques where the data is not collected for two time periods rather the partakers are requested to give information concerning their precedent position on the source of their memory. On the other hand, some researchers have considered the impact by evaluating the contributors of the programme with that of the non-participants from comparable social and economic environment.

The UNDP's Human Development Report (1995) explained two complementary indexes: the Gender-related Development Index (GDI) and the Gender Empowerment Measure (GEM). The GDI indicator measures the inequalities between men and women in terms of access to basic needs, whereas GEM evaluates women's access to political and economic posts, i.e., share of women seats in parliament/assemblies, the share of supervisory, administrative and technical posts. The GDI focuses on the

extension of capabilities, whereas the GEM is concerned with the use of those capabilities to take advantage of the opportunities of life.

Most of the studies have considered the women empowerment with the aid of an index. Mizan's (1994) brought out the enlighten uses an index named 'Household Decision Making (HHDM)' index to explore the impact of micro-credit on women's empowerment. She uses a number of indicators such as women's role in household decision-making, their control over fertility decisions, uses of healthcare services for self and the family and participation in voting.

Goetz and Gupta (1996) investigated that control over loan activity is, in fact, a critical control point in the process by which access to loans translates into a range of valued achievements, and then managerial control can serve as an indicator of empowerment. They build an index of managerial control in order to classify the borrowers into five categories ranging from no control (no knowledge of the use of the loan or no contribution in terms of labour input and managerial control) to full control (knowledge of the use of the loans and full control over the entire productive process, including marketing).

In another study, Hashemi et al. (1996) has highlighted the observation that the change in women empowerment as a result of participation in the microfinance programme of Grameen Bank and Bangladesh Rural Advancement Committee (BRAC). They created an empowerment indicator which is called an 'index of empowerment' based on eight criteria: mobility, economic security, ability to make small and large purchases, involvement in major household decisions, relative freedom from domination by the family, political and legal awareness, and participation in public protests and political campaigns. A woman is empowered if she has a positive score on five or more, out of eight indicators.

Amin et al. (1998) has conducted in his study that the concept of women's empowerment into three components each measured separately: Inter-spouse consultation index which seeks to represent the extent to which husbands consult their wives in household affairs; Individual autonomy index which represents women's self-reported autonomy of physical movement outside the house and in matters of spending money; and the Authority index which reports on actual decision-making power (which is traditionally in the hands of the patriarch of the family).

Some of the researchers elevated uncertainties regarding the suitability of the manufacture of index for dimension of women empowerment. According to them conveying identical weights to diverse needles of



empowerment is not proper. For example, decision of visit an in close proximity market and contribution in a decision to acquire a portion of land, together these conclusions have dissimilar suggestions and amounts of impact on women empowerment. Assigning the same weights to these dissimilar types of conclusions may lead to imprecise consequences.

Therefore, there cannot be a widespread theory for dimension of empowerment. On the other hand, it depends upon the researcher to go for commissioner pointers of women empowerment. The researcher should have good information of social, economic and political environment of the region of study while deciding empowerment indicators and passing on weights to them. The present study also utilizes a guide for determining women empowerment. The guide encompasses of an assortment of indicators which establish women empowerment. The data for these pointers was collected during the field survey.

#### **4.7 Socially and Economically impact on women empowerment through Microfinance**

The verification argued above of the assistance and restrictions of microfinance programmes to women's empowerment exposes that poverty diminution interferences do not subsist in separation. Moderately, they are ingrained inside the bigger social atmosphere that persuades them and that they, in turn, pressure. This social matrix consists of economic, political, ideological and cultural grouping.

In the background of poverty diminution through MFIs, the purposes, design and execution of microfinance programmes ought to be mindful of these types. Specified that the type performer and aim of microfinance programmes is women, and specified that women are a susceptible and underprivileged segment of the population, it becomes tremendously imperative that MFIs take into account the social medium within which women's daily lives are surrounded. Otherwise, an "external intervention of empowerment such as that of taking microcredit loans may simply sustain women in their existing situation" (Cornwall and Edwards 2010).

The existing literature – educational and guidelines – affords very helpful conversation and implications on how and why MFIs should spotlight on their empowering probable. The ultimate section will put in to the obtainable literature by additional investigating and signifying a hardly any areas of enquiry.

The indication that empowerment through entrance to loans is not sufficient makes a good case for paying consideration to the implication of non-economic factors. Thus a supportive theoretical structure for

mounting associations connecting occupations and the empowerment probable of MFIs is the cultural skeleton. This skeleton tackles the apprehension of insertion MFIs within the bigger social matrix. The skeleton contains classifying the task of culture at two levels: the association of MFIs and the diverse locations – family/household, social systems, non-governmental organizations (NGOs) – within which women’s lives are surrounded. The conversation below will spotlight on investigating the two levels of culture for a thoughtful of the empowerment/access linkage.

## **Economic Empowerment**

Economic empowerment is the competence of women and men to partake in, throw in to and profit from enlargement procedures in conduct which identify the worth of their assistance, respect their self-esteem and construct it promising to negotiate a fairer allocation of the benefits of development. Economic empowerment amplifies women’s access to economic resources and opportunities together with jobs, financial services, and property as well as other creative assets, skills improvement and market information. Women’s economic involvement and empowerment are essential to amplification women’s rights and facilitating women to have organized above their lives and apply pressure in society. It is concerning about generating just and evenhanded societies. Women often face unfairness and determined gender inequalities, with some women experiencing several unfairness and prohibiting since of features such as background or caste.

There is mounting acknowledgment that economically empowering women is necessary mutually to apprehend women’s rights and to accomplish broader expansion goals such as economic growth, poverty diminution, health, education and welfare. In the last five years, a broad range of groups have committed themselves to the goal of women’s economic empowerment. These groups apprehend that economically empowering women is a win-win that can advantage not only women, but society supplementary generally. It encourages women’s skill to accomplish their rights and well-being while also dropping household poverty, mounting economic growth and productivity, and increasing efficiency. Women’s economic empowerment is the procedure of achieving women’s equal access to and control over economic resources, and make certain they can use them to apply enlarged control over other areas of their lives (Taylor and Perezniето, 2014). Its accomplishment is now global policy precedence in light of its probable involvement to the Sustainable Development Goals (SDGs), as supported by the assembling of a devoted High-Level Panel by the UN Secretary-General to bolster progress in this area.

Definition: A woman is economically empowered when she has both the capability to achieve something and proceed economically and the power to make and act on economic conclusions.

- To **achieve something and proceed economically**, women want the proficiencies and resources to participate in markets, as well as fair and equal access to economic institutions.

- To have the control and society to profit from economic activities, women want to have the capability to compose and proceed on choices and control resources and profits.



Researcher has established strong grounds to emphasize women's economic empowerment in improvement programs:

- Economic empowerment is one of the mainly powerful paths for women to accomplish their probable and precede their rights.
- From the time when women make up the mass of the worlds poor, meeting poverty-reduction purposes necessitates tackling women and their economic empowerment.
- Unfairness adjacent to women is economically ineffective. National economies drop out when a significant division of the population cannot participate justifiably or comprehend its full potential.
- Functioning with women makes good business intelligence. When women have the right expertise and opportunities, they can facilitate businesses and markets develop.
- Women who are economically empowered participate further to their families, societies and national economies. It has been revealed that women spend extra income in their children, providing a path to sustainable enlargement.

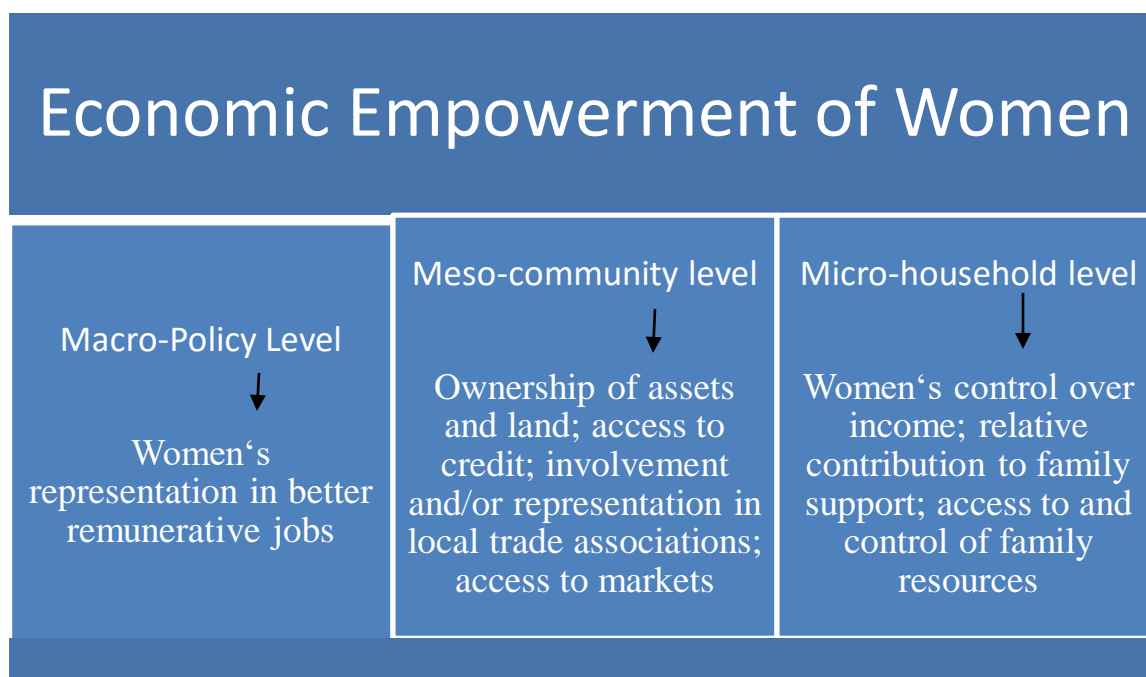
The Ministry of Women and Child Development (MWCD), 2012-13 found that economic empowerment explain that an average percentage of women's work energy is improved only to 25.7% from 22.5% between 1991 and 2001. This modify is due to poverty being feminized, technology dominated sector; unviable traditional sector and insufficient safety cover up. There are factors impacting women's economic empowerment are:

1. Violence against women (like sexual violence, injury, death, human trafficking)
2. Insufficient access to education, training and technology
3. No stipulation of clean water and poor sanitation
4. Low accessibility to accountable health care/reproductive health
5. Lack of access to credit/finance, safe work circumstances and living/minimum wages
6. Traditional Cultural performs and spiritual sexplanation of women's status
7. Women's lack of knowledge about rights and laws (economic, social, political and religious)
8. Lack of enough representation in decision-making situations and governance constructions.

When women have economic power - defined as control of income and capital (land, livestock, etc.) - they expand more equal opportunity and control over their own lives, while contributing honestly to their children's development (nutrition, health and education) and thereby indirectly

to the nation's income growth. Autonomy in financial empowerment will progress the following decisions; (a) Household decisions with regard to Children Health & Nutrition, Education, Marriages (b) Economic decisions including acquiring, allocating, and selling assets (c) Fertility decisions implying that economically empowered women tend to have fewer children (Dheepa, T & Barani, and G. 2010).

**Figure no.4-1: Economic empowerment of women**



**Source: Dheepa ,T & Barani, G, 2010**

Microfinance delivery in a variety of spots of the world has enhanced the economic situation of households, enhancing the asset base and diversification in to higher return professions amongst members.

On the other hand, there are also numeral of concerns within the women's empowerment structure that obstruct the poverty diminution competence of microfinance (Skarlatos, 2004). First the size of the loans is too small which does not facilitate the women to make long durable income vary for the household. Secondly, the amplified access to credit in the same geographic area could contribute to market dissemination of products presented by women. This is because

poor women typically appoint in comparable businesses. Thirdly, there is the prospect that the women's successful business might have a negative impact on the girl child who might be obligatory to help her mother leaving the school.

Women have a chance in the generally economic accomplishment of the household. However, in societies where there are limitations on women's public mobility the impacts of microfinance on women are marginal or even nonexistent. In addition, the economic impact of microfinance on women depends on whether they have full control over the loan protected and their voice in house hold decision making (Goetz and Gupta, 1996).

Microfinance through SHGs has linked rural poor women with formal credit delivery system, supplied micro-loans and has optimistic them to start microenterprises. This programme has facilitated in growing self-employment as well as income of the contributors and facilitated them to become economically more empowered than nonparticipants.

Women's Access to Employment- Conventionally, it was used to be thought that women are competent of performing domestic tasks only. But, employed women, wage or self-employed, reject this social faith. Employment presented them an occasion to come out of the four walls of their house. Employment leads to ownership over income, knowledge, wakefulness and self-possession. Employment gives experience to the outside world. Consequently, women's access to employment is an imperative pointer of empowerment. The study explains that the microfinance programme has assisted the applicants in increasing employment, mainly self-employment. With the assist of micro-loans the programme applicants have become self-employed in small business such as stitching and embroidery, rearing mulch animals, rope and garland making, soap, surf, jam, chalk and candle making and have started petty shops.

1. **Women involvement to Household Income-** The adding together in household income develops the condition of a woman within her family. This enhances her appreciation, self-respect, power and control over the family. The involvement to the household income aids women to develop into economically independent and financial decision-

maker in the household overheads. Microfinance programme has aids the women applicants to amplify their input to the household income.

2. **Access to and manage over Family Resources-** Access to and manage over household resources has been measured as the ownership of house, land, gold and jewellery etc. If a woman owns the house/land, she obtains more respect and feels more manage over the family. The ownership of gold and jewellery leads to economic protection. Microfinance programme enhances the economic prospectus of the applicants, which aids them to have access to and manage over the household economic resources.
3. **Function of Women in Household Financial Decision-making-** Women implicated in the household financial decision-making are positively more empowered because normally male members of the family control in financial decision-making. The respondents were raised regarding their self-government and involvement in making financial decisions like budget distribution, when to get a loan, amount and source of loan, buying and selling of household durables etc.
4. **Saving in Bank Account-** If a woman having a savings bank account, deposits money frequently in the account in her individual capability, she is measured to have more foresightedness and economically aware as evaluated to those who do not take this proposal. Here, the amount of deposit, which is required for SHG to get microfinance advantage, is not given any implication. However, the saving in addition to this necessary monthly saving has been measured for empowerment.

## **Socio-cultural and Familial Empowerment**

The social empowerment means that the women should obtain an imperative place in her family and society and should have a right to facilitate her to make utilize of accessible resources. The members of SHGs are generally women. They save money and invest in SHG. They can utilize it at the time of their requirements. As they can have in their hand, they get some status in her family. It has resulted in mounting self-possession, self-worth and self-confidence. Gandhiji said that women are the companion of men, talented with equal mental competences. She has the right to contribute in the minute element of the actions of life and she has a right of freedom and liberty with man. But at present in India with particular position to the villages, we see that by complete energy of a thick systems even the most unaware and valueless man have been enjoying a superiority over women which do not justify and ought not to have. We can however, see that the tendencies have distorted to a huge degree with more and more women coming out and challenging with men in many fields. We can see today women and all fields of life with no exclusion.

Constitutionally and legal, man and women are equivalent. In actual observe, on the other hand, women still discovers a lesser consign. Example of inequalities in great quantities in respect of women-men birth rate, education and participation are issues of financial and political. Violence is perpetrated on women. She is observed not as a human being bit a scrumptious obsession. Hard works are being completed to modify this circumstance and convey regarding a phase where man and women be out looked equally. Numerous methods are being executed for equal education and equal opportunities of employment so that, women would have equal rights. Accordingly, there is observed some development in this regard. As the women has now enlarged presence in banks, gram panchayats, various government sectors etc. her social status is seen somewhat increased. However, this procedure is measured to obtain an improved to this procedure, approach of the society as a whole should modify.

Microfinance programme tracked through SHGs is a combined exertion of group contributors. The members co-operate one another, contract with additional members of the society, and congregate the members of other groups in their joint group meetings. In this way, they increase a social behavior. Women are specified an opportunity to come out of the four walls of their



houses and convene other members of the society, which leads to their socio-cultural and familial empowerment.

1. **Women's Freedom and self-assurance of association-** The traditional social means limit women's freedom of association. But if a woman becomes competent to accomplish such freedom she is measured to be more empowered. SHG activities persuade and suggest an opportunity to their members to visit other places for obtaining talents, training and displaying their products in assorted fairs and exhibitions. Spotlight of the members in the programme increases their self-assurance in travelling to other places. On the other hand, some of the women are hesitant and do not take these actions themselves and they remain laggards.
2. **Visiting Market for acquire of Household Goods-** Visiting market amplifies the capability of a woman in assorted habits. Her self-assurance enlarges since she travels, crosses busy roads, bargains and reports grievances of imperfect products etc. Her decision-making capacity is amplified because she tactics her visit and uses her choice to select a result. Her capability to create calculations also boosts. Throughout a visit, meeting and communicating with other people aids to amplify her inspiration, social relationships and knowledge. The women initial their business under the microfinance programme were often requesting to visit the market for the purchase of raw materials or selling their products. It consequences in attractive their self-possession and they believe no hesitation to visit the market for the purchase of goods.
3. **Capability to Raise Voice adjacent to Social Exploitation-** This pointer characterizes the awareness and self-confidence of a woman. A self-confident woman having wakefulness regarding her rights does not tolerate the undue dilemma shaped by other members of the society. She is able to raise her voice in the village *Gram-Sabha/Panchayat* meetings adjacent to the general evils and mistreatment of any kind. SHG members visit other villages; intermingle with imperative local people; go to the banks; and meet different government officials. This aids to enhance their level of assurance in commerce with officials, group members and other members of the

community. The SHG members assemble weekly or fortnightly meetings where they converse their personal as well as social problems. These actions enable them not only to discover key of their personal harms in their households but also to take up the general issues in the *Gram Sabha/ Panchayat* meetings. In this study, the respondents were asked whether they are troubled about the social harms like dowry, female feticide, drug addiction, injustice and domestic violence, and raise their voice against such evils.

4. **Outlook towards the Education of Daughters-** This pointer characterizes the belief, wakefulness, psychology and power of a woman. The wisdom of gender equality in a woman activists the scheme to send her girl child to a school. She will be measured socially empowered if she obtains a decision for the happiness of her family alongside the common social customs. Both the participant and non-participant women are originated to be conscious of the magnitude of education for their girl child. It is established that approximately all the children up to the age of 10 are going to schools without bias of their sex. But at the higher education level, greater numbers of female children of the applicants are getting education as evaluated to the nonparticipants. The cause may be that the applicants are more capable to tolerate the higher education spending as compared to the non-participants.
5. **Receiving Help of Other Family Members-** By tradition, all the household actions are measured to be achieved by the women in our society. But, the women who create doing income-generating activities, usually, get the help and support of their family members in performing household daily schedule work. As the microfinance programme applicants become dynamic members they stay busy with their job. They require expending time for supervision SHG activities such as attending group meetings, visiting banks and preserving record of the group affairs. It is originated during the field survey that the other members of the family have ongoing helping SHG members in their schedule domestic activities.
6. **Contribution in General Domestic affairs-** The means women are occupied in the domestic affairs replicates their magnitude in the family. More participation in assorted

decisions elevates their self-confidence. Through the field survey, women were inquired whether they are occupied in the domestic matters, i.e., from small conclusions such as the type and brand of oil, soap and tooth paste, cooking oil etc. to be purchased to the chief conclusions like education and marriage of their children etc. Microfinance programme has completed women economically independent, and hence amplified their esteem in their families. As a result, their involvement in the general domestic affairs is measured quite significant.

## **4.8 Others impact on women empowerment through microfinance**

### **Political Empowerment**

The political factor involves that women have the competences to investigate, systematize and activate the adjoining circumstances for social transformation, leadership character are also developed in women, since they extra partake in the social actions like trying to explain the dilemma of their society or village.

In 1991, lawful condition for 33% reserved seat in Gram panchayat in our country came into being. In the commencement, the procedure of partaking of women slow, but at the present the circumstances is fast varying. Due to beginning of SHG, women were capable to observe the outside the world. They understood the procedure concerned in solving the local troubles through political partaking. By and by, their partaking in political procedure started growing. In SHGs, they establish a prospect to develop into a leader of SHGs. In some places, local SHGs acted as stress groups for or against an exacting political applicant in Panchayat elections. The SHGs participates an imperative task to perfect the leadership skill in women in the rural region.

Thus self help group has confirmed that a significant means in taking in progression of women empowerment to rural region. Thus the SHG programme has been winning in intensification cooperative self help capability of the poor at the local level, meeting their peculiar requirements leading to their empowerment. The rural poor, with the intermediation of voluntary association also join mutually for self help to protected enhanced economic growth. This has resulted in the arrangement of great numeral of SHGs in the country, and the SHGs have assembled savings and recycled the possessions engendered amongst the members.

Self-assured and mindful women are competent of taking element in the voting procedure and village polity. It has been experiential that microfinance programme has empowered the women applicants socio-economically as well as politically. They experience themselves to be in the majority of the village relationships, hence, play an important position in the village polity. The impact is considered by evaluating the level of political wakefulness amongst the programme applicants and non-participants as well as the attention taken by them to partake in the village political dealings.

- 1. Implement the Right to Vote-** The accomplishment of a self-governing system mainly depends upon the contribution of women in the political development of a country. It is anticipated that they should exercises their right to vote. A challenge was made to know whether the respondents are awake about implementing their right to vote. It is originated that approximately all the applicants and nonparticipants are attentive of their voting right. It is originated that ninety-nine per cent of together the applicants and non-applicants direct their votes at the village, state and centre level elections.
- 2. Knowledge of Local, State Level and National affairs-** In categorize to find the knowledge of the respondents about the local, state and national affairs, a number of queries like name of their village *sarpanch*, Chief Minister of the state and Prime Minister of India were dinquire. A challenge was also completed to know whether they identify all these qualities; or whether they comprehend the occupations of the *Gram Panchayat*.
- 3. Contribution in Panchayat Meetings-** The contribution of women in *panchayat* gatherings specifies towards their self-confidence, awareness and permissiveness.
- 4. Leadership Qualities-** As talked about in the definition, empowerment facilitates women to understand their complete individuality and powers in all specialties of life. The comprehension of individuality and power enlarged the leadership quality. The leadership

qualities comprise capacity to systematize, inspiring others, credible others with own thoughts, capability to listen, communicating views etc. A woman who increases these leadership qualities is measured more politically empowered. In order to assess their leadership quality the respondents were inquired whether they could execute the responsibilities of head, cashier or secretary of the SHG. On the other hand, the non-participants were inquired whether they listen and explain the problems, which occur in their neighborhood.

## **Gender Based Microfinance Delivery**

The objective of empowerment can be accomplished through microfinance agendas that are large supported, gender paying attention and economically sustainable. A gender based policy engages additional than just targeting women. Constructing gender- based policy engrosses a procedure through which an institution re-examines all of the subordinate formations and suppositions regarding gender functions, rights and responsibilities that have traditionally separated adjacent to women as borrowers and employees. It is also imperative for microfinance institutions to set strategy pertaining to employee recruitment, encouragement, positions and responsibilities.

The subsequent are a few common deliberations that should be completed when designing agendas with the plans of generating gender based strategy (Vyas, 2002). First, a agenda necessity contribute to the self esteem, confidence and capability of women. This is because women frequently discover it complex to state their concerns about injurious political and economic policies much less discuss their consequences for gender empowerment. Second, there have to be a strong female unforeseen event in the leadership and development functions of microfinance agenda. Satisfying management situations with women would aid to break the faith that women are not competent of treatment jobs conventionally held by men. With appropriate education and amplified self esteem, women will have the capability to break traditional cycles of subordination and intrinsic cultural demonstration. Finally, a microfinance agenda with a spotlight on gender must have an idea, established on solid research and dependable information of the financial senses that will be mainly helpful to women customers.

## **Education, Skill and Training Empowerment**

In addition the socio-economic and political empowerment of the programme applicants, microfinance programme also expands the on the whole individuality of its applicant. The group actions lead to the improvement of essential skills like writing their name, reading numbers, doing basic arithmetic, filling bank forms and accepting pass-book entries etc. SHGs influence the level of comfort and self-assurance of its associates by mounting this fundamental ability in them. All this produces knowledge, self-confidence and self-esteem which are the pointers of their empowerment.

- 1. Education and Potential to Read and Write-** Education is one of the major pointers of empowerment. Education expands dissimilar categories of potentials in a person and enlarges his viewpoint. An educated woman can comprehend her rights and duties well. Only access to the resources does not lead to empowerment, rather empowerment is the potential to make use of the resources in an self-sufficient means and only an knowledgeable woman can believe regarding the appropriate deployment of resources.
- 2. Aptitude to have practicable Knowledge of Calculations-** A woman competent to formulate the fundamental calculations is forever confident as she cannot be simply cheated by anyone in financial transactions. This aptitude also amplifies her self-assurance to appointment a market. In the present study, this pointer is deliberate by inquiring the applicants and non-applicants whether they can do the essential computations like adding, subtraction, product and development.
- 3. Preserving documentations of Financial Transactions-** A person having awareness to preserving documentation of financial transactions is measured additional empowered. Under microfinance programme printed documentation of SHGs' financial matters such as the quantity of total group savings, individual savings of all the members, amount of bank loan established by the group, amount of loan acknowledged by the individual members, installments repaid etc. are preserved at the group level. The programme

partakers comprehend the magnitude of documentation keeping and preserving appropriate documentations of their household financial dealings.

- 4. Aptitude to identify with the Basic Banking procedure-** A person having awareness and thoughtful of basic banking procedures can visit a bank separately and self-confidently. The awareness of these banking procedures is helpful for the poor to acquire settlement of diverse poverty improvement schemes delivered by the government through banks. Microfinance programme applicants visit banks to deposit the group savings, for getting loans and for repaying the loan installments. It facilitates them to execute the essential banking functions such as opening an account, filling a bank form, thoughtful pass-book entries etc.
  
- 5. Reading Newspaper or Viewing Television (TV) for common knowledge-** We should constantly recognize regarding all the happenings enchanting place around us. Such information is more imperative for the women as it lessens their confidence on others in daily subjects. The information together during the newspapers or TV increases our knowledge and general awareness.
  
- 6. Training for Job-** Training guides to achievements of information and expansion of new abilities. A person who obtains training for a particular occupation can do that occupation more competently. Therefore, a trained woman is measured more empowered than an untrained one. An attempt was completed to identify from the respondents if they were presented any type of skill improvement training or not.

## **REFERENCES**

Kadam, P.B. (2006): Assessment of the contribution of SHGs to Women Empowerment : A Case Study with Reference to Satara District, Shivaji University, Kolhapur,pp.,55-56.

Mulani, M.U. (2006): Women's Economic & Socio Empowerment of Self Help Groups : A Case Study of Baramati & Indapur Taluka in Pune District, Tilak Maharashtra University, Pune, pp.1

Singh and Join(1995): Hema Bansal "Self Help Groups-NGO Bank linkage Programme in India: A case Study", M.S. University of Baroda.

Shashidhara, B.M.( 2002): A critical study of the working of self help Groups In the Rural credit system in Karnataka, University of Mysore, pp.90.

Amin, R.; Becker, S.; and Bayes, A. (1998), "NGO-Promoted Micro credit Programs and Women's Empowerment in Rural Bangladesh: Quantitative and Qualitative Evidence", The Journal of Developing Areas, Vol. 32, No. 2, pp. 221-36.



Batliwala, Srilatha (1994), "The Meaning of Women's Empowerment: New Concepts from Action", in G. Sen; A. Germain; and L.C. Chen (eds.), *Population Policies Reconsidered: Health, Empowerment and Rights*, Harvard University Press, Cambridge, pp. 127-38.

John Snow, Inc. (1990), "Empowerment of Women Program", John Snow, Inc., Arlington, VA.

Kabeer, N. (1999), "The Conditions and Consequences of Choice: Reflections on the Measurement of Women's Empowerment", Discussion Paper, No. 108, United Nations Research Institute for Social Development, Geneva.

Kumar, Prahlad; and Paul, Tinku (2007), "Empowerment of Women: Concept, Policy Approach and Implications", Paper Presented at a Seminar on Gender Issues and Empowerment of Women, Indian Statistical Institute, Kolkata, 1-2 February.

Longwe, S. H. (1999), "Women's Empowerment (Longwe) Framework" in Candida March; Inés A. Smyth; and Maitrayee Mukhopadhyay (eds.), *A Guide To Gender-Analysis Frameworks*, OXFAM GB, Oxford. pp. 92-101.

Malhotra, A.; Schuler, S.R.; and Boender, C. (2002), *Measuring Women's Empowerment as a Variable in International Development*, World Bank, Washington, DC.

Mayoux, Linda (2000), "Micro-finance and the Empowerment of Women - A Review of the Key Issues", International Labor Organization, Geneva. Available at: [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_117993.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_117993.pdf) [Accessed on 29.12.2009].

World Bank (2001), *Engendering Development: Through Gender Equality in Rights, Resources and Voice*, World Bank Policy Research Report, Oxford University Press, Oxford.

Sharma, Puspa Raj (2007), "Micro-finance and Women Empowerment", *The Journal of Nepalese Business Studies*, Vol. 4, No. 1, pp. 16-27.

Akinsanmi, A. (2005), 'Working under Constraint: Women, Poverty and Productivity 1. Women and Environments International 66/67: 17-18.

Marimaran M. (2004), "Self Help Groups and Rural Woman Entrepreneurship" in John S., Jayabalan R. Krishnamurthy S. (eds.) "Rural Women Entrepreneurship", Discovery Publishing House, New Delhi, pp. 249-252.

Parvin M. (2009), "Self Help Groups and Women Empowerment: A Conceptual Perspective" in Bagchi K. (eds.) "Microfinance and Rural Development – A Critical review" Abhijeet Publications, New Delhi, pp. 92-109.

Variyani R. (2009), “Microfinance and Poverty reduction” in Bagchi K. (eds.) “Microfinance and Rural Development- A critical review” Abhijeet Publications, Delhi, pp. 178-184.

## **CHAPTER 5**

### **DATA ANALYSIS AND INTERPRETATION**

**CHAPTER-5**  
**DATA ANALYSIS AND INTERPRETATION**

**INTRODUCTION**

This chapter compacts with testing of hypothesis and assessment of assorted features influencing women empowerment through microfinance. Additional, tries have been completed to talk about in detail the variables affecting empowering women through soico economical process as laid down purposes of the study. For the purpose researcher has together primary data with the help of structured questionnaire filled by the random selected women through NGOs from Udaipur cluster to draw out the implications in relation to scico-economic impact through microfinance.

This chapter shall discuss analysis of primary data collected through structured questionnaire from 200 respondents. The chapter is presented under the following heads:

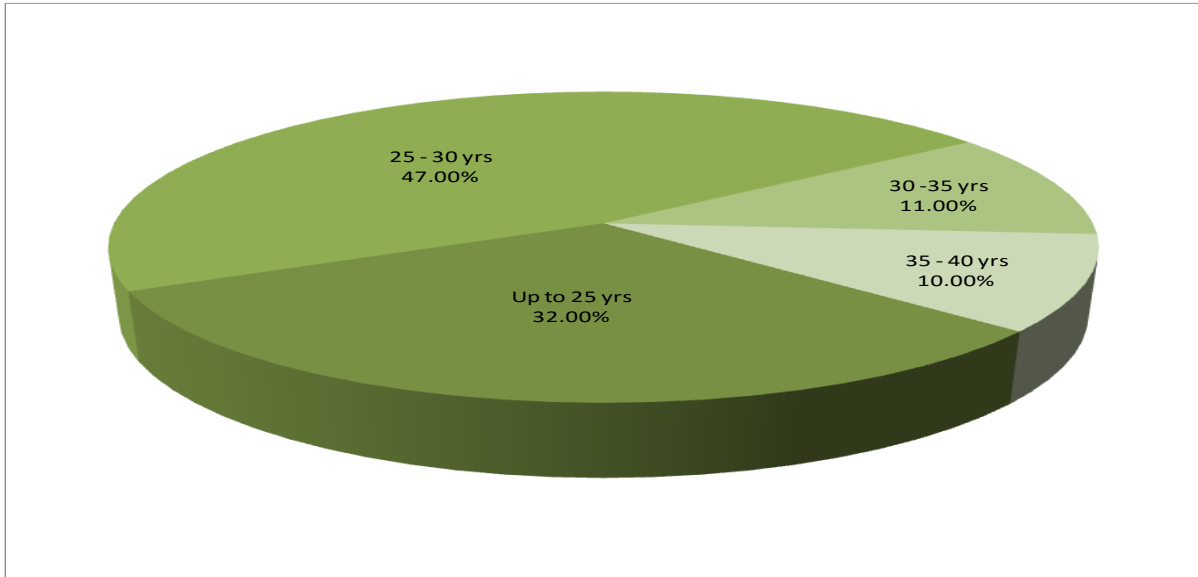
### 5.1 Age:

Age is a formative and encouraging aspect to inspect the respondent's interest towards joining in self help groups, while age is the foremost contributing aspect. Age only influence learning development but also involves the actions, standards, rights, duties responsibilities. Age is predictable to have positive consequence on empowerment as confidence and independence are unspecified to increase with age. It is an important aspect for accountability its advancement. The age of respondents in the study region is shown below in the table-

**Table no.5-1: Distribution of respondent according to Age group**

Age	N	%
Up to 25 yrs	64	32.00
25 - 30 yrs	94	47.00
30 -35 yrs	22	11.00
35 - 40 yrs	20	10.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Figure no.5-1: Distribution of respondent according to Age group**



According to Table (1) majority (47.00%) of the respondents were belonged to the age group of 25-30 years in the study area. It is noted that 32.00% percent of the respondents were belonged to the age group of upto 25 years in the study area. Likewise 11.00% percent of the respondents belonged to the age group of 30-35 years. 10.00% percent of the respondents belonged to the age group of 35-40% years respectively. From this it can be noticed that most of the respondents are of young age group managing household and other activities also.

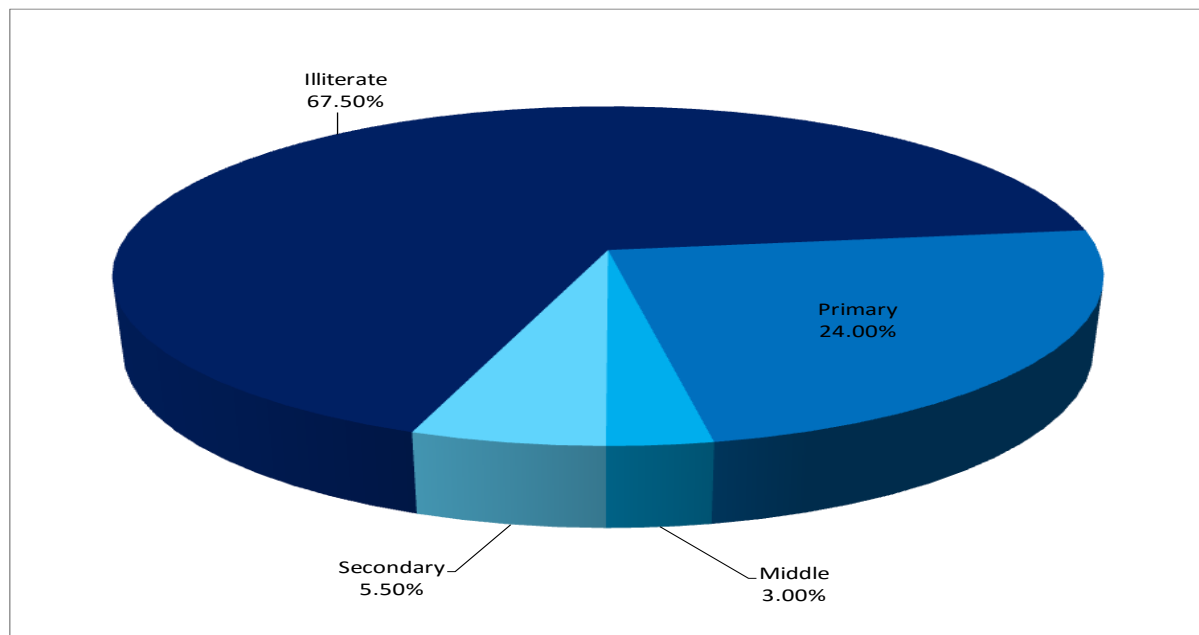
## **5.2 Education:**

Education derived from the word educare which involves that there is enlarge in interpretation capability of the person. A large amount of the beneficiaries were establishing poor in terms of education and literate enlargement. Education is the mainly imperative aspect compulsory for all round expansion of human being. In spite of determined hard works by the government and NGO's, the literary level in definitely is not up to the mark. The frequency of illiteracy in poor communities; predominantly in remote rural area is a materials of serious concern.

**Table no.5-2: Distribution of respondents according to education**

Education	N	%
Illiterate	135	67.50
Primary	48	24.00
Middle	6	3.00
Secondary	11	5.50
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Figure no.5-2: Distribution of respondents according to education**



This table shows (2) majority (67.50%) of them belonged to the category of Illiterate. 24.00 % of them studied primary level of education and only 5.50% of them were educated secondary school level. It is notice that only 3.00% were educated middle class level. Most of the women are illiterate. The most astonished part in the study is that the level of middle and secondary education is least that somewhere hinders the respondents in their exposure and developmental activities.

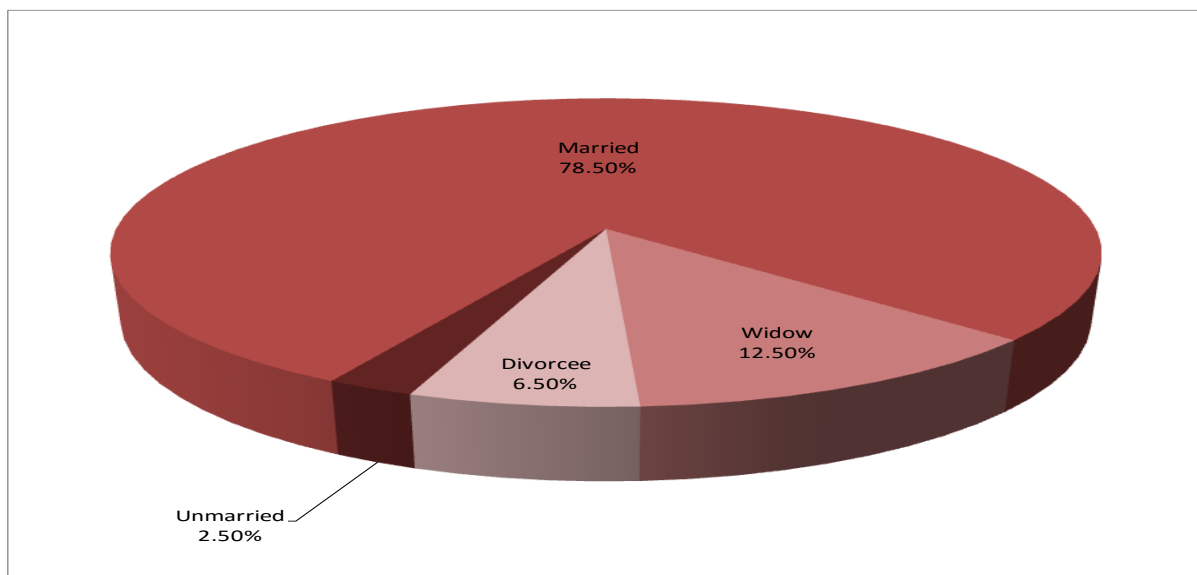
### 5.3. Marital Status:

Marriage presents upon the individual a new category which concerns her function concert in each specialty of life. Marriage burdens women with heavier household tasks which she has to perform as wife and mother. Her economic partaking in the middle class family has been greatly restricted by her marital and family responsibility. Marital status (Unmarried, Married, divorced and separated) is also measured as one part of empowerment as studies have found that married women are more likely to be a part of decision making in the household and marriage is having a positive consequence on empowerment. Being head of the household is supposed to have positive consequence on empowerment as it includes power. They can easily cooperate with this group as they were able to concentrate their income level and they search for the solutions for their harms.

**Table no.5-3: Distribution of respondents according to marital status**

<b>Marital Status</b>	<b>N</b>	<b>%</b>
Unmarried	5	2.50
Married	157	78.50
Widow	25	12.50
Divorcee	13	6.50
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Figure no.5-3: Distribution of respondents according to marital status**



The table-3 shows the marital status of the respondents. Where 78.50% are married, 12.59% are widow, 6.50% are divorcee and only 2.50 % are unmarried. As most of the respondents are married It clearly shows that women beneficiaries are bounded with lot responsibilities like managing household, upbringing their children and other family members this made them to be quite serious in their SHG work and participation.

#### 5.4 Type of Family:

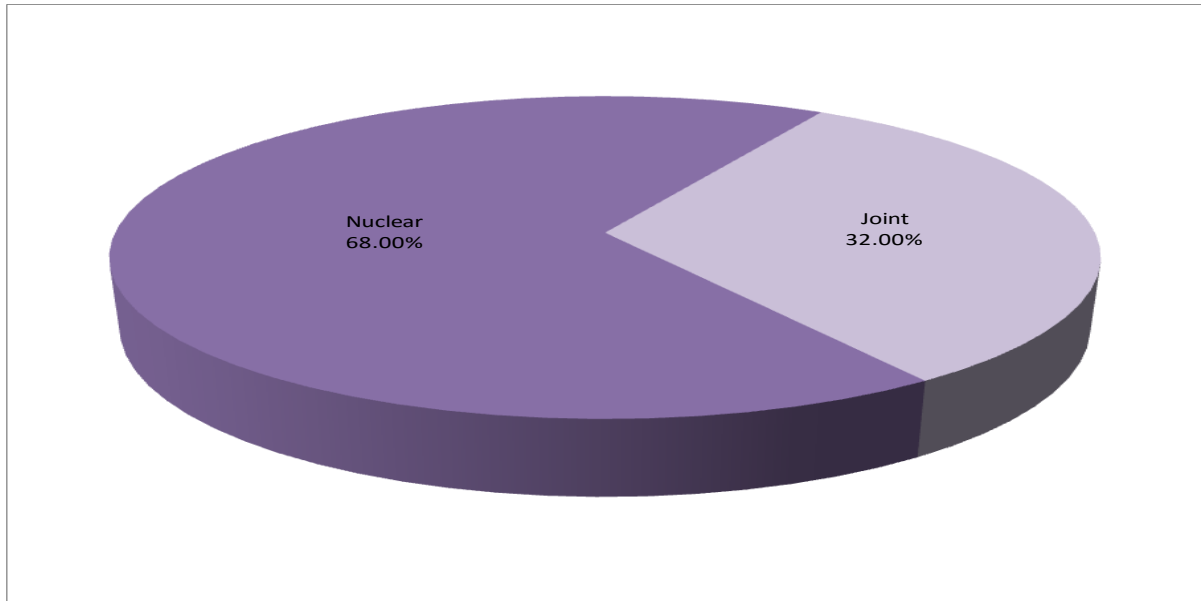
There are two types of family one is Nuclear families which are smaller in size. It consists of husband, wife and their children and others are Joint families which are larger in size and consist of members who are descendents of common male ancestors. The types of the family of respondents of the study area are given below in table 4

**Table no.5-4: Type of family**

Type of Family	N	%
Joint	64	32.00
Nuclear	136	68.00
<b>Total</b>	<b>200</b>	<b>100.00</b>



**Figure no.5-4: Type of family**



This Table (4) shows majority (68.00 %) of them belonged to Nuclear Family. 32.00% percent of them were in Joint Family system. As respondents are nuclear they are less responsible towards their home comparably with joint families. This made them to spend more time in SHG activities like their group promotion, Awareness of new schemes, political participation etc.

### **5.5 Number of members in the family**

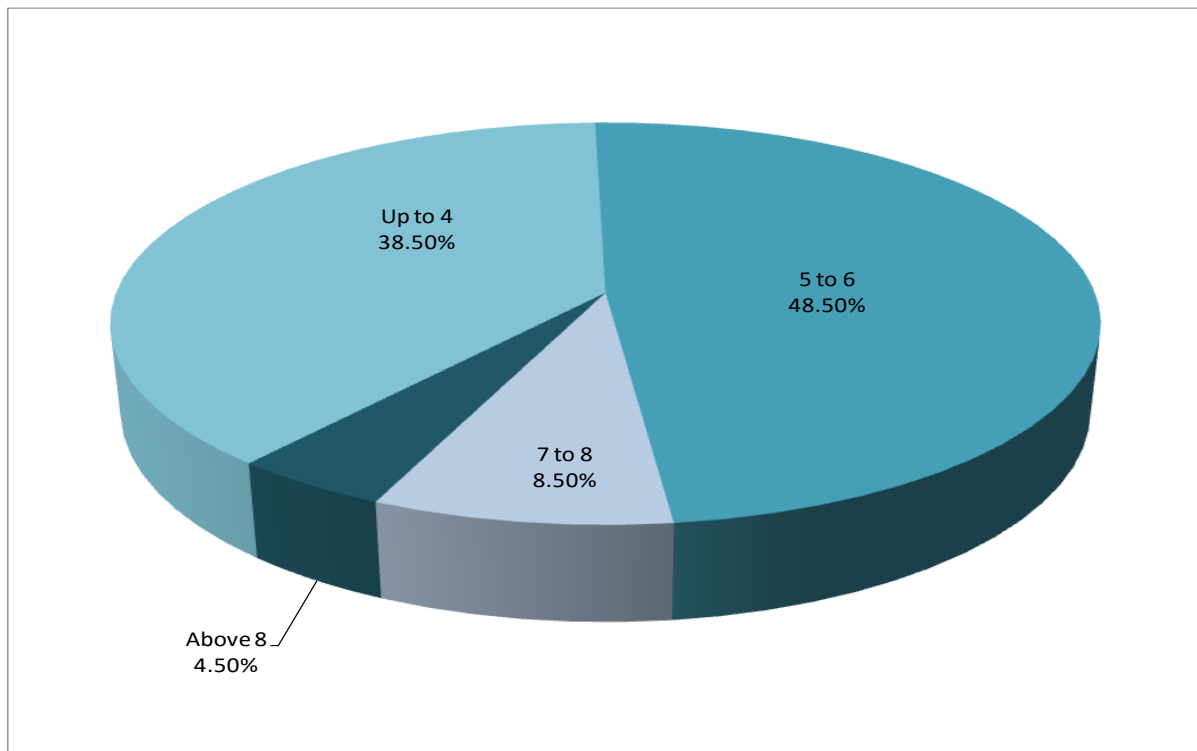
To give them good education, healthy standard of living, planned family is important. To avoid discrimination also, it is very important to have planned family. Number of members in the family is important factor for determining their role and responsibilities regarding particular member.

**Table no.5 -5: Number of members in the family**

<b>Number of Family Members</b>	<b>N</b>	<b>%</b>
Up to 4	77	38.50
5-6	97	48.50
7-8	17	8.50

Above 8	9	4.50
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Figure no.5-5: Number of members in the family**



The Table (5) shows majority (48.50%) were having 5 to 6 members in their family. 38.50% were having up to 4 members in the family. 8.50% were having 7 to 8 members in the family. It is also found that only 4.50% were having above 8 members in their family. It naturally knows that more members in the family have more responsibility.

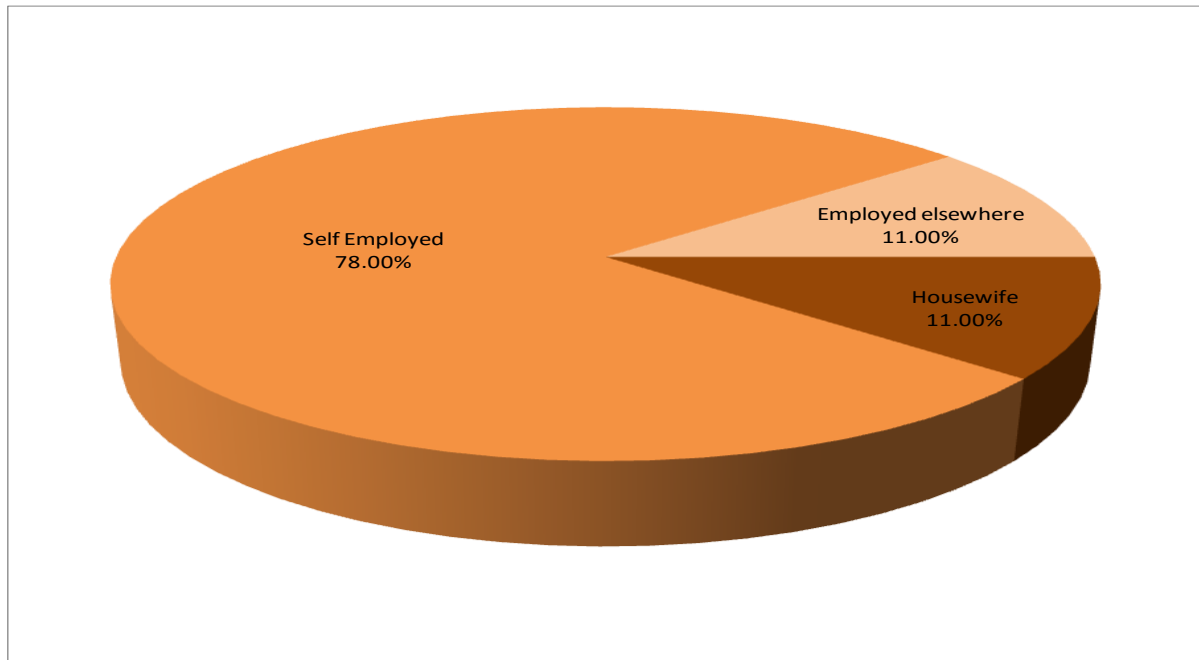
### **5.6 Occupation:**

Occupation is a set of actions, in which actions are cantered for economic functions. Family is a majority friendly group to which man belongs and most successful agent in the transmission of social heritage. It is their accountability to take care of their family.

**Table no.5 - 6: Employment status of beneficiary**

Employment status	N	%
Housewife	22	11.00
Self Employed	156	78.00
Employed elsewhere	22	11.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Figure no.5-6: Employment status of beneficiary**



From the table-6 it can be observed that most of the respondents i.e. 78% are self employed, followed by 11.00% are employed elsewhere, and only 11% are housewife. As it is observed that very less number of respondents is employed elsewhere and housewife.

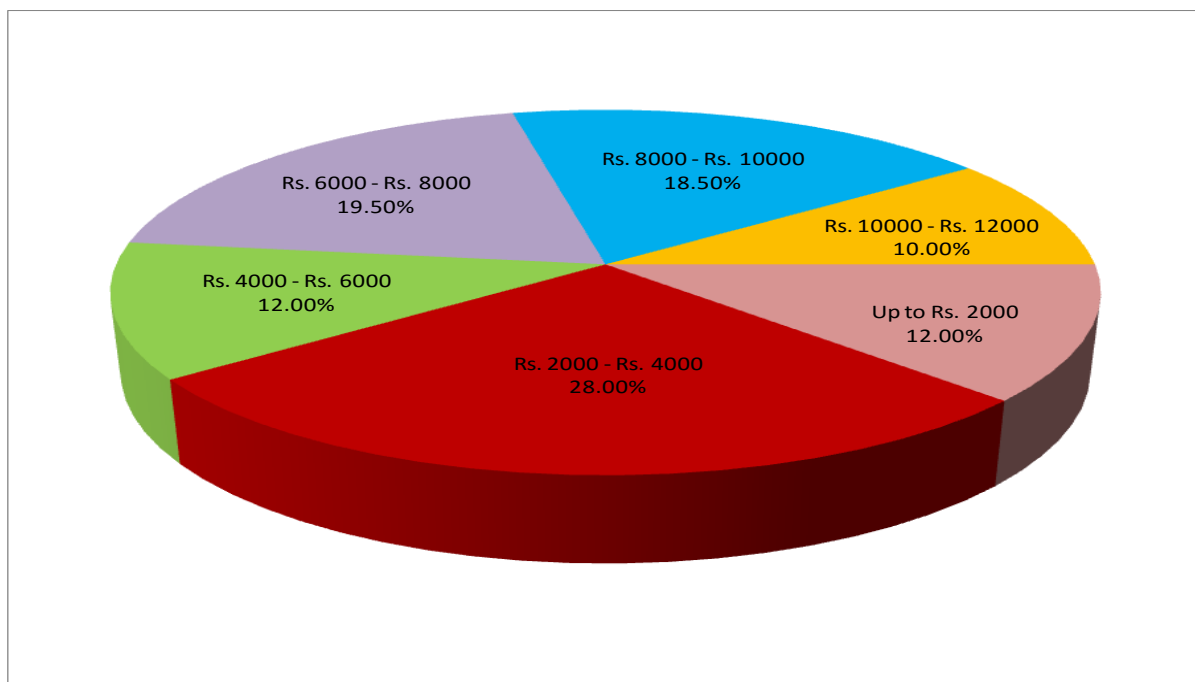
## **5.7 FAMILY INCOME**

Family income is most important factor for living a good life. More family income gives more benefits and satisfaction and less family income gives less benefits or satisfaction.

**Table no.5-7: Current monthly family income of beneficiary**

Monthly Income	N	%
Up to Rs. 2000	24	12.00
Rs. 2000 - Rs. 4000	56	28.00
Rs. 4000 - Rs. 6000	24	12.00
Rs. 6000 - Rs. 8000	39	19.50
Rs. 8000 - Rs. 10000	37	18.50
Rs. 10000 - Rs. 12000	20	10.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Figure no.5-7: Current monthly family income of beneficiary**



According to the table no-7, it was found that majority 28.00% of the respondents generate Rs 2000-Rs4000, 19.50% of the respondents are getting Rs 6000- Rs 8000, 18.50% of the respondents are getting Rs 8000-10000, and 12.00% each of the respondents are getting Rs 4000-Rs 6000 and up to Rs 2000. Low income cause more difficulties for poor people.

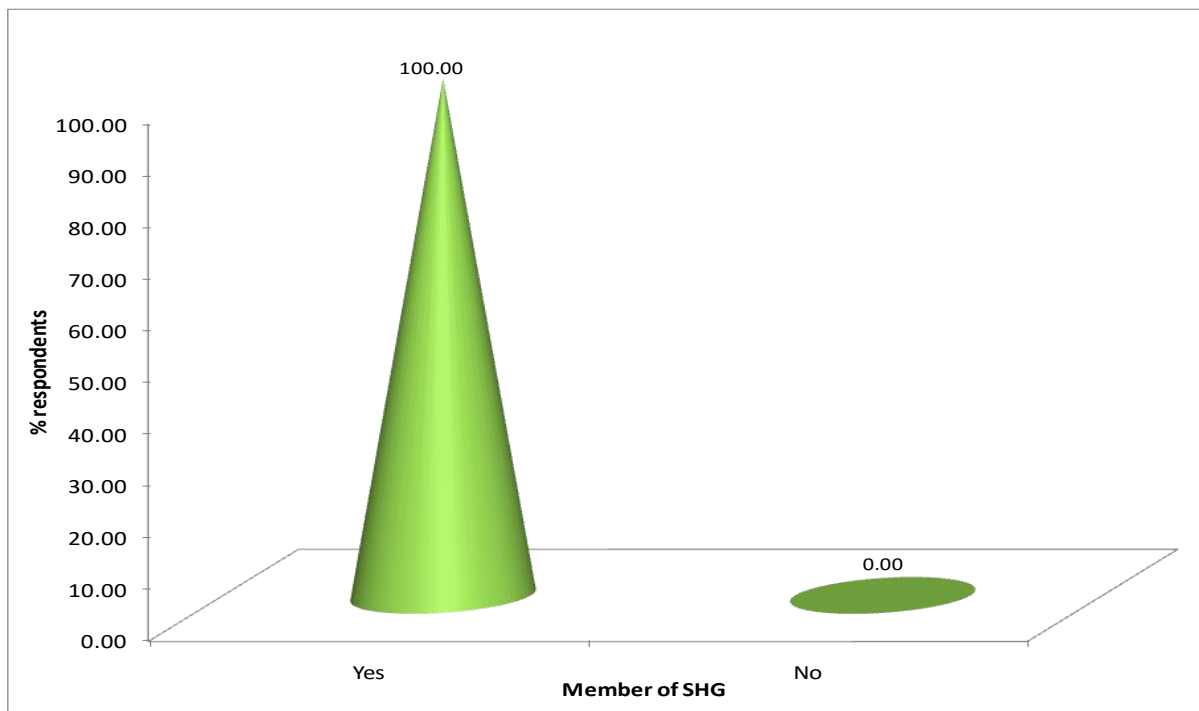
## **5.8 Member of self help group**

Association with SHG has made them to increase their self confidence level that helped them in exchange of ideas and participation and support from group members made them to express their views in community. So it is important to know the respondents are associated with SHG or not.

**Table no.5- 8: Are you a member of self help group?**

Response	N	%
Yes	200	100.00
No	0	0.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Figure no.5-8: Member of self help group**



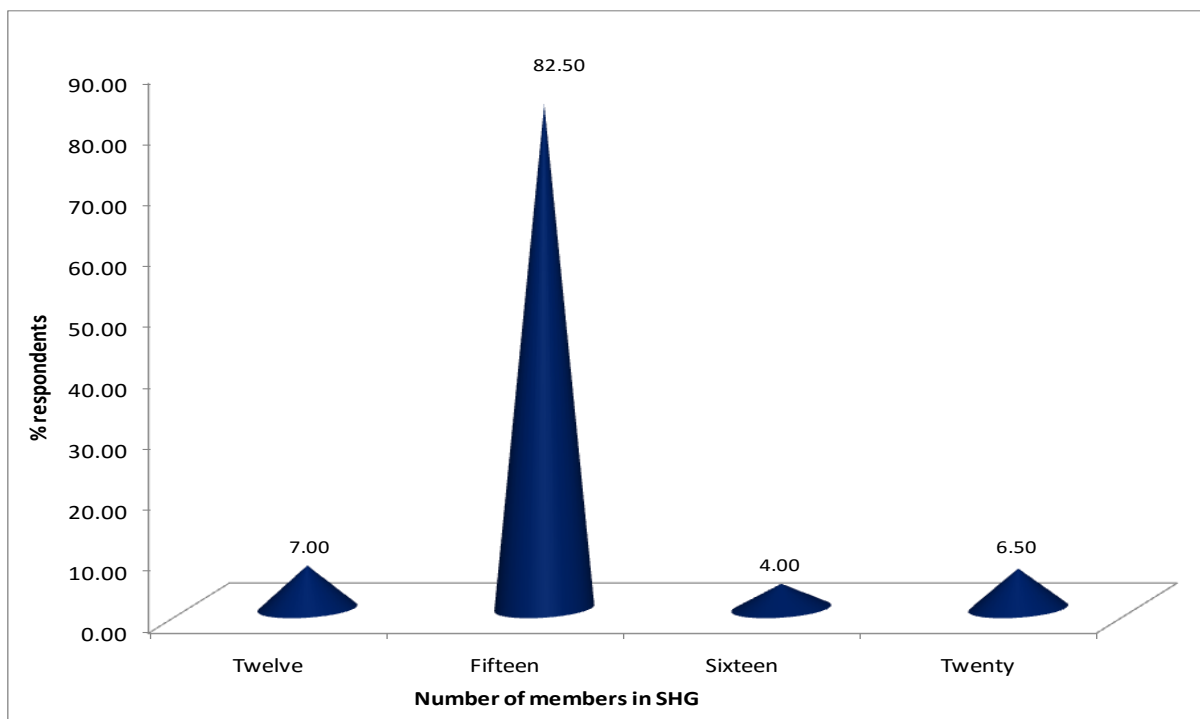
According to the table no. 8, it was found a very good result that all respondents are the member of self help group. Educated-uneducated, Employed-unemployed, Married – unmarried, whatever the women’s belongs to that particular category, SHG helps to empowered these women’s.

### **5-9 Numbers of members in SHG**

**Table no.5- 9: Number of members in SHG**

Members	N	%
12	14	7.00
15	165	82.50
16	8	4.00
20	13	6.50
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Figure no.5-9: Number of members in SHG**



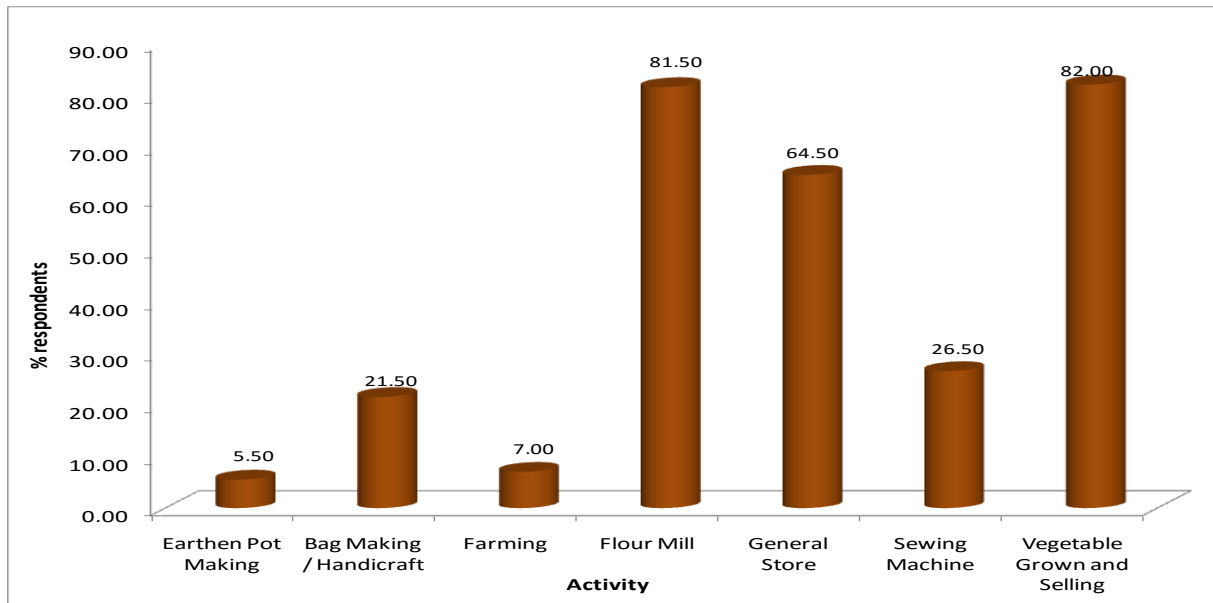
It is clearly shown that the majority 82.50% of numbers of members in SHG are belongs to 15 members, after that only 7.00% of number of member in SHG are belongs to 12 members and 6.50% category belongs to 20 members in SHG and lastly 4.00% a few members are belongs to 16 members in SHG. In this we find that mostly respondents are getting benefits in the groups which are related to 15 members in SHG.

### **5.10 Economic activity that SHG do for income generation**

**Table no.5- 10: Economic activity that SHG do for income generation**

Activity	N	%
Earthen Pot Making	11	5.50
Bag Making / Handicraft	43	21.50
Farming	14	7.00
Flour Mill	163	81.50
General Store	129	64.50
Sewing Machine	53	26.50
Vegetable Grown and Selling	164	82.00

**Figure no.5--10: Economic activity that SHG do for income generation**



According to the table no 10, shows that 82.00% of respondents are selling & grown vegetable, 81.50% of the respondents are having their own flour mill business, 64.50% of respondents are selling general store products, 26.50% of respondents are have their own sewing machine for stitching others cloths for income purpose, 21.50% of the respondents are involving in bag making and handicraft products, 7.00% of respondents are from farming and only 5.5% of the respondents are making earthen pot and then sell it. According to this most of the respondents are interesting in vegetable selling business and flour mill business.

## 5.11 Duration of Self Help Group membership

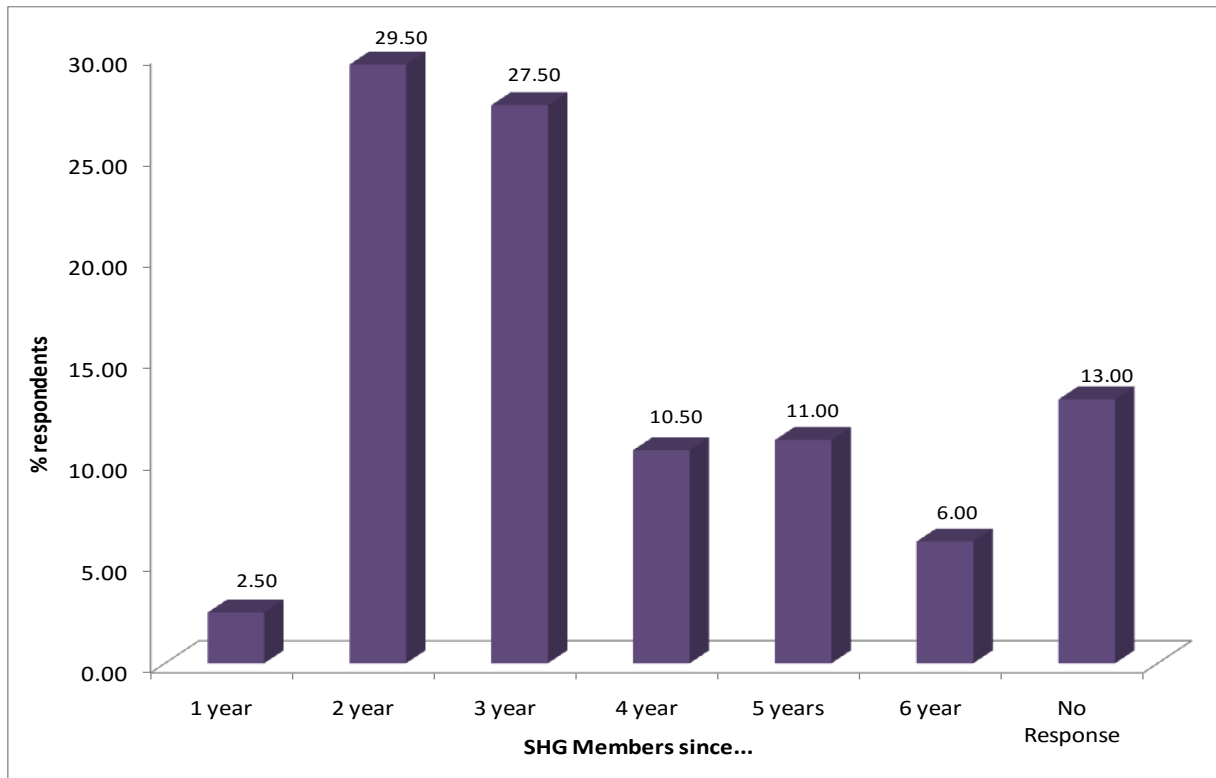
**Table no.5- 11: Member of self help group since.....**

<b>SHG Member since...</b>	<b>N</b>	<b>%</b>
1 year	5	2.50
2 year	59	29.50
3 year	55	27.50
4 year	21	10.50
5 years	22	11.00
6 year	12	6.00
No Response	26	13.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

Membership of self help group is vital factor for determine empowerment women socially and economically as long period membership show more empowered and less period membership show slow empowered. According to the table no. 11 shows, 29.50% of respondents are member of SHG since 2 years, 27.50% of the respondents are the member of SHG since 3 years, 13.00% of the respondents are not associated with SHG, 11.00% of the respondents are the members of SHG since 5 years, 10.50% of the respondents are the member of SHG since 4 years , only 6.00% of the respondents are the member of SHG since 6 years and lastly only 2,50% of the respondents are new comers for SHG which associated with since 1 years.

**Figure no.5-11: Membership of self help group**





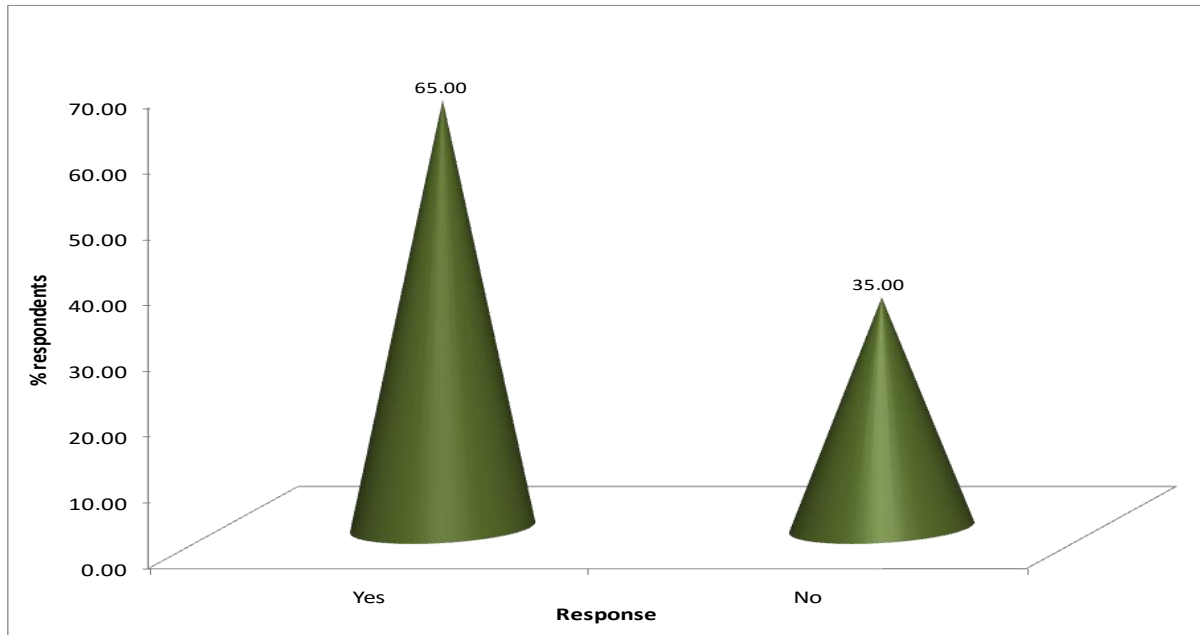
## 5.12 Loan taken from SHG

**Table no.5- 12: Have you taken loan from SHG?**

Response	N	%
Yes	130	65.00
No	70	35.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

According to the table no. 11, it is clearly shown that 65.00% of the respondents are taking loan from SHG and 35.00% of the respondents are not taking the loan from SHG.

**Figure no.5-12: Loan taken from SHG**



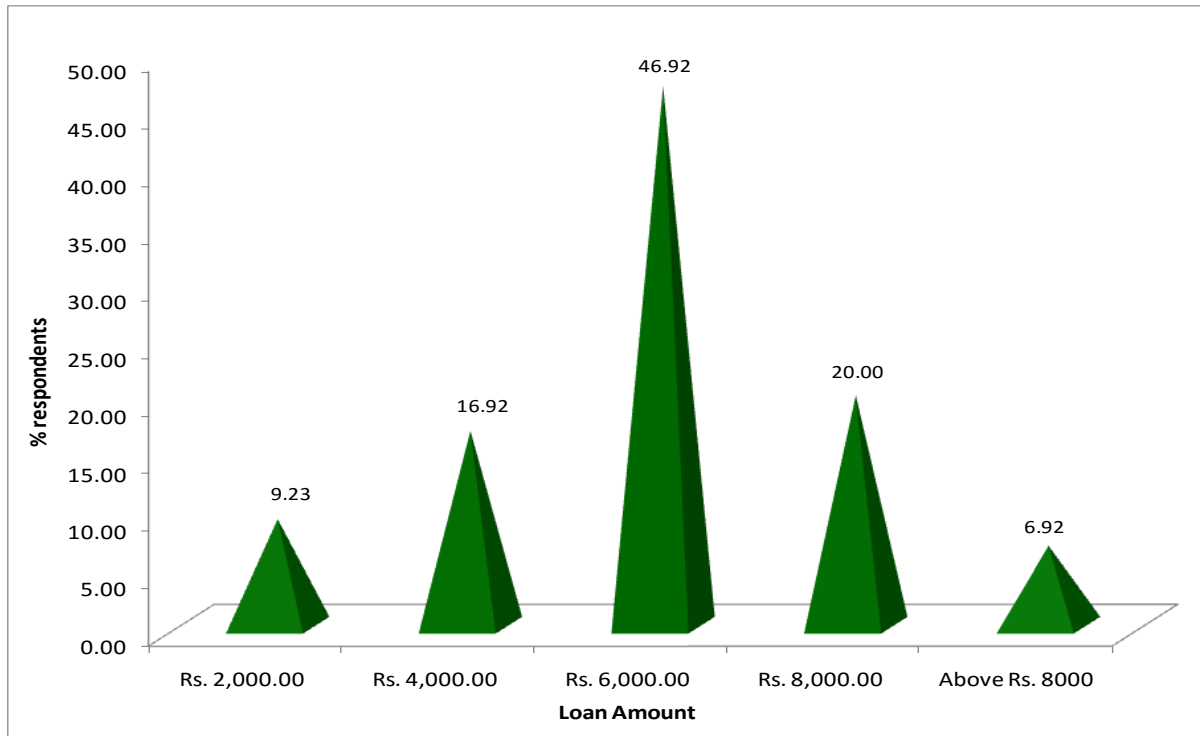
### 5.13 Amount of loan taken

**Table no.5- 13: Amount of loan taken**

Loan Amount	N	%
Rs. 2,000.00	12	9.23
Rs. 4,000.00	22	16.92
Rs. 6,000.00	61	46.92
Rs. 8,000.00	26	20.00
Above Rs. 8000	9	6.92
<b>Total</b>	<b>130</b>	<b>100.00</b>

This table no. 13 shows that, the highest amount of loan taken in category of Rs 6000 and the respondents percentage is 46.92 %, 20.00 % of the respondents are taking loan amount Rs 8000, 16.92% of the respondents taken loan amount Rs 4000, and only 9.23% and 6.92% respondents taken loan amount Rs 2000 and Rs 8000 above. Higher amount show the higher responsibility regarding instalments with interest.

**Figure no.5-13: Amount of loan taken**



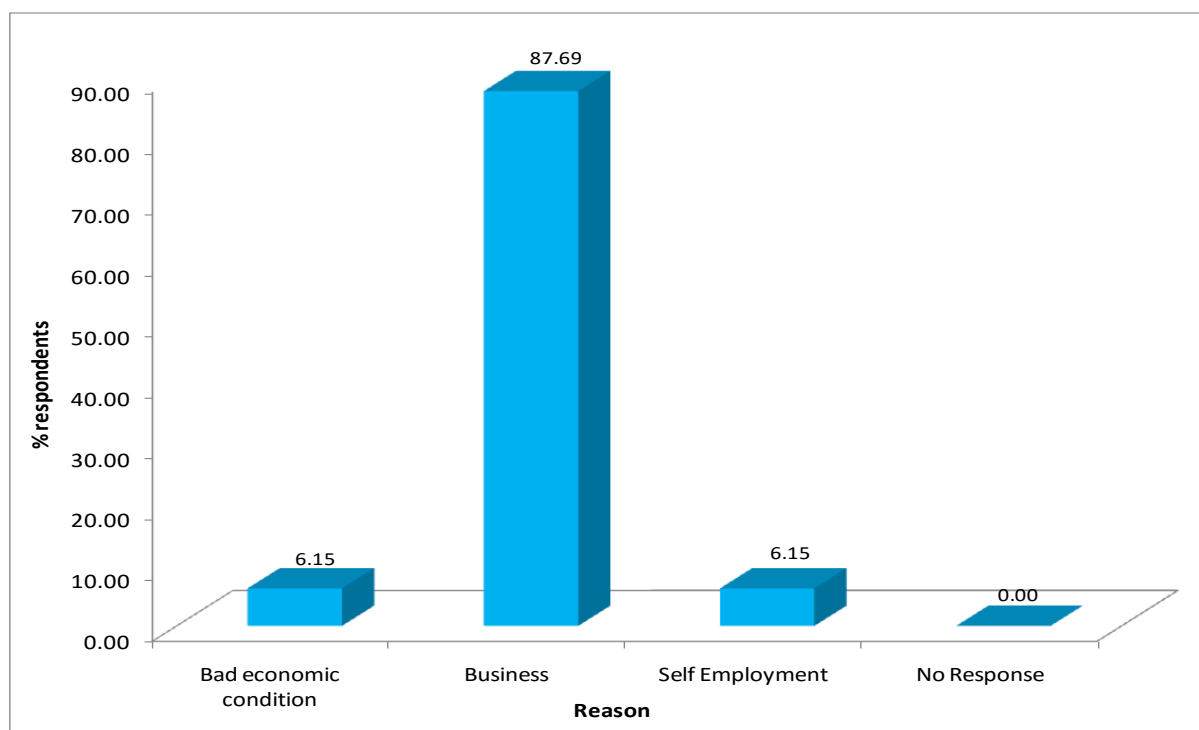
### 5.14 Reason /purpose of taking loan

**Table no.5- 14: Reason /purpose of taking loan**

Reason	N	%
Bad economic condition	8	6.15
Business	114	87.69
Self Employment	8	6.15
No Response	0	0.00
<b>Total</b>	<b>130</b>	<b>100</b>

According to the table no.14, find that most of the respondents (87.69%) taken loan amount for the purpose of starting their own business and 6.15% of the respondents taken loan amount for the reason for bad economic condition and for self employment purpose.

**Figure no.5-14: Reason /purpose of taking loan**



### 5.15 Interest rate on loan taken by SHG

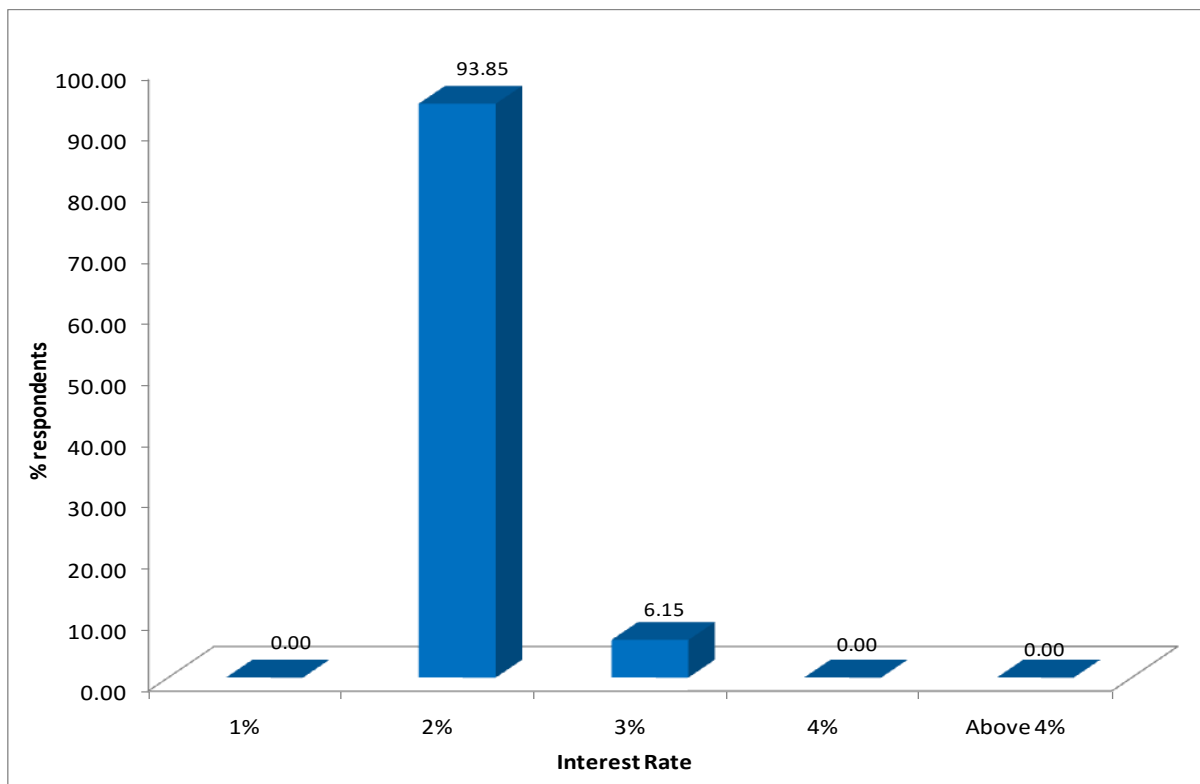
**Table no.5- 15: Interest rate on loan taken by SHG**

Interest Rate	N	%
1%	0	0.00
2%	122	93.85
3%	8	6.15
4%	0	0.00
Above 4%	0	0.00

<b>Total</b>	<b>130</b>	<b>100.00</b>
--------------	------------	---------------

This table no. 15 shows that, 93.85% of the respondents gave 2% interest rate on loan which is very low interest and only 8.00% of the respondents gave high rate that is 3.00%. High rate show more payment for instalments and vice versa

**Graph no.5-15: Interest rate on loan taken by SHG**



### 5.16. Monthly Installment on Loan

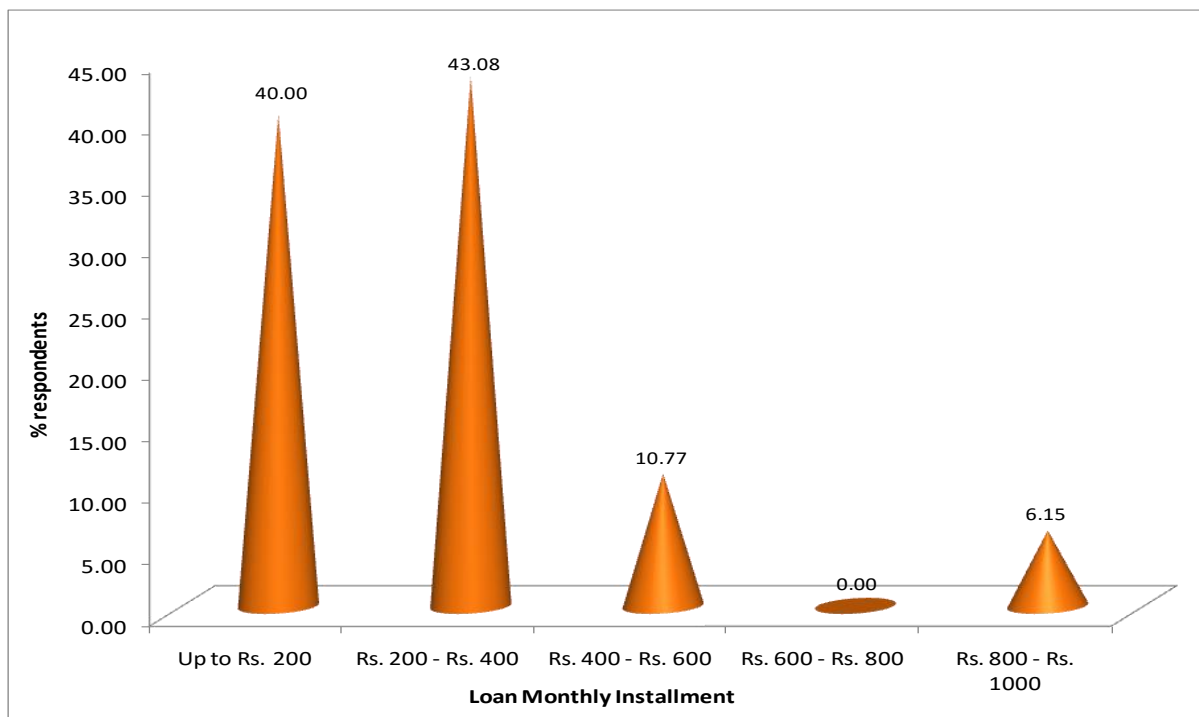
**Table no.5- 16: Monthly Installment on Loan**

Monthly Installment	N	%
Up to Rs. 200	52	40.00

Rs. 200 - Rs. 400	56	43.08
Rs. 400 - Rs. 600	14	10.77
Rs. 600 - Rs. 800	0	0.00
Rs. 800 - Rs. 1000	8	6.15
<b>Total</b>	<b>130</b>	<b>100.00</b>

According to this table no.16 shows that, 43.08% of the respondents paid Rs 200 – Rs 400 per month. 40.00% of the respondents paid up to Rs 200 per month, 10.77% of the respondents paid Rs 400 – Rs 600 per month which is high , and only 6.15% of the respondents paid too high amount Rs 800 – Rs 1000.

**Figure no.5-16: Monthly Installment on Loan**



### 5.17 Amount of loan paid till date

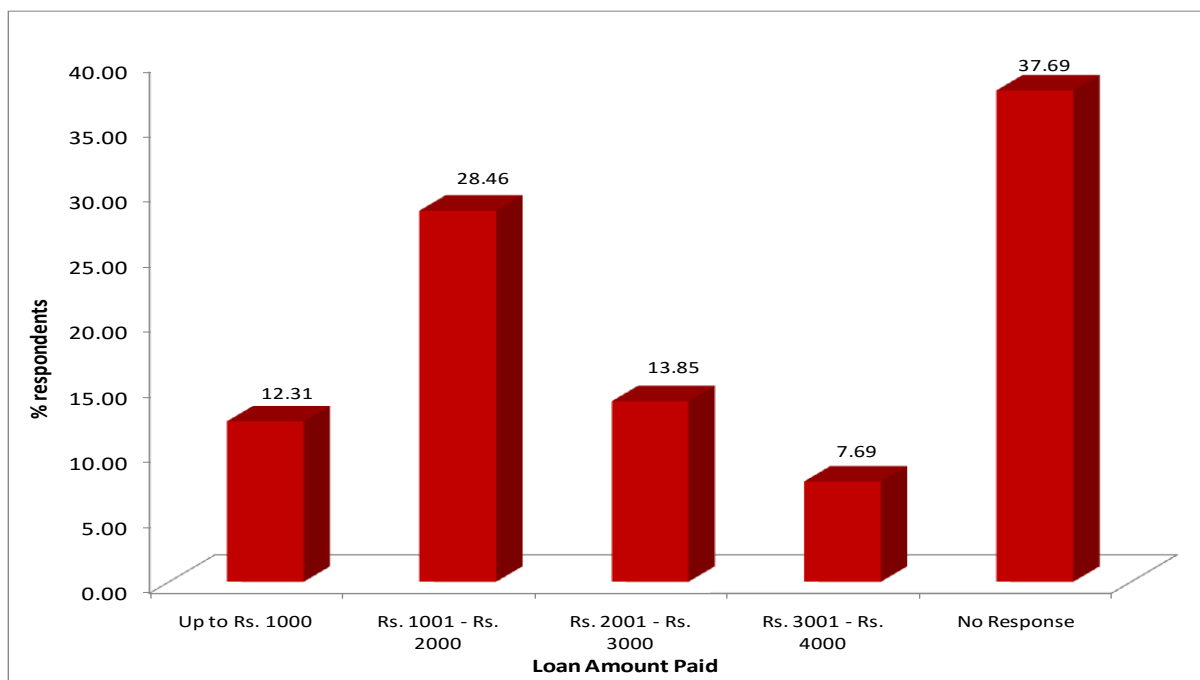
**Table no.5- 17: Amount of loan paid till date**

Loan Amount Paid	N	%
------------------	---	---

Up to Rs. 1000	16	12.31
Rs. 1001 - Rs. 2000	37	28.46
Rs. 2001 - Rs. 3000	18	13.85
Rs. 3001 - Rs. 4000	10	7.69
No Response	49	37.69
<b>Total</b>	<b>130</b>	<b>100.00</b>

According to this table no. 17 shows that, 37.69% of the respondents are those which not able to paid any loan amount till date, 28.46% of the respondents paid Rs 1001 – Rs 2000 loan amount till date, 13.85% of the respondents paid Rs 2001 – Rs 3000 loan amount till date, and 12.31% of the respondents paid up to Rs 1000 loan amount and only 7.69% of the respondents paid Rs 3001 – Rs 4000 loan amount

**Figure no.5-17: Amount of loan paid till date**



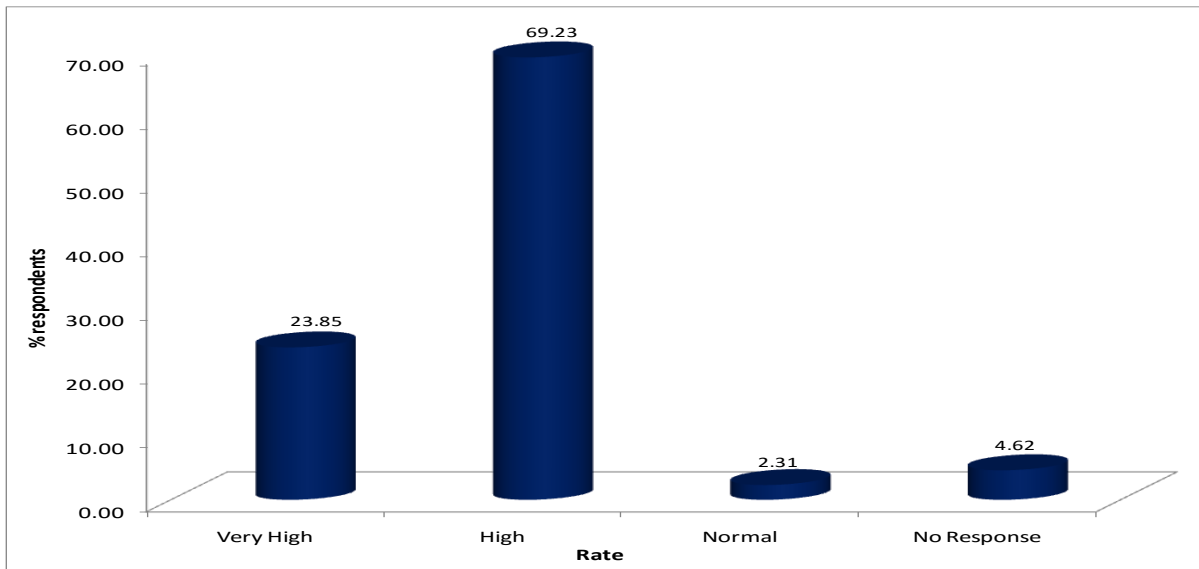
## 5.18 Opinion regarding interest rate on loan taken

**Table no.5- 18: Opinion regarding interest rate on loan taken**

Rate	N	%
Very High	31	23.85
High	90	69.23
Normal	3	2.31
No Response	6	4.62
<b>Total</b>	<b>130</b>	<b>100.00</b>

According to this Table no. 18 shows that, 69.23% of the respondents felt that interest rate of loan are high, 23.85% of the respondents said that interest of loan are very high, 4.62% of the respondents gave nothing response about interest of loan, and only 2.31% of the respondents said that it is normal interest rate which is very low ratio.

**Figure no.5-18: Opinion regarding interest rate on loan taken**



## 5.19 Work before joining SHG

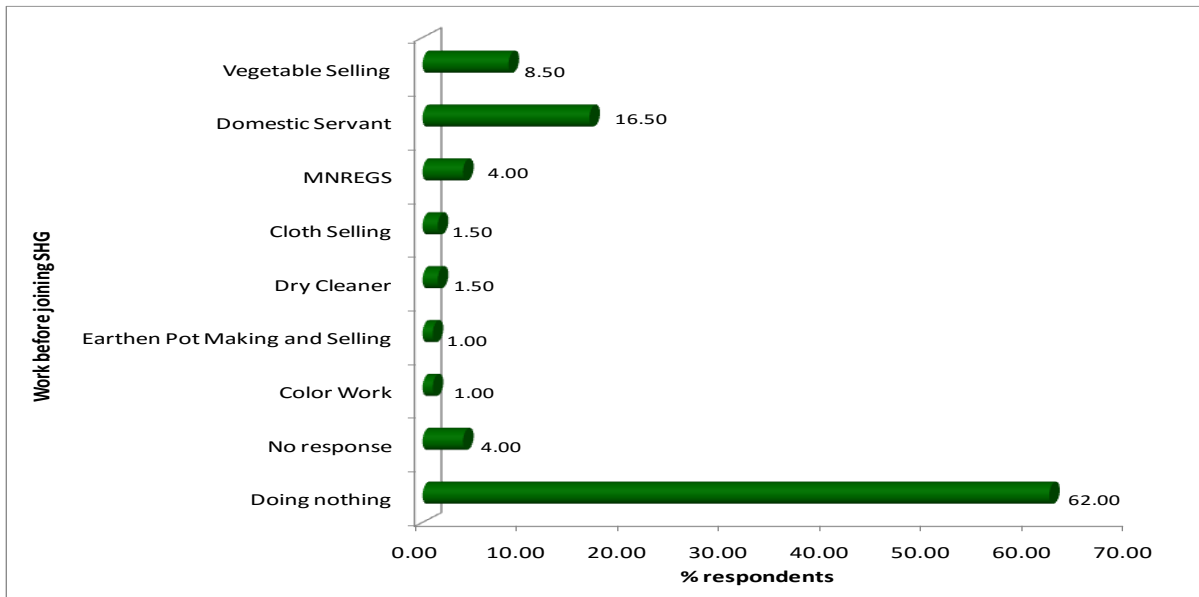
**Table no.5- 19: Work before joining SHG**



<b>Work</b>	<b>N</b>	<b>%</b>
Vegetable Selling	17	8.50
Domestic Servant	33	16.50
Maha Narega	8	4.00
Cloth Selling	3	1.50
Dry Cleaner	3	1.50
Earthen Pot Making and Selling	2	1.00
Color Work	2	1.00
No response	8	4.00
Doing nothing	124	62.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

According to this table no. 19 shows that, the majority (62.00%) of the respondents are not doing nothing, 16.50% of the respondents are domestic servant, 8.50% of the respondents are selling vegetables, 4.00% of the respondents are in maha narega (National Rural Employment Scheme) and same ration are giving no response, 1.5% of the respondents worked in dry cleaner shop and selling clothes, and only 1.00% of the respondents worked for color and making or selling earthen pot.

**Figure no.5-19: Work before joining SHG**



## 5.20 Work after joining SHG

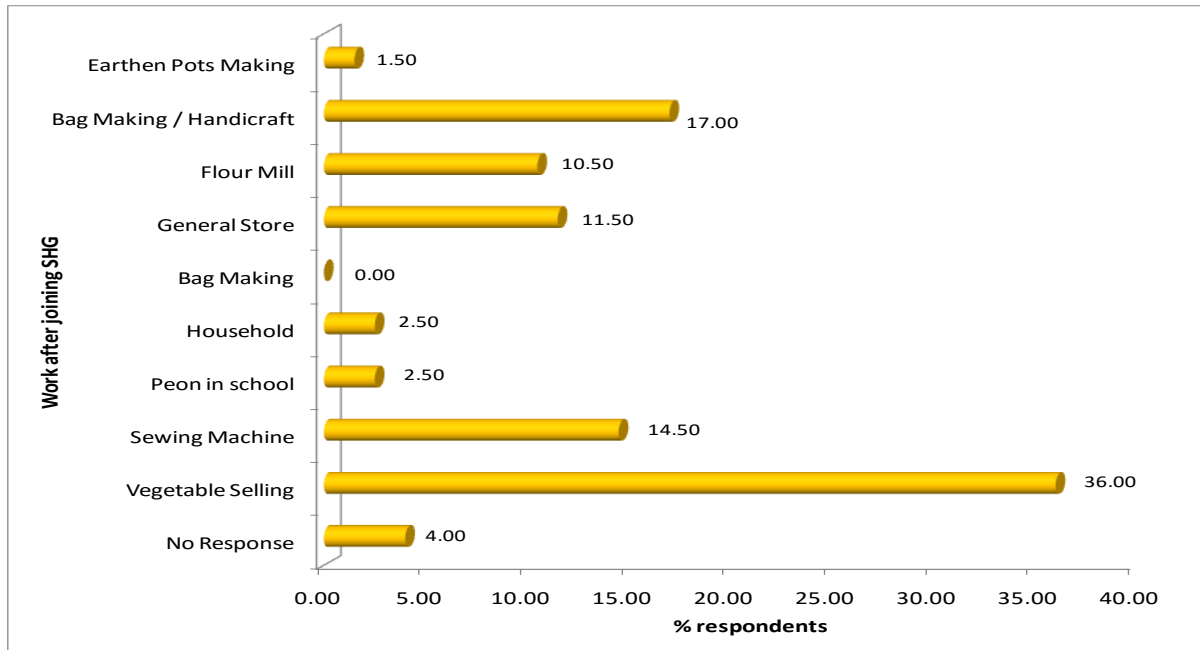
**Table no.5- 20: Work after joining SHG**

Work	N	%
Earthen Pots Making	3	1.50
Bag Making / Handicraft	34	17.00
Flour Mill	21	10.50
General Store	23	11.50
Household	5	2.50
Peon in school	5	2.50
Sewing Machine	29	14.50
Vegetable Selling	72	36.00
No Response	8	4.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

According to this table no. 20 shows that, after joining self help group majority (36.00%) of the respondents occupied in selling vegetables, 17.00% of the respondents worked for handicraft /bag making, 14.50% of the respondents stitched cloths through sewing machine, 11.50% of the

respondents have their own general store, 10.50% of the respondents have their own flour mill, 4.00% of the respondents gave no response, 2.50% of the respondents worked in school as a peon and others one household, and only 1.50% of the respondents occupied in making earthen pot.

**Figure no.5 -20: Work after joining SHG**



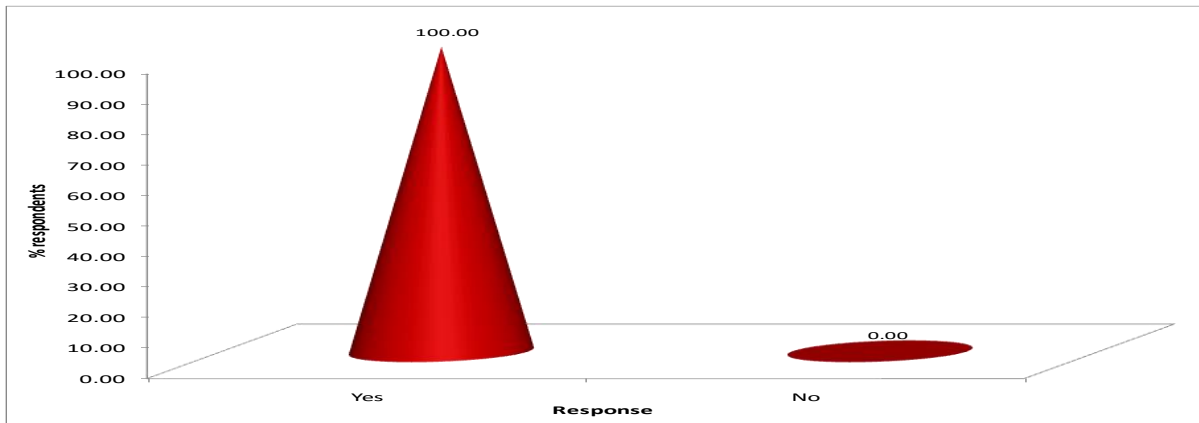
### 5.21 Training received in SHG

**Table no.5- 21: Did you receive training for work you are doing in SHG?**

Response	N	%
Yes	200	100.00
No	0	0.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

This table no. 21 shows that, all the respondents (100%) received the training for work in SHG. Training is very important factory for empowering women as in this they know how to do work, how they are vital for family, knowing social and economic information etc.

**Figure no.5-21: Training received in SHG**



## 5.22 Monthly Income before and after joining SHG

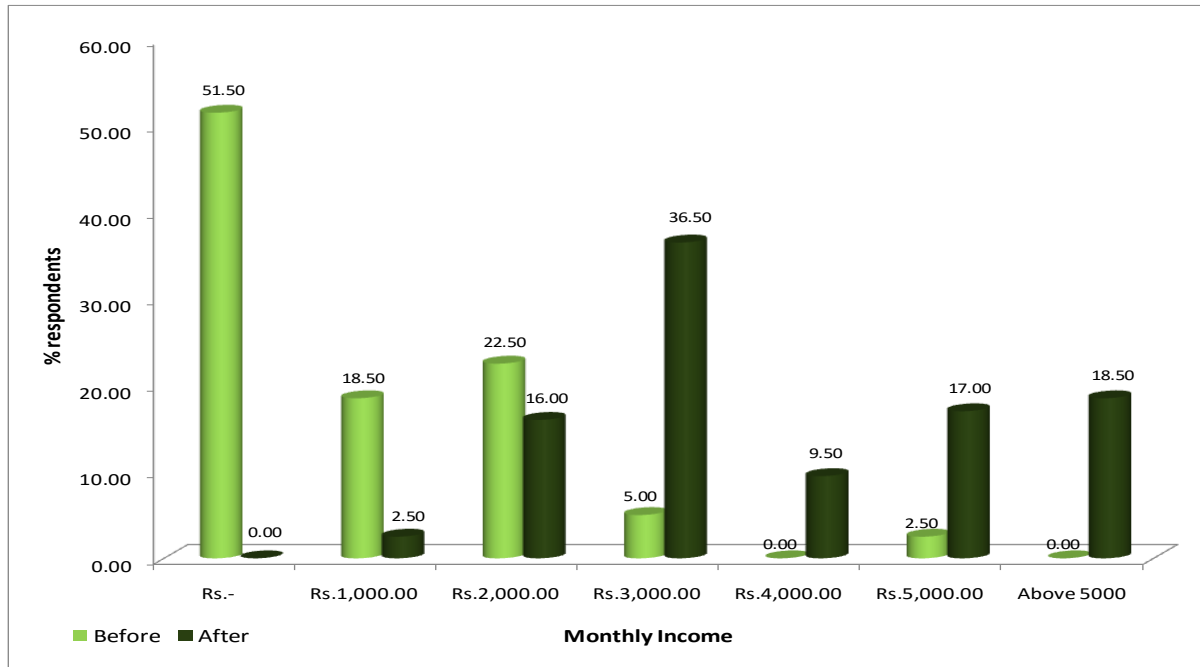
**Table no.5- 22: Monthly Income before and after joining SHG**

Monthly Income	Before		After	
	N	%	N	%
Rs. 0	103	51.50	0	0.00
Rs. 1,000	37	18.50	5	2.50
Rs. 2,000	45	22.50	32	16.00
Rs. 3,000	10	5.00	73	36.50
Rs. 4,000	0	0.00	19	9.50
Rs. 5,000	5	2.50	34	17.00
Above Rs. 5000	0	0.00	37	18.50
<b>Total</b>	<b>200</b>	<b>100.00</b>	<b>200</b>	<b>100.00</b>

According to this table no.22 shows that, Majority (51.50%) of the respondents earned nothing before joining SHG but on the other hand 0.00% of the respondents showed their monthly income in the category of Rs 0. It's good that after join SHG everybody eared something. 22.50% of the respondents before joining SHG their monthly income in the category of Rs 2000 and after joining SHG in same category only 16.00% of the respondents earned the same amount, before joining SHG 18.50% of the respondents earned Rs 1000 and after joining SHG in same category only 2.50% of the respondents earned same amount, only 5.00% of the respondents earned Rs 3000 before joining SHG and on the other hand after joining SHG in

same category this % increase that is 36.50%, 2.50% of the respondents earned Rs 5000 before joining SHG and in the same category after joining SHG 17.00% of the respondents earned Rs 5000, 0.00% of the respondents earned Rs 4000 and Rs 5000 above and in the same monthly income after joining SHG their percentage increased 9.50% and 18.50% respectively.

**Figure no.5-22: Monthly Income before and after joining SHG**



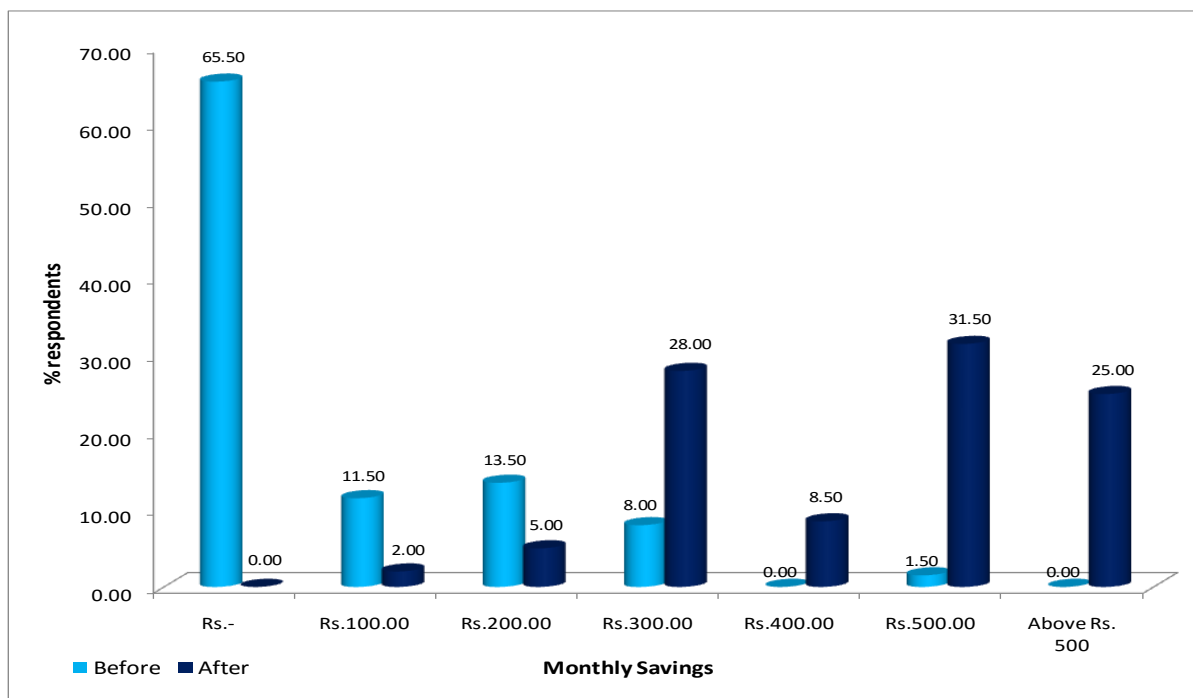
### 5.23 Monthly Savings before and after joining SHG

**Table no.5- 23: Monthly Savings before and after joining SHG**

Monthly Savings	Before		After	
	N	%	N	%
Rs. -	131	65.50	0	0.00
Rs. 100.00	23	11.50	4	2.00
Rs. 200.00	27	13.50	10	5.00
Rs. 300.00	16	8.00	56	28.00
Rs. 400.00	0	0.00	17	8.50
Rs. 500.00	3	1.50	63	31.50
Above 500	0	0.00	50	25.00
<b>Total</b>	<b>200</b>	<b>100.00</b>	<b>200</b>	<b>100.00</b>

This table no.23 shows that the impact of monthly savings before and after joining SHG. 65.50% of the respondents saved zero savings before joining SHG, 13.50% of the respondents saved Rs 200,11.50% of the respondents saved only Rs 100, 8.00% of the respondents saved Rs 300, 1.50% of the respondents saved 500 and 0.00% of the respondents saved Rs 400 and Rs 500 above before joining self help group. On the other hand after joining SHG, 31.50% of the respondents saved Rs 500 per month, 25.00% of the respondents saved Rs 500 above per month, 28.00 % of the respondents saved Rs 300, 8.50% of the respondents saved Rs 400, 5.00% of the respondents saved only Rs 200 per month and only 2.00% of the respondents saved Rs 100 per month and 0.00% of the respondents saved zero amount.

**Figure no.5-23: Monthly Savings before and after joining SHG**



## 5.24 Effect of joining SHG on different life aspects

This analysis is based on opinion on five points from strongly disagrees ....to ..... Strongly disagree regarding conditions after joining SHG, to what extent respondents support these statements.

**Table no.5- 24: Effect of joining SHG on different life aspects**

Item	%	Rank
1. After joining SHG there is increase in monthly income of family	83.30	23
2. After joining SHG there is increase in monthly savings of family	82.90	25
3. After joining SHG there is increase in my personal monthly income	79.20	33
4. After joining SHG there is increase in my personal monthly savings	80.00	31
5. Joining SHG helped me in meeting my family's daily expenses.	84.10	21
6. Now (after joining SHG) I am able to purchase more of my desired items.	79.60	32
<b>7. I can support my family financially</b>	<b>91.10</b>	<b>10</b>
8. I can purchase for my children the thing of their requirement	86.00	17
9. Now I can purchase things for my personal use	81.50	28
<b>10. I feel that my status in society is increased</b>	<b>95.00</b>	<b>3</b>
<b>11. I feel increase in my self-esteem /Self-worth</b>	<b>96.50</b>	<b>2</b>
<b>12. My self-confidence has increased</b>	<b>96.80</b>	<b>1</b>
<b>13. I became more self-reliant</b>	<b>96.50</b>	<b>2</b>
<b>14. I have become more financially / economical independent</b>	<b>91.90</b>	<b>7</b>
<b>15. After joining SHGs my moral is boosted significantly</b>	<b>93.40</b>	<b>6</b>
16. Improvement in saving habits (started saving more) after joining SHG	84.60	19
17. Mobility is increased (started going to banks, school of children and other offices for work) after joining SHGs	79.20	34
18. Increased feeling of co-operation and helping others	88.80	14
19. Fear of talking to other is removed and started talking with others more confidently after joining SHGs	90.20	11
20. Started helping other women in my SHG group and in society as well	85.90	18
21. Feeling more socially responsible mean started focusing on social issues like condition of women in society, health, and problems related to child etc.	87.40	15
22. Legal awareness is increased i.e. started taking interest in political discussions	84.30	20
23. I have become more aware about my own rights and I can fight for my own rights	90.00	12
24. Now I can oppose my harassment / abuse	91.60	8

Item	%	Rank
25. Started evaluating working and contribution of political parties in power as well as those in opposition	82.00	26
26. Started discussing issues like Demonetization ("Notebandi"), GST and its impact on society	80.10	30
27. Evaluating and making my own opinion regarding decisions taken by current government with regard to issues like Demonetization ("Notebandi"), GST and various new schemes launched by the government.	79.60	32
28. Increased participation in decision making of day-to-day activities of my home.	87.30	16
29. I can take my own decision to save my money	83.70	22
30. I can take decide on my own how to use my own income.	83.10	24
31. I can participate on activities outside my income like going to bank, school, etc.	80.80	29
<b>32. My relationship with my peers is improved</b>	<b>94.80</b>	<b>4</b>
33. I can purchase own property/ Assets in my individual capacity	63.00	35
<b>34. Increased assertiveness about any issues</b>	<b>91.20</b>	<b>9</b>
<b>35. Increased awareness about health and hygiene issues</b>	<b>93.80</b>	<b>5</b>
<b>36. Become more aware about my personal health and hygiene</b>	<b>93.80</b>	<b>5</b>
37. Started tatting interest in studies of my own children	89.50	13
38. Started reading newspaper and other reading materials to become more aware about our society in which we live	81.70	27

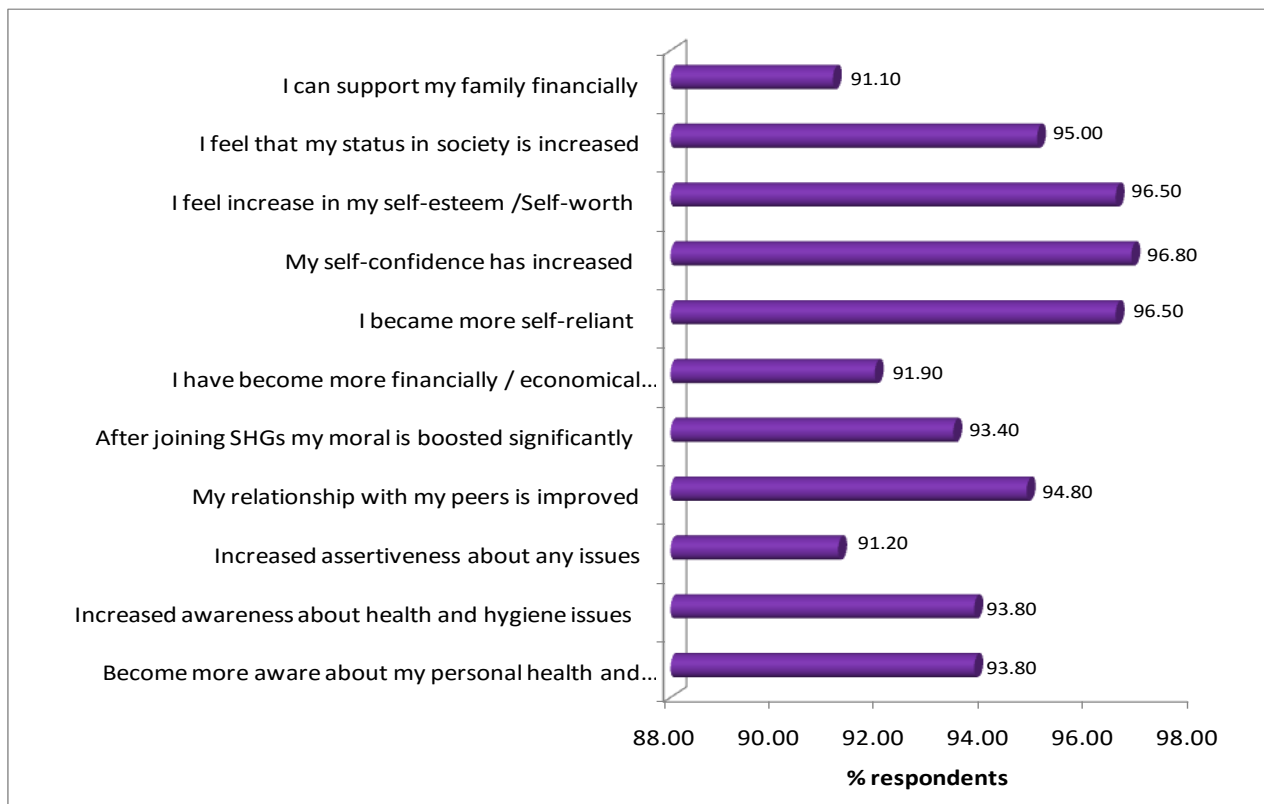
Table 24 shows effects of joining SHG on different life aspects of SHG members. From the table it can be observed that the most significant impact after joining SHG was on personality of SHG members. The respondents revealed that after joining SHG they become more self-confident. Their feeling of self esteem increased significantly and they become more self reliant. Their status in society increased. On the second position they become their relationship with the peers in the society was improved and they become more aware about health and hygiene issues. Their moral was boosted significantly. Thirdly their financial status improved significantly they become financial independent and are able to help their family members, they can better take care of their kids. They can buy good cloths for their children and for them as well. Hence these were (discussed above) the major areas in which the situation of SHG members increased significantly. Their awareness regarding social issues also increases significantly. SHG members now can participate in discussions regarding political matters, social issues etc. they can now talk



to anyone in the society with more confidence. They can participate in family matters and have their say. They can take their own decision regarding financial and social issues.

Hence it can be seen that although the situation improved in almost all the areas of life but the impact on certain areas was more significant than others. If we divide all the parameters given in the table above in four factors namely economic factor, personality factor, awareness and support factors, the impact was most significant on personality factor second was on support factor that is they can support their children and families more as compare to time when they were not SHG members. After support the significant impact was upon awareness that is their awareness regarding social issues, political issues, health and hygiene etc. was increased. Among the four factors the least significant impact was on economic factor if all the four factors compared. Therefore becoming SHG members has improved the life of SHG members significantly after becoming SHG members.

**Figure no.5- 24: Effect of joining SHG on different life aspects**



## 5.25 Factor wise Analysis

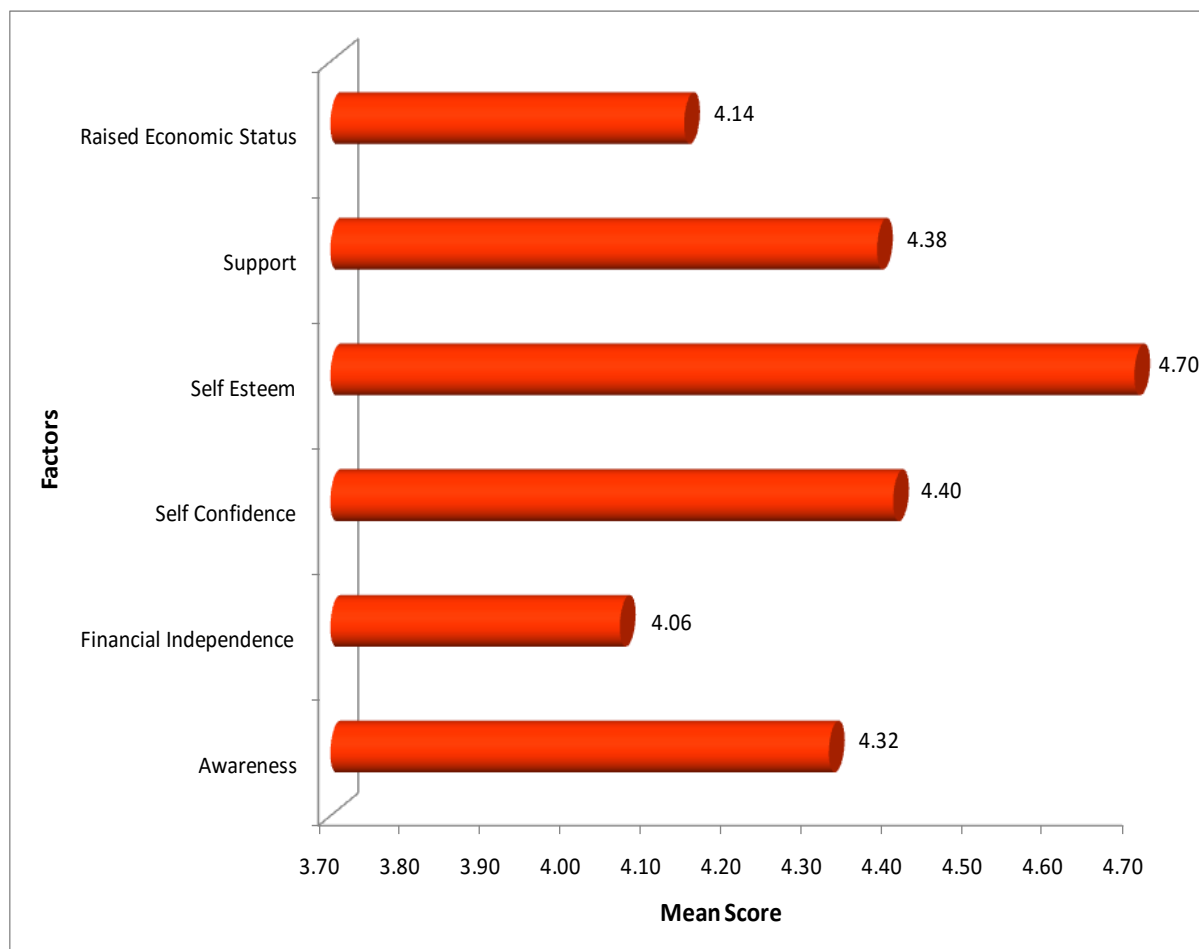
This table no. 25 show that the factor wise rank which means how the respondents are increased their factor score wise which is mentioned in the table-

**Table no.5- 25: Factor wise Score**

<b>Factor</b>	<b>Mean</b>	<b>SD</b>	<b>Rank</b>
Raised Economic Status	4.14	0.33	5
Support	4.38	0.38	3
Self Esteem	4.70	0.31	1
Self Confidence	4.40	0.23	2
Financial Independence	4.06	0.32	6
Awareness	4.32	0.29	4

According to this table respondents gave their opinion regarding their change factor after joining SHG and rank them accordingly. Hence it can be seen that although the situation improved in almost all the areas of life, but according to this respondents thought that firstly they increased their Self esteem after that Self confidence, support, awareness, raised economic status and then financial independence.

**Figure no.5- 25: Factor wise Score**



## 5.26 Changes in the life style factors after joining SHG

This analysis is based on rating regarding change in Socio-economic status after joining SHG on four point scale (Decreased to highly increased in socio-economic status)

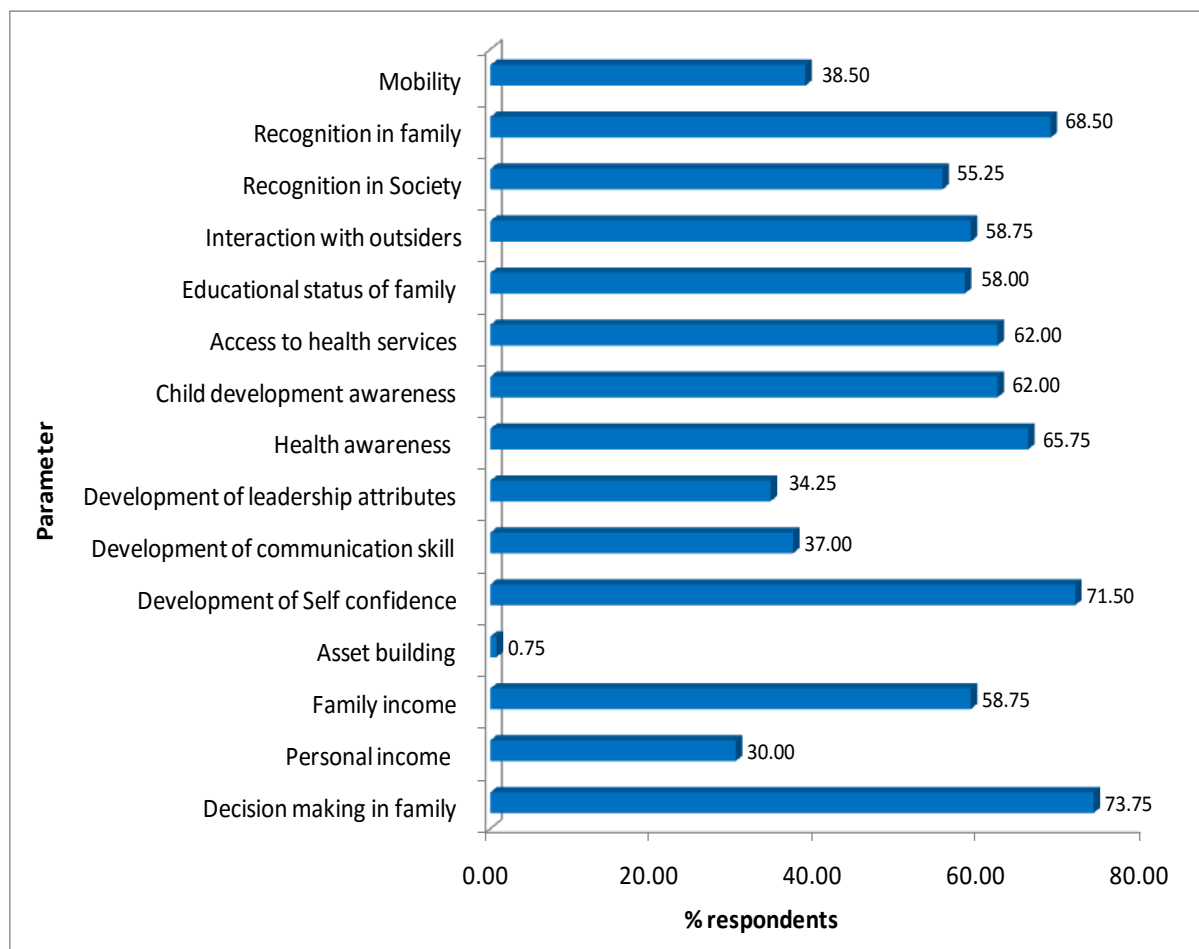
**Table no.5- 26: Changes in the life style factors after joining SHG.....**

Parameter	%	Rank
1. Mobility	38.50	11
2. Recognition in family	68.50	3

3. Recognition in Society	55.25	10
4. Interaction with outsiders	58.75	7
5. Educational status of family	58.00	9
6. <b>Access to health services</b>	<b>62.00</b>	<b>5</b>
7. <b>Child development awareness</b>	<b>62.00</b>	<b>5</b>
8. <b>Health awareness</b>	<b>65.75</b>	<b>4</b>
9. Development of leadership attributes	34.25	13
10. Development of communication skill	37.00	12
11. <b>Development of Self confidence</b>	<b>71.50</b>	<b>2</b>
12. Asset building	0.75	15
13. Family income	58.75	7
14. Personal income	30.00	14
15. <b>Decision making related to financial matters of family</b>	<b>73.75</b>	<b>1</b>

Table 26 shows changes in the life style factor of SHG members after joining SHG. Table 29 shows the extent of change in particular area in terms of percentage points. Hence the most significant impact was in decision making related to financial matters of family. Second development of self-confidence means their self-confidence increased significantly. On the third position their recognition in the family increased significantly, they have become aware about their health and their child's development, access to health services improved. Hence these were the areas where impact of becoming SHG members was highly significant. Moderately improved areas were recognition in society, interaction with outsiders, educational status of family and family income. The least significant impact was on mobility, asset building, personal income, development of communication skill, development of leadership attributes

**Figure no.5- 26: Changes in the life style factors after joining SHG.....**



## 5.27 Extent of Change in Life Style due to joining SHG

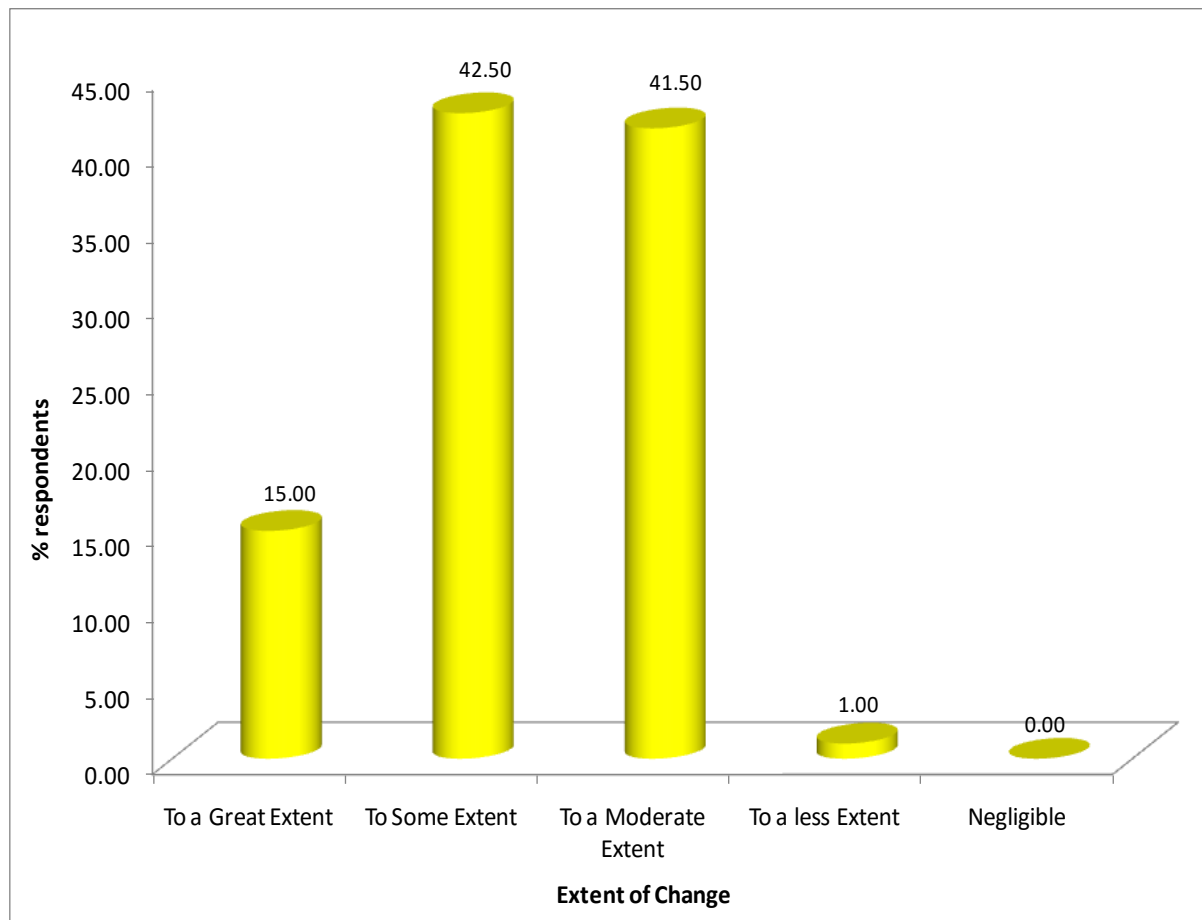
**Table no.5- 27: Extent of Change in Life Style due to joining SHG**

Extent of Change	N	%
To a Great Extent	30	15.00
To Some Extent	85	42.50
To a Moderate Extent	83	41.50
To a less Extent	2	1.00
Negligible	0	0.00
<b>Total</b>	<b>200</b>	<b>100.00</b>

According to the table no. 30 shows that, 42.50% of the respondents are change their life style due to joining SHG to some extent, 41.50% of the respondents are change their life style due to

joining SHG to a moderate extent, 15.00% of the respondents are change their life style to a great extent and only 1.00% of the respondents are change their life style to a less extent due to joining SHG and only 0.00% of the respondents are change their life style to negligible extent.

**Figure no.5- 27: Extent of Change in Life Style due to joining SHG**



## 5.2 Hypotheses Test Results

Hypothesis testing is an act in statistics whereby an analyst tests an assumption regarding a population parameter. The methodology employed by the analyst depends on the nature of the data used and the reason for the analysis. Hypothesis testing is used to infer the result of a hypothesis performed on sample data from a larger population. In hypothesis testing, an analyst tests a statistical sample, with the goal of accepting or rejecting a null hypothesis and statistical

analysts test a hypothesis by measuring and examining a random sample of the population being analyzed. In this study the hypotheses test results are as follow:

## 5.2-1 Empowerment of Women and Demographic Variables

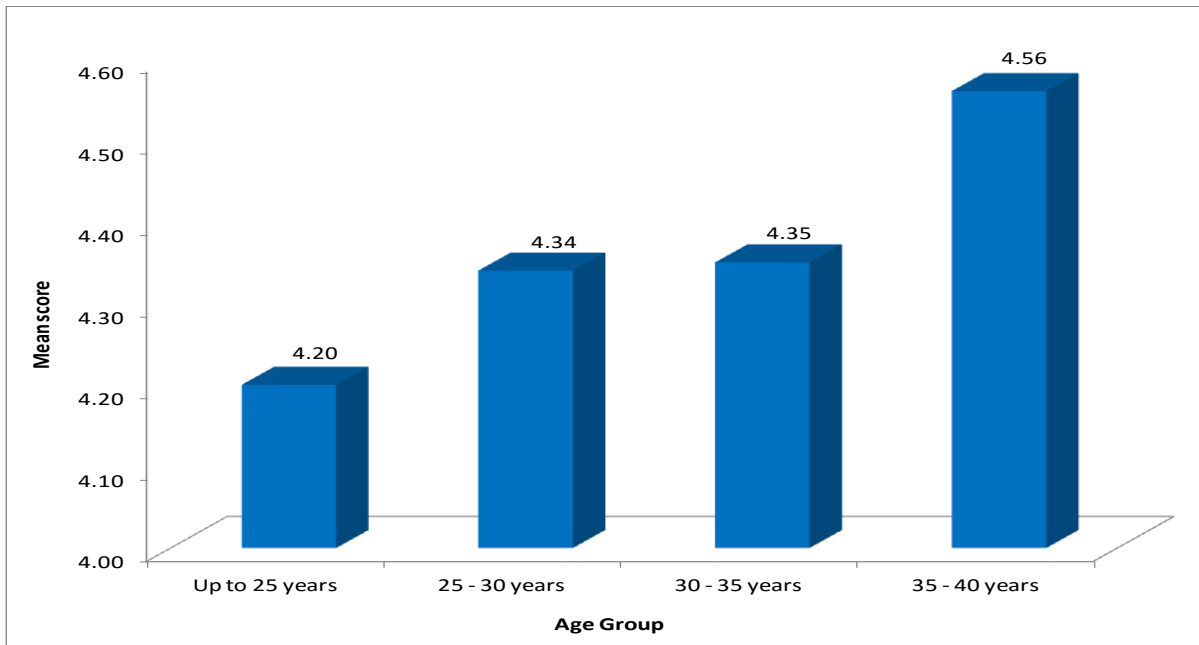
1.1 Age and Empowerment of Women- To know the relationship between age and Empowerment, the responses of these two variables were taken and hypothesis statement was framed and analyzed

**Table no.5.2-1: Empowerment of Women and Age-test**

Age Group	N	Mean	SD	F	Df	Result
Up to 25 years	64	4.20	0.22	13.91	3, 196	***
25 - 30 years	94	4.34	0.25			
30 - 35 years	22	4.35	0.17			
35 - 40 years	20	4.56	0.03			

**Inference:** Highly significant relationship between age and empowerment of women was found ( $F=13.91$ ,  $p<0.001$ ). From the table given above it can be observed that empowerment of women is increased significantly with age. Women those who are in higher age group were found to be more empowered as compared to those who are in younger age group.

**Figure no.5.2-1: Empowerment of Women and Age- test**



1.2 Empowerment of Women and Education- To know the relationship between Education and Empowerment, responses of these two variables were taken and hypothesis statement was framed and analyzed

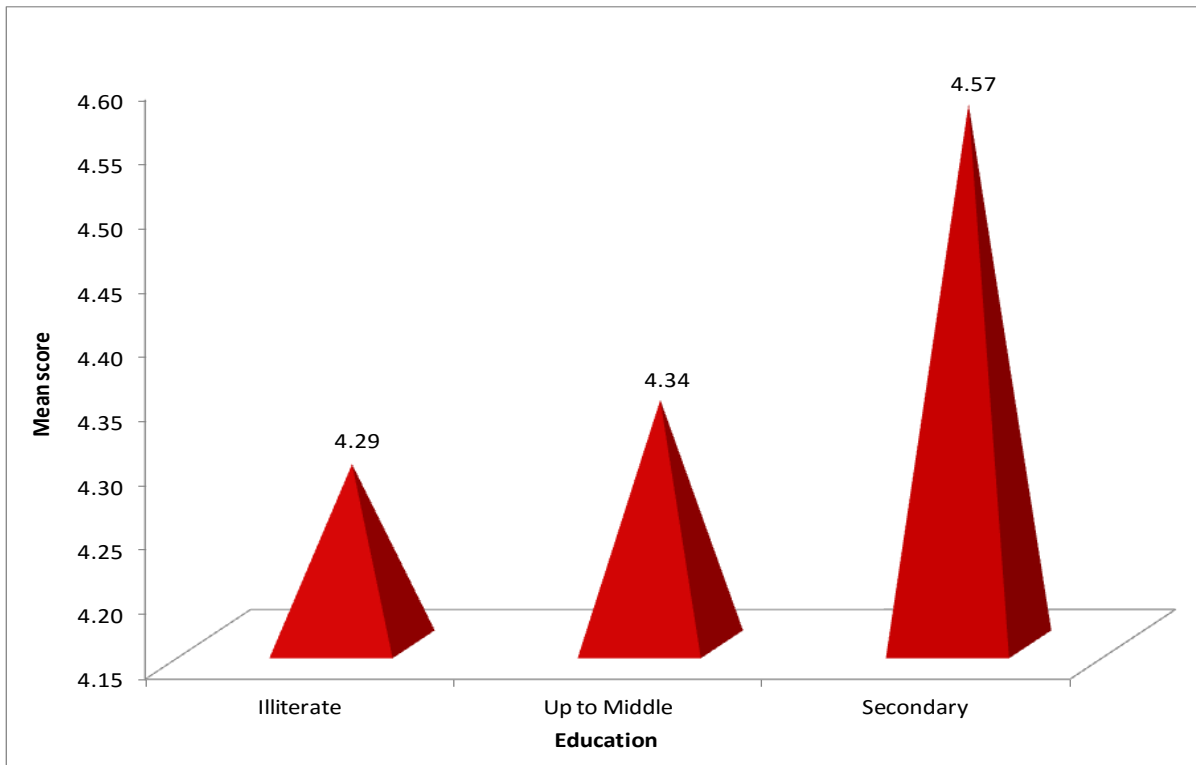
**Table no.5.2-2: Empowerment of Women and Education-test**

Education	N	Mean	SD	F	df	Result
Illiterate	135	4.29	0.25	6.81	2, 197	**
Up to Middle	54	4.34	0.22			
Secondary	11	4.57	0.21			

**Inference:** Highly significant relationship between education and empowerment of women was found ( $F=6.81$ ,  $p<0.001$ ). From the table given above it can be observed that empowerment of women is increased significantly with education also. Women those who are comparatively more educated were found to be more empowered as compared to those who are less educated or illiterates.



**Figure no.5.2-2: Empowerment of Women and Education-test**



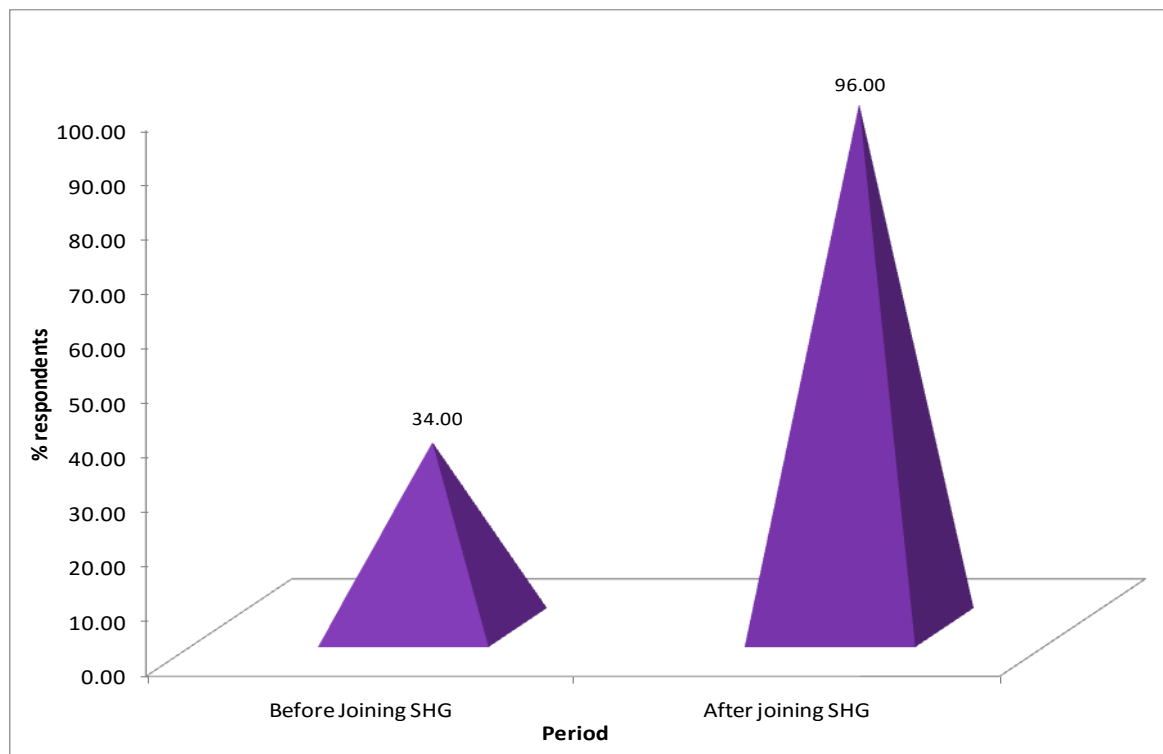
**5.2-3. Hypothesis: “There is no significant change in the EMPLOYMENT status of women SHG members after joining SHG”**

**Table no.5.2-3: Employment Status before and after joining SHG-Test**

Period	N	%	SE	Z	Result
Before Joining SHG	68	34.00	0.048	12.99	***
After joining SHG	192	96.00			

**Inference:** Highly significant difference in the employment status of women SHG members was found before and after joining SHG ( $Z = 12.99$ ,  $p < 0.001$ ). Earlier 34% of sample respondents were employed and after joining SHG this proportion increased to 96%.

**Figure no.5.2-3: Employment Status before and after joining SHG-Test**



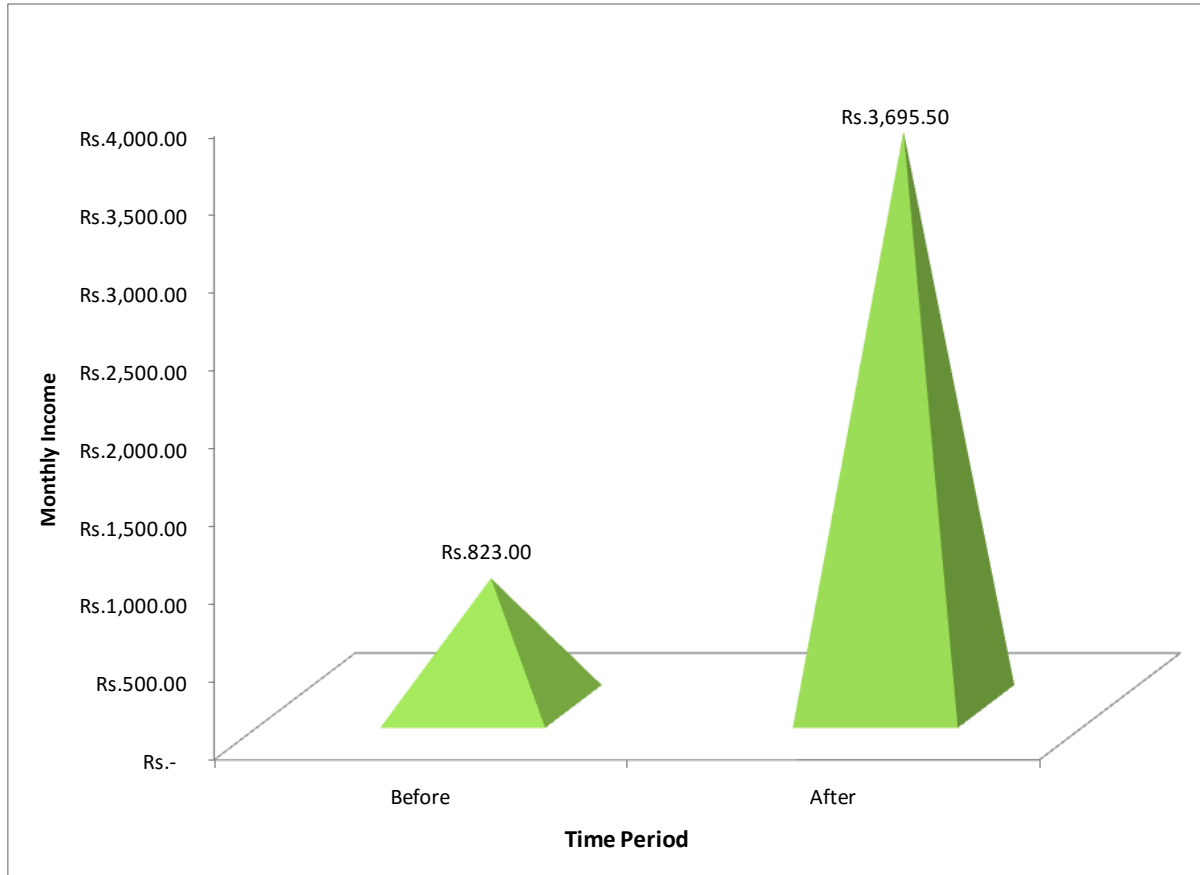
**5.2-4. Hypothesis: “There is no significant change in the Monthly income of women SHG members before and after joining SHG”**

**Table no.5.2-4: Monthly Income before and after joining SHG - Test**

Monthly Income	N	Mean	SD	t	Df	Result
Before	200	823.00	1103.70	-38.08	199	***
After	200	3696.50	1470.39			

**Inference:** Highly significant difference in the monthly income of women SHG members was found before and after joining SHG ( $t = -38.08, p < 0.001$ ). The average income of women SHG members before joining SHG was Rs. 8323 per month which has increased to Rs. 3696 per month after joining SHG.

**Figure no.5.2-4: Monthly Income before and after joining SHG - Test**



**5.2-5 Hypothesis: “There is no significant change in the Monthly savings of women SHG members before and after joining SHG”**

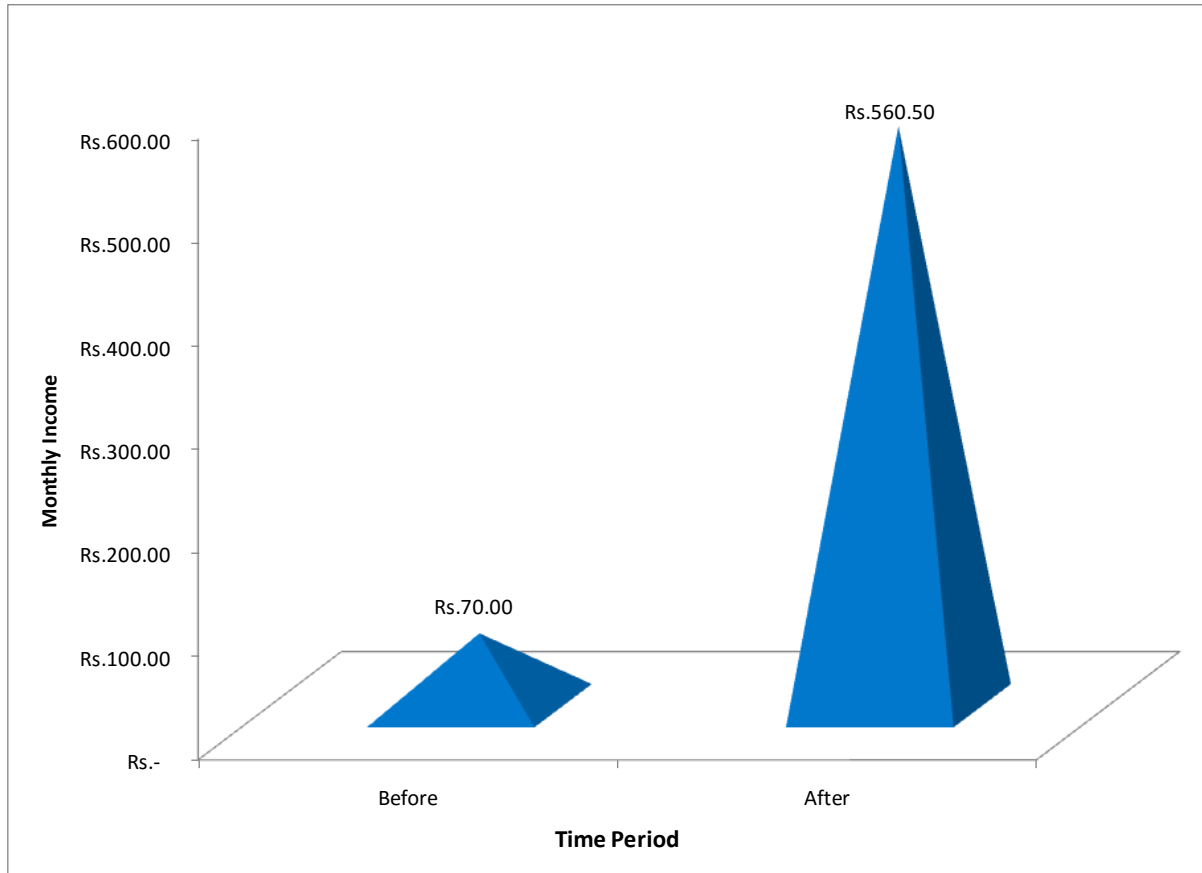
**Table no.5.2-5: Monthly Savings before and after joining SHG – Test**

Monthly Savings	N	Mean	SD	t	Df	Result
Before	200	70.00	112.53	-20.06	199	***
After	200	560.50	357.25			

**Inference:** Highly significant difference in the monthly savings of women SHG members was found before and after joining SHG ( $t = -20.06, p < 0.001$ ). The average savings of women SHG

members before joining SHG was meager Rs. 70 per month which has increased to an average value of Rs. 560.

**Figure no.5.2-5: Monthly Savings before and after joining SHG – Test**



**5.2-6: Following four hypotheses are based on responses given by the respondents on five point rating scale i.e. to what extent they feel change after joining SHG, regarding parameter in the question and tested against a benchmark or threshold value of average change.**

**5.2-6.1 Hypothesis: “There is no significant change in the economic status of women SHG members after joining SHG”**

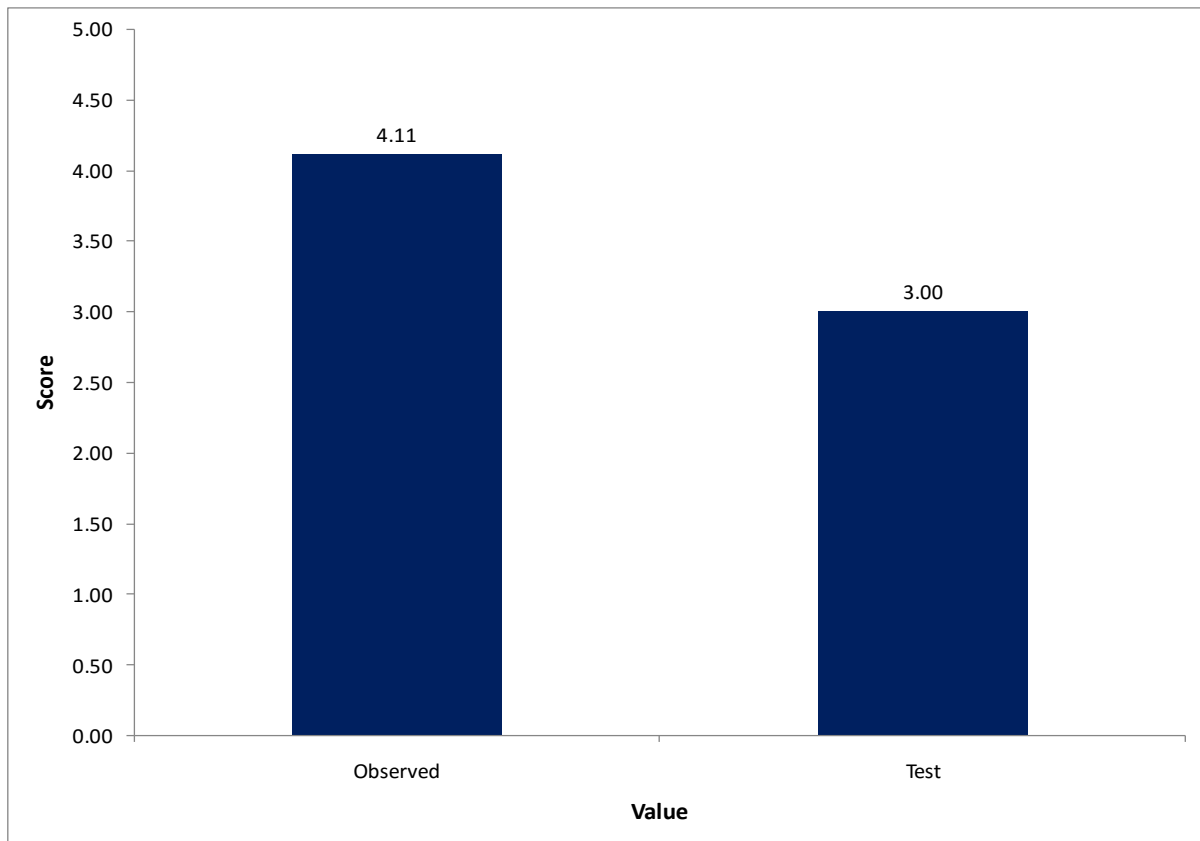
**Table no.5.2-6.1: Economic status of women SHG members after joining SHG-test**

N	Mean	SD	t	df	Result

200	4.11	0.31	50.74	199	***
-----	------	------	-------	-----	-----

**Inference:** Test results given above shows that the economic status of respondents has changed significantly above average value ( $t = 50.74$ ,  $p < 0.001$ ). Hence it can be concluded that the economic status of women SHG member has risen significantly after joining SHG.

**Figure no.5.2-6.1: Economic status of women SHG members after joining SHG-test**



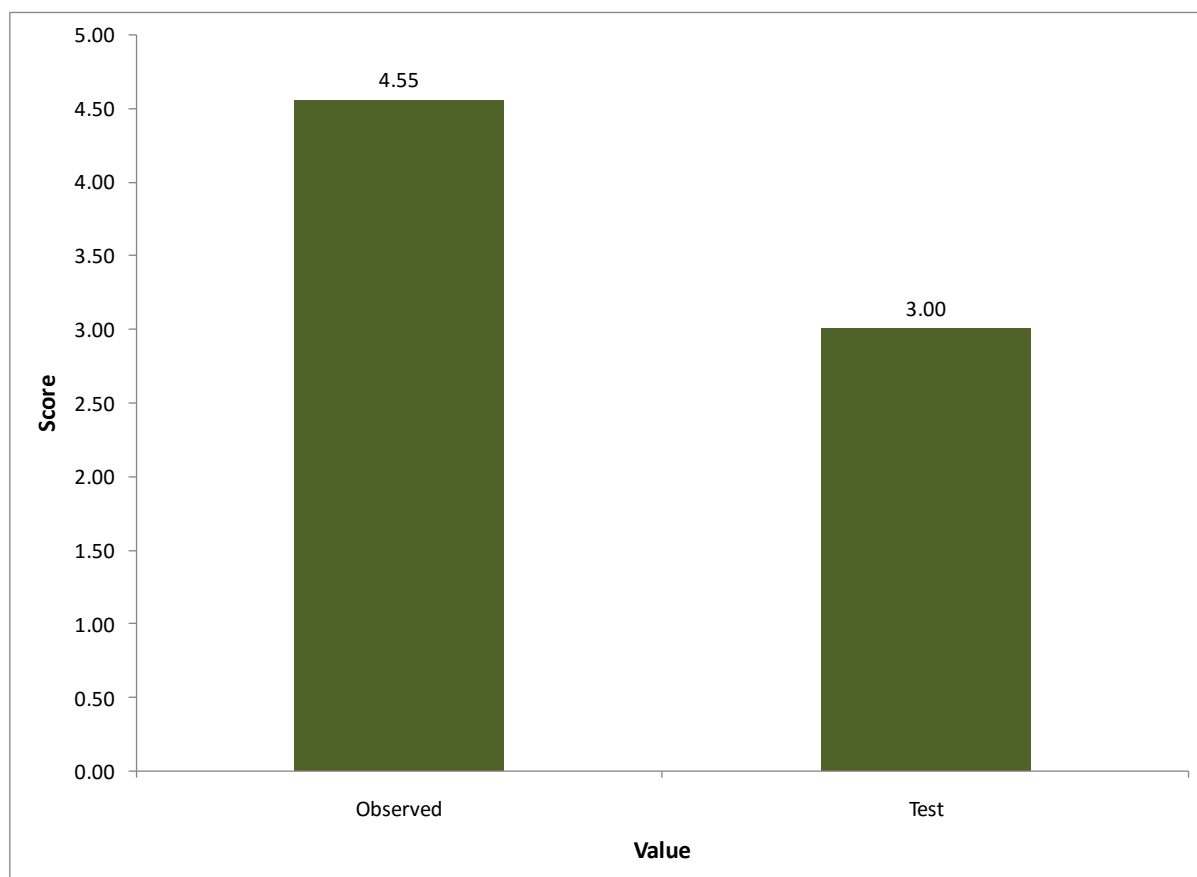
**5.2-6.2 Hypothesis: “There is no significant change in the Personality of women SHG members after joining SHG”**

**Table no.5.2-6.2: Personality of women SHG members after joining SHG-test**

N	Mean	SD	t	df	Result
200	4.11	0.31	50.74	199	***

**Inference:** Personality has improved significantly i.e. they became more confident and their self esteem increased significantly. They became financially independent. Can take their own decisions, Participation in their family matters has increased. They can go outside and can talk confidently with other who was shy and timid earlier.

**Figure no.5.2-6.2: Personality of women SHG members after joining SHG-test**



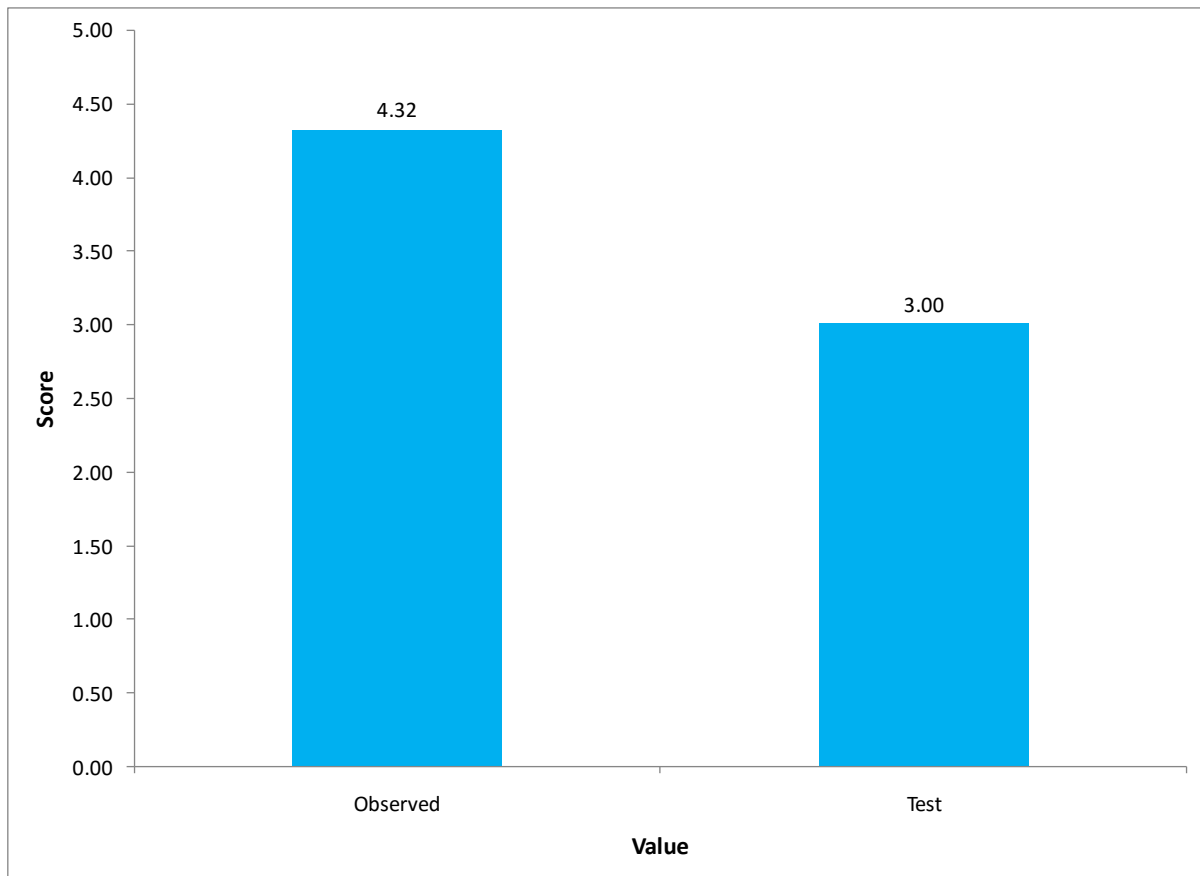
**5.2-6.3 Hypothesis: “There is no significant change in the Awareness of women SHG members after joining SHG”**

**Table no.5.2-6.3: Awareness of women SHG members after joining SHG-test**

N	Mean	SD	t	df	Result
200	4.32	0.29	64.65	199	***

**Inference:** After joining SHG membership awareness level has increased significantly i.e. they become more aware about social and political issues. Their awareness regarding health and hygiene has increased significantly they become more aware about their children’s education etc.

**Figure no.5.2-6.3: Awareness of women SHG members after joining SHG-test**



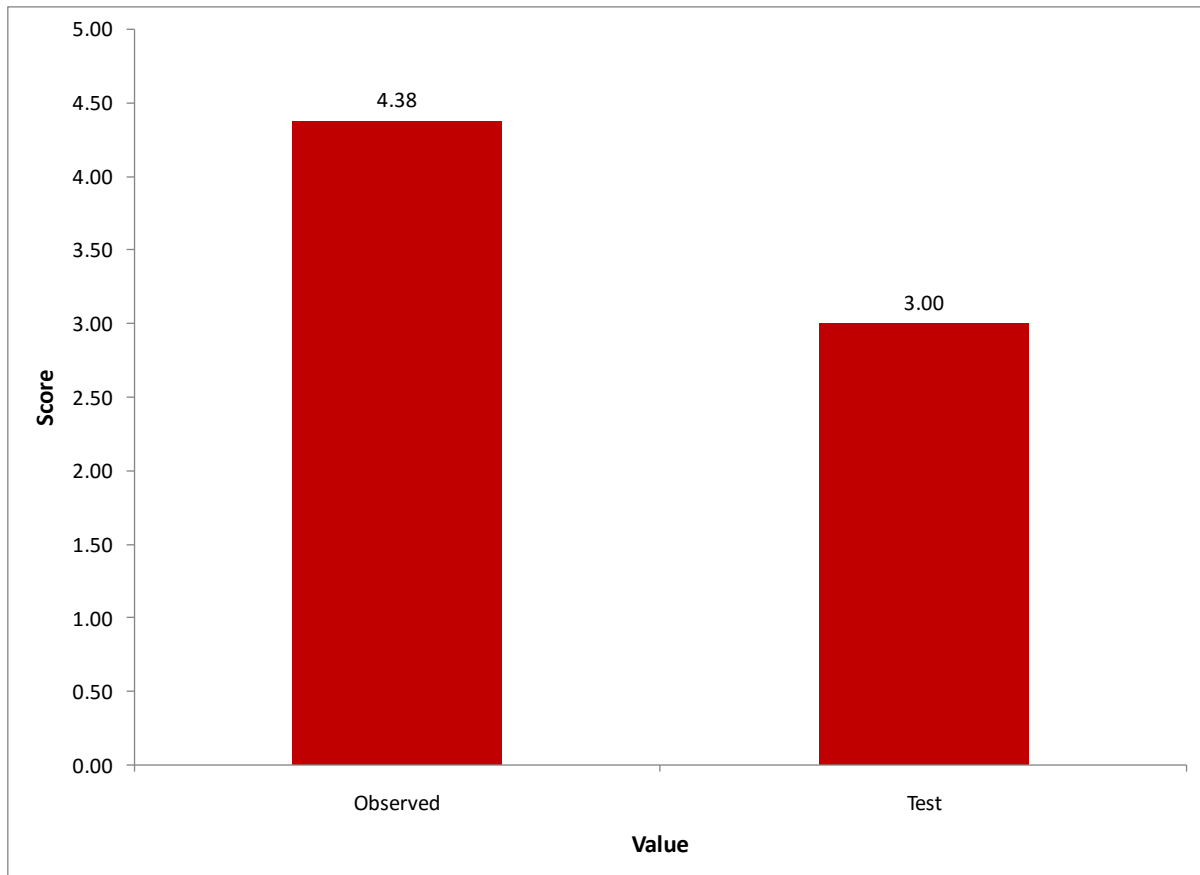
**5.2-6.4 Hypothesis:** “There is no significant change in the Support towards family of women SHG members after joining SHG”

**Table no.5.2-6.4: Support towards family of women SHG member after joining SHG-test**

N	Mean	SD	t	df	Result
200	4.38	0.38	51.71	199	***

**Inference:** After joining SHG women SHG members became more supportive to their family. They can help their families financially; they can better take care of their children by bringing those books, cloths, eatables etc.

**Figure no.5.2-6.4: Support towards family of women SHG member after joining SHG-test**





## **FINDINGS AND CONCLUSION**

## **Findings and Conclusion**

The researcher has undergone in the way of an in depth intermediate to study the diverse uniqueness roofed underneath the research and the researcher has designed to congregate the associated data and enlightenment which will be compassionate for arriving on some conclusions.

### **Chapter-I**

In assembling the theoretical structure the researcher has incorporated a detailed introduction of microfinance. In this chapter clearly bring an idea about the overview and prospects of microfinance, its impact on society, the growth and development of interest free financial institutions and its scope. No doubt the provision of credit to the poor has proved to be powerful tool in development, but there are number of challenges faced by microfinance institution. Despite the problems faced by the MFIs, there is no doubt that the model has enough potential to resolve some of the burning problems the country on the whole is facing i.e. imbalanced growth between privileged and underprivileged. The challenge, therefore, is to look beyond the present limitations and opportunities and execute plan which could make MFIs a vehicle to drive and deliver for all section of the society.

Microfinance has become widely recognized today as an effective tool in combating poverty and empowering the world's marginalized populations. The process of economic growth, especially when it is on high growth trajectory, must strive to encompass participation from all sections of society. Lack of access to institutional finance for the poorer segments of our society has been recognized as a serious threat to economic growth process especially in developing countries. During the present study we found that Self Help endeavors pioneered by NABARD have made a positive impact in rural development context and has led to formation and credit linkage of large number of Self Help Groups under the SHG-Bank Linkage Model which has enabled the banks to reach the unreached, sustainably, in group mode. The model has also led to building of huge social capital in rural areas.

### **Chapter – II**

To concrete the platform of study the researcher has discussed the situation of overview of microfinance schemes in Rajasthan and Udaipur Cluster in the chapter second. In this chapter detail study was described about schemes of microfinance. The present study was limited to Udaipur cluster only. It is potentially the best microfinance programme in the world for a variety of reasons and the key reasons for its success are its link with the poor people, its innovative practices, trust building at different levels between stakeholders and its capacity to enable people's participation in development.

### **Chapter – III**

The researcher has focused and put all sincere efforts to articulate the methodology adapted for the research study. Initiating the chapter with concepts and definition, objectives of study and its significance, the researcher have mentioned area of study also. To give a concrete platform and direction, hypotheses have been formulated for the study. Research design, statistical tools and limitations of the study concludes the dimensions of the above chapter and at the end researcher have attempted to describe the expected contribution of the study to microfinance sector, SHG, and women empowerment through socially and economically.

### **Chapter – IV**

In this chapter an empowered woman is measured to be one who has completed her life improved by having contact to and consumption of resources presented by microfinance programme. The unique feature of microfinance programme is that it focuses on women for development. There are more than ninety per cent women clients under this programme. The basic idea is to empower women by providing them financial assistance and allowing them to earn an independent income, contribute financially to their households and generate self-employment. This economic independence is expected to generate increased self-respect, self-esteem, self-confidence and other forms of empowerment for women participants of the programme. The process of empowerment of the beneficiaries of the programme is not automatic, but depends upon many factors. These factors may be abilities, environment, initiative and status of women as group.

## **Chapter – V**

The interpretation of data collected through different parameters such as demographic information, Economic activity that SHG do for income generation. Further focus of this chapter is on testing the hypothesis with the help of suitable statistical method. For testing of hypothesis Mean, Standard Deviation, t-test, Z-test and ANOVA is applied to each parameter. For the purpose researcher has together primary data with the help of structured questionnaire filled by the random selected women through NGOs from Udaipur cluster to draw out the implications in relation to socio-economic impact through microfinance.

### **FINDINGS**

The purpose of the study was to investigate the analysis of socio economic impact of women empowerment through microfinance schemes in Udaipur cluster. The study aimed to answer the research questions; how do microfinance schemes contribute to women empowerment in Udaipur? To what extent do microfinance products influence by socially and economically impact of women empowerment in Udaipur?

The study adopted the descriptive research design using questionnaire held with women beneficiary and Microfinance institutions. The target population was self-help women groups in NGOs in Udaipur. Primary data was collected with use of questionnaire from members of self-help groups. The researcher then made contact with the respondents on the location of their enterprises where the self-administered questionnaires were distributed and collected. The majority of the self-help group members had enterprises in similar locations, and this facilitated their accessibility. Descriptive statistic was used to examine and interpret the data. Tables and chart were used to present the data.

1. As our field survey included some villages and NGOs it was found that majority (47.00%) of the respondents were belonged to the age group of 25-30 years in the study area. It is noted that 32.00% percent of the respondents were belonged to the age group of up to 25 years in the study area. Likewise 11.00% percent of the respondents belonged to the age group of 30-35 years. 10.00% percent of the respondents belonged to the age group of 35-40% years respectively. According to this, the researcher found that most of the respondents are of young age group managing household and other activities also.

2. Most of the members are literate and reasonably educated and are capable to lead the group efficiently. Majority (67.50%) of them belonged to the category of Illiterate. 24.00 % of them studied primary level of education and only 5.50% of them were educated secondary school level. It is notice that only 3.00% were educated middle class level. Most of the women are illiterate. The most astonished part in the study is that the level of middle and secondary education is least that somewhere hinders the respondents in their exposure and developmental activities. The illiterate and poorest of the poor are not sufficiently represented in SHGs.

3. 78.50% are married, 12.59% are widow, 6.50% are divorcee and only 2.50 % are unmarried. As most of the respondents are married It clearly shows that women beneficiaries are bounded with lot responsibilities like managing household, upbringing their children and other family members this made them to be quite serious in their SHG work and participation.

4. Majority (68.00 %) of them belonged to Nuclear Family. 32.00% percent of them were in Joint Family system. As respondents are nuclear they are less responsible towards their home comparably with joint families. This made them to spend more time in SHG activities like their group promotion, Awareness of new schemes, political participation etc.

5. Majority (48.50%) were having 5 to 6 members in their family. 38.50% were having up to 4 members in the family. 8.50% were having 7 to 8 members in the family. It is also found that only 4.50% were having above 8 members in their family. It naturally knows that more members in the family have more responsibility.

6. Researcher observed that most of the respondents i.e. 78% are self employed, followed by 11.00%% are employed elsewhere, and only 11% are housewife. As it is observed that very less number of respondents is employed elsewhere and housewife and it was found that majority 28.00% of the respondents generate Rs 2000-Rs4000, 19.50% of the respondents are getting Rs 6000- Rs 8000, 18.50% of the respondents are getting Rs 8000-10000, and 12.00% each of the respondents are getting Rs 4000- Rs 6000 and up to Rs 2000. Low income cause more difficulties for poor people.

7. It was found a very good result that all respondents are the member of self help group. Educated-uneducated, Employed-unemployed, Married – unmarried, whatever the women's belongs to that particular category, SHG helps to empowered these women's and the majority 82.50% of numbers of members in SHG are belongs to 15 members, after that only 7.00% of number of member in SHG are belongs to 12 members and 6.50% category belongs to 20

members in SHG and lastly 4.00% a few members are belongs to 16 members in SHG. In this we find that mostly respondents are getting benefits in the groups which are related to 15 members in SHG.

**8.** For Economic activity that SHG do for income generation researcher found that 82.00% of respondents are selling & grown vegetable, 81.50% of the respondents are having their own flour mill business, 64.50% of respondents are selling general store products, 26.50% of respondents are have their own sewing machine for stitching others cloths for income purpose, 21.50% of the respondents are involving in bag making and handicraft products, 7.00% of respondents are from farming and only 5.5% of the respondents are making earthen pot and then sell it. According to this most of the respondents are interesting in vegetable selling business and flour mill business. There is significant increase in the income of the respondents after they have become members of the SHG. The role of SHGs in enhancing the income generating habits of its members is glaring in the present study.

**9.** Membership of self help group is vital factor for determine empowerment women socially and economically as long period membership show more empowered and less period membership show slow empowered. According to the table no. 11 shows, 29.50% of respondents are member of SHG since 2 years, 27.50% of the respondents are the member of SHG since 3 years, 13.00% of the respondents are not associated with SHG, 11.00% of the respondents are the members of SHG since 5 years, 10.50% of the respondents are the member of SHG since 4 years , only 6.00% of the respondents are the member of SHG since 6 years and lastly only 2,50% of the respondents are new comers for SHG which associated with since 1 years.

**10.** 65.00% of the respondents are taking loan from SHG and 35.00% of the respondents are not taking the loan from SHG and the highest amount of loan taken in category of Rs 6000 and the respondents percentage is 46.92 %, 20.00 % of the respondents are taking loan amount Rs 8000, 16.92% of the respondents taken loan amount Rs 4000, and only 9.23% and 6.92% respondents taken loan amount Rs 2000 and Rs 8000 above. Higher amount show the higher responsibility regarding installments with interest and the respondents (87.69%) taken loan amount for the purpose of starting their own business and 6.15% of the respondents taken loan amount for the reason for bad economic condition and for self employment purpose. 93.85% of the respondents gave 2% interest rate on loan which is very low interest and only 8.00% of the respondents gave high rate that is 3.00%. High rate show more payment for installments and vice versa. 69.23% of

the respondents felt that interest rate of loan are high, 23.85% of the respondents said that interest of loan are very high, 4.62% of the respondents gave nothing response about interest of loan, and only 2.31% of the respondents said that it is normal interest rate which is very low ratio.

**11.** 43.08% of the respondents paid Rs 200 – Rs 400 per month. 40.00% of the respondents paid up to Rs 200 per month, 10.77% of the respondents paid Rs 400 – Rs 600 per month which is high , and only 6.15% of the respondents paid too high amount Rs 800 – Rs 1000. 37.69% of the respondents are those which not able to paid any loan amount till date, 28.46% of the respondents paid Rs 1001 – Rs 2000 loan amount till date, 13.85% of the respondents paid Rs 2001 – Rs 3000 loan amount till date, and 12.31% of the respondents paid up to Rs 1000 loan amount and only 7.69% of the respondents paid Rs 3001 – Rs 4000 loan amount.

**12.** The majority (62.00%) of the respondents are not doing nothing, 16.50% of the respondents are domestic servant, 8.50% of the respondents are selling vegetables, 4.00% of the respondents are in maha narega (National Rural Employment Scheme) and same ration are giving no response, 1.5% of the respondents worked in dry cleaner shop and selling clothes, and only 1.00% of the respondents worked for color and making or selling earthen pot and after joining self help group majority (36.00%) of the respondents occupied in selling vegetables, 17.00% of the respondents worked for handicraft /bag making, 14.50% of the respondents stitched cloths through sewing machine, 11.50% of the respondents have their own general store, 10.50% of the respondents have their own flour mill, 4.00% of the respondents gave no response, 2.50% of the respondents worked in school as a peon and others one household, and only 1.50% of the respondents occupied in making earthen pot.

**13.** All the respondents (100%) received the training for work in SHG. Training is very important factory for empowering women as in this they know how to do work, how they are vital for family, knowing social and economic information etc. Majority (51.50%) of the respondents earned nothing before joining SHG but on the other hand 0.00% of the respondents showed their monthly income in the category of Rs 0. It's good that after join SHG everybody eared something. 22.50% of the respondents before joining SHG their monthly income in the category of Rs 2000 and after joining SHG in same category only 16.00% of the respondents earned the same amount, before joining SHG 18.50% of the respondents earned Rs 1000 and

after joining SHG in same category only 2.50% of the respondents earned same amount, only 5.00% of the respondents earned Rs 3000 before joining SHG and on the other hand after joining SHG in same category this % increase that is 36.50%, 2.50% of the respondents earned Rs 5000 before joining SHG and in the same category after joining SHG 17.00% of the respondents earned Rs 5000, 0.00% of the respondents earned Rs 4000 and Rs 5000 above and in the same monthly income after joining SHG their percentage increased 9.50% and 18.50% respectively.

**12.** The impact of monthly savings before and after joining SHG. 65.50% of the respondents saved zero savings before joining SHG, 13.50% of the respondents saved Rs 200, 11.50% of the respondents saved only Rs 100, 8.00% of the respondents saved Rs 300, 1.50% of the respondents saved 500 and 0.00% of the respondents saved Rs 400 and Rs 500 above before joining self help group. On the other hand after joining SHG, 31.50% of the respondents saved Rs 500 per month, 25.00% of the respondents saved Rs 500 above per month, 28.00 % of the respondents saved Rs 300, 8.50% of the respondents saved Rs 400, 5.00% of the respondents saved only Rs 200 per month and only 2.00% of the respondents saved Rs 100 per month and 0.00% of the respondents saved zero amount. The savings of individuals increased after their becoming members of the SHG. This indicates the role of SHGs in improving the thrift habits of its members.

**13.** The most significant impact after joining SHG was on personality of SHG members. The respondents revealed that after joining SHG they become more self-confident. Their feeling of self esteem increased significantly and they become more self reliant. Their status in society increased.

**14.** After joining SHG women members become their relationship with the peers in the society was improved and they become more aware about health and hygiene issues. Their moral was boosted significantly.

**15.** Financial status improved significantly women become financial independent and are able to help their family members, they can better take care of their kids. They can buy good cloths for their children and for them as well. Their awareness regarding social issues also increases significantly. SHG members now can participate in discussions regarding political matters, social issues etc. they can now talk to anyone in the society with more confidence. They can participate



in family matters and have their say. They can take their own decision regarding financial and social issues. Therefore becoming SHG members has improved the life of SHG members significantly after becoming SHG members.

**16.** Respondents gave their opinion regarding their change factor after joining SHG and rank them accordingly. Hence it can be seen that although the situation improved in almost all the areas of life, but according to this respondents thought that firstly they increased their Self esteem after that Self confidence, support, awareness, raised economic status and then financial independence.

**17.** The extent of change in particular area In terms of percentage points are firstly the most significant impact was in decision making related to financial matters of family, after that development of self-confidence means their self-confidence increased significantly, then position their recognition in the family increased significantly, then aware about their health and their child's development, access to health services improved. Hence these were the areas where impact of becoming SHG members was highly significant.

**18.** Moderately improved areas were recognition in society, interaction with outsiders, educational status of family and family income. The least significant impact was on mobility, asset building, personal income, development of communication skill, development of leadership attributes

**19.** 42.50% of the respondents are change their life style due to joining SHG to some extent, 41.50% of the respondents are change their life style due to joining SHG to a moderate extent, 15.00% of the respondents are change their life style to a great extent and only 1.00% of the respondents are change their life style to a less extent due to joining SHG and only 0.00% of the respondents are change their life style to negligible extent.

**20.** According to the hypothesis testing result it can be observed that empowerment of women is increased significantly with age. Women those who are in higher age group were found to be more empowered as compared to those who are in younger age group.

**21.** It can be observed that empowerment of women is increased significantly with education also. Women those who are comparatively more educated were found to be more empowered as compared to those who are less educated or illiterates.

**22.** Highly significant difference in the employment status of women SHG members was found before and after joining SHG ( $Z = 12.99$ ,  $p < 0.001$ ). Earlier 34% of sample respondents were employed and after joining SHG this proportion increased to 96%.

**23.** Highly significant difference in the monthly income of women SHG members was found before and after joining SHG ( $t = -38.08$ ,  $p < 0.001$ ). The average income of women SHG members before joining SHG was Rs. 8323 per month which has increased to Rs. 3696 per month after joining SHG.

**24.** Highly significant difference in the monthly savings of women SHG members was found before and after joining SHG ( $t = -20.06$ ,  $p < 0.001$ ). The average savings of women SHG members before joining SHG was meager Rs. 70 per month which has increased to an average value of Rs. 560.

**25.** The economic status of respondents has changed significantly average value ( $t = 50.74$ ,  $p < 0.001$ ). Hence it can be concluded that the economic status of women SHG member has risen significantly after joining SHG.

**26.** Personality has improved significantly i.e. they became more confident and their self esteem increased significantly. They became financially independent. Can take their own decisions, Participation in their family matters has increased. They can go outside and can talk confidently with other who was shy and timid earlier.

**27.** After joining SHG membership awareness level has increased significantly i.e. they become more aware about social and political issues. Their awareness regarding health and hygiene has increased significantly they become more aware about their children's education etc.

**28.** After joining SHG women SHG members became more supportive to their family. They can help their families financially; they can better take care of their children by bringing those books, cloths, eatables etc.

**29.** Social aspects like communicative skill, decision making ability, self confidence and recognition in the family and community of the members have increased after becoming members of the SHG.

**30.** In last Majority of the SHGs are repaying their loan to the bank promptly, transaction costs of the banks are very low and lending to the poor through SHGs is profitable to banks. To put it in a nut shell, after becoming members of SHG the socio-economic conditions and standard of living of the members and their families greatly improved. Savings and educational status are related. It may be assumed that educated members are more aware of the need for saving.

## **CONCLUSION**

Microfinance is multifaceted and works in an integrated system. There are many stake holders and each one has a definite role to play. In the core there is client. There is a second level called micro level where MFIs, NGOs, SHGs and Grameen work to provide financial support to individual client. Based on the descriptive study and on the analysis of the data collected from the study area i.e. udaipur cluster. There is increase in the number of women beneficiaries in SHG and there is considerable awareness among them and they understand the importance of participation which gives them a sense of belongingness. Empowerment of women and the inculcation of financial training and discipline amongst the poor will undoubtedly have long term socio-economic benefits. Still, there are key areas of SHG management that need to be improved. The study finds that this mechanism of credit coupled with the mobilization and organization of women on the basis of strengthening and collective action empowers women. It is this aspect of the study that brings about welcome changes in the women's lives has to be highlighted.

The study revealed that access to microfinance has contributed immensely to the economic empowerment of women through improvement in their businesses. The study shows that access to microfinance has improved the status of women both at the family level and in society as a whole. At the family level, the study reported an improvement in household income and standard of living of the family. The social level, there was a rise in the confidence level of clients, increased degree of socialization and positive outlook in terms of aspiring to future leadership positions. The study shows that access to microfinance has improved the status of women both at

the family level and in society as a whole. At the family level, the study reported an improvement in household income and standard of living of the family. The social level, there was a rise in the confidence level of clients, increased degree of socialization and positive outlook in terms of aspiring to future leadership positions. This empowerment is restricted within the limited space like women not facing any financial crisis and burden as the loan accessed from microfinance made them to somehow manage the expenses smoothly and had a facility of repayment flexibly. The loan amount was not utilized to the extent that respondents could start-up their own enterprise as only few had done so. But on the other hand women gained respect from family as well as society because people felt that what they are doing was useful to their family and in turn women developed self confidence within themselves that they were able to handle any situation or crisis .Ultimately Women are Empowered. To put it in a nut shell, after becoming members of SHG the socio-economic conditions and standard of living of the members and their families greatly improved.

## **CHAPTER 7**

### **SUGGESTIONS/RECOMMENDATIONS**

## **SUGGESTIONS/RECOMMENDATIONS**

On the basis of the findings of the study following suggestions have been made which would help to improve the functioning of the Self-Help Groups and the members and in turn would help the empowerment of women.

1. Education plays a prominent role in the empowerment of women. Respondents must be made aware of importance of education and availability of sufficient opportunities in the form of scholarships, free education of girl child, mid-day meals etc and also impart additional knowledge on various issues related to them like developmental aspects in the form of skill development ,Interpersonal communication etc.

2. The government could make SHGs as statutory bodies and allowed to work with the local bodies to channelize women's development programmes. NGOs and the governments can take necessary steps to sign memorandum of understanding with universities to provide proper education and training for SHG members.
3. Belts of lower income people have to be identified in their meagerly represented areas and brought within the span of SHGs. Small responsible jobs requiring collective effort may be entrusted to SHGs thus helping the members to earn additional income.
4. Recent technological know-how has to be provided to SHGs to increase the quantity and quality of their products. More active involvement of private sector enterprises is needed.
5. Eradication of illiteracy is the first step towards empowerment of women. Still there are few respondents who do not have even primary education. Efforts must be made by the authorities to give them primary education and make them aware that it is their basic right. Financial literacy programmes must be held to help rural women from marginalised communities to gain banking knowledge and entrepreneurial skills.
6. Of the various dimensions of women empowerment, economic empowerment is of utmost significance. But the level of economic empowerment attained by the respondents is relatively low. Therefore, more efforts should be made by the authorities to enable the members to become more economically empowered.
7. The members suffer from lack of finance for the expansion of their operations. This needs to be attended by banks and other financial institutions. The NGOs may help them in getting loan from the Government.
8. As the monthly income of the respondents is low, steps must be taken by the authorities to motivate and provide the platform, to start more income generating activities in the form of micro enterprises by individual as well as SHG as a whole.
9. Self-Help Groups must try to function independently instead of depending on NGOs and Block Development Officers for their effective functioning. A Self Help Group should not only concentrate on the growth of the group, but should also show active involvement on the social issues and other essential issues like health, sanitation etc. to develop the entire village. Groups should be aware of all government schemes and should make use of them for their development.
10. Successful women entrepreneurs have to be given common platform to share their experience with other members. Such interactions would instill confidence in the members and encourage

them to improve their entrepreneurial abilities and help them to update the manufacturing methods and marketing strategies.

11. There is need to accept that women's needs are not only for self-employment. The programmes should be designed on the basis of needs of women at the micro level. Planning for self-employment for women needs a multi-pronged strategy.

12. All record keeping has been done manually and that is very time consuming. Thus, a computer and computer-assisted programmes would go a long way in maintenance of records, accounts, correspondence and updating the same periodically.

13. The SHG members should be inculcated the feeling of collective development, social harmony and active role in development process and governance. The members should be mentally prepared for starting income generating activities and their sustainability.

14. The study shows that 55% members of SHG are studied upto school level. There is an urgent need to provide education to all members, NGOs and SHG leaders should take initiative in this regards and for attending adult education programmes provided by government to upgrade their education status.

15. It is suggested that motivational campaign may be conducted for inculcating saving habit in the minds of the members. The campaign should give exposure to savings its future benefits, how the savings of members are utilized for rotation among the members, how the amount of groups savings form a base for getting government sponsored scheme for income generating activities and the benefits to the individual member.

16. The SHGs faced the problem of administrating the affairs of its business. It is suggested that suitable administrative training to all the members of the SHGs should be given or at least the animators and representatives of the groups may be given administrative training initially, the same may be given to the other member gradually. Further, extension participation programme may be arranged with extension agencies for the SHG to visit their business houses to know the functions and its administration. And also this extension participation programme will create awareness and skills of the business.

The service sector is growing in the district. There is a need to sustain its growth and increase the participation of people in this sector through provision of credit, marketing and skills. The focus of the plan should be on training and skill development in specific areas.

## **BIBLIOGRAPHY**

### **Text books:**

- Research Methodology by S P Gupta
- Microfinance redefining the future by V S Somanath



- Micro credit & Microfinance by Hari Srinivas
- Marketing research by Naresh K Malhotra and Satyabhushan dash

**Websites:**

**[www.emerald.com](http://www.emerald.com)**

**[www.google.com](http://www.google.com)**

**[www.authorsdesk.com](http://www.authorsdesk.com)**

**[www.projectparadise.com](http://www.projectparadise.com)**

**[www.apparelindustry.in/india.htm](http://www.apparelindustry.in/india.htm)**

**[www.iupindia.com](http://www.iupindia.com)**

- **[www.chronicpoverty.org](http://www.chronicpoverty.org)**
- **[www.microfinancegateway.org](http://www.microfinancegateway.org)**
- **[www.Gulbarga.nic.in](http://www.Gulbarga.nic.in)**
- **[www.Nabard.com](http://www.Nabard.com)**
- **[www.empowerwomen.org](http://www.empowerwomen.org)**
- **[www.microfinanceinfo.com](http://www.microfinanceinfo.com)**
- **[www.oecd.org](http://www.oecd.org)**
- **[www.microfinanceinfo.com/microfinance-products](http://www.microfinanceinfo.com/microfinance-products)**

1. Hulme, David. *Impact Assessment Methodologies for Microfinance: Theory, Experience and Better Practice*. Institute for Development Policy and Management: University of Manchester. 2000.
2. Johanna Ringkvist Women's Empowerment through Microfinance- a Case Study on Burma
3. Linda Mayoux Review of key issues "Micro-finance and the empowerment of women
4. Asim, S. (2008).Evaluating the Impact of Microcredit on Women's Empowerment in Pakistan. Working Paper No.03/09.Center for Research in Economics and Business (CREB). Lahore School of Economic, Lahore
5. Ekpe, I., Mat, N. B. &Razak, R. C. (2010). The Effect of Microfinance Factors on Women Entrepreneurs' Performance in Nigeria: A Conceptual Framework. *International Journal of Business and Social Science*, 1 (2), 255-263

6. Fisher Thomas and Sriram MS. (2002), Beyond micro-credit—Putting development back into Micro-finance. Vistaar Publications, New Delhi.
7. Asemelash (2003), “The Impact of Microfinance in Ethiopia: The case of DCSI in Ganta Afeshum Woreda of Eastern Tigray”, M.A. Thesis, Department of RLDS, Addish Ababa University, Addish Ababa.
8. Bansal, Deepty (2010), “Impact of microfinance on poverty, employment and women empowerment in rural Punjab” Unpublished thesis submitted to ‘Punjab University’, Patiala, Punjab.
9. Barot, Gaurangkumar (2013),“Comparative study of selected microfinance institutions in Gujara” Unpublished thesis submitted to ‘Sardar Patel University’, Gujrat, India.
10. Cheston S, Kuhn S. (2002). Empowering Women through Microfinance. Retrieved from: 26.04.2014
11. Tiyas biswas “Women Empowerment Through Micro Finance: A Boon for Development”
12. Anju Malhotra,(2002) Measuring Women’s Empowerment as a Variable in International Development, Background Paper Prepared for the World Bank Workshop on Poverty and Gender: New Perspectives
13. Johanna Ringkvist Women’s Empowerment Through Microfinance- A Case Study On Burma
14. Beatriz Armendáriz de Aghionand Jonathan Morduch 2005 “The Economics of Microfinance“ in The MIT Press Cambridge, Massachusetts London, England
15. Dapice, David O., Vallely, Thomas J & Wilkinson, Ben (2010). “Revitalizing Agriculture in Myanmar: Breaking down Barriers, Building a Framework for Growth”. Prepared for International Development Enterprises, Myanmar.
16. Robinson, Marguerite S. (2001). “The Microfinance Revolution Sustainable Finance for the Poor”, The World Bank, Washington D.C, USA M. Shanthi 2012 “Impact of Micro Finance towards Empowerment of Women Self Help Groups with Special Reference to Coimbatore District”in Prestige International Journal of Management & IT- Sanchayan, Vol. 1(1).170. Linda Mayoux Review of key issues “Micro-finance and the empowerment of women
17. S.Sarumathi and Dr.K.Mohan 2011”Role Of Micro Finance In Women’s Empowerment-An Empirical study in Pondicherry region rural SHG’s in Journal of Management and Science, Vol. 1, No.1, Sep 2011.

18. Gulbarga district at glance-Kalaburagi district .[www.gulbarga.nic.in](http://www.gulbarga.nic.in)
19. Kamble, H. Kalavati and Sonar, Gangadhar B., "The Role of SHGs in Women Empowerment : A Study on selected SHG programmes by voluntary organization in Gulbarga District of Karnataka", Journal of Global Economy, Vol. 12, No. 3, October, 2006
20. Sharanappa M (2006) in his thesis " The economic conditions of Self Help Groups in Karnataka- with special reference to Bidar District,Gulbarga University,Kalaburagi
21. Mohammad Arifujjaman Khan Mohammed Anisur Rahaman 2007 in their thesis Impact of Microfinance on Living Standards, Empowerment and Poverty Alleviation of Poor People: A Case Study on Microfinance in the Chittagong District of Bangladesh.
22. Wambugu, F. W. & Ngugi, J. K. (2012). Factors Influencing Sustainability of Microfinance Institutions in Kenya: A Case of Kenya Women Finance Trust. International Journal of Innovative Research & Development, 1 (11), 519-537
23. Albee, A. (1994), "Support to women's productive and income generating activities", UNICEF evaluation and research working paper series no.1.
24. Mayox, L. (2000), "Microfinance and the empowerment of Women. A review of the key issues" Social finance unit working paper, 23. Geneva: ILO
25. Akinsanmi, A. (2005), 'Working under Constraint: Women, Poverty and Productivity .Women and Environments International 66/67: 17-18.
26. Armendáriz, Beatriz; and Morduch, Jonathan (2005), "The Economics of Microfinance", The MIT Press, Cambridge, USA.
27. Gurumoorthy, T. R. (2000), "Self-Help Groups Empower Rural Women", Kurukshetra, Vol. 48, No. 5, pp. 31-37.
28. Rutherford, Stuart (2000), "The Poor and their Money", Oxford University Press, New Delhi.
29. Sarangi, Niranjana (2007), "Microfinance and the Rural Poor: Impact Assessment Based on Fieldwork in Madhya Pradesh, India", Paper Presented in Conference on Sustainable Development & Livelihoods, Delhi School of Economics, Delhi, 6-8 February.
30. S. P. Gupta (2009) - "Statistical methods", Thirty eight revised Editions, Sultan Chand & Sons Publishers, New Delhi.
31. C.R Kothari (2007) - Research Methodology Methods & Techniques, Second Edition, New age International publishers, New Delhi.

32. Manjula Bolthajjira Chengappa. "Micro-Finance and Women Empowerment: Role of Nongovernment Organizations". [http://www.istr.org/Abstracts2010/pdf/ISTR2010\\_0212.pdf](http://www.istr.org/Abstracts2010/pdf/ISTR2010_0212.pdf).
33. Ashraf, N., Dean Karlan and Wesley Yin (2008), "Female Empowerment: Impact Of A Commitment Saving Product In Philippines", Unpublished Working Paper
34. Asim, S. A. (2008), "Evaluating the Impact of Microcredit on Women's Empowerment in Pakistan", CREB Working Paper No.2- 9 Social Science Research Network.
36. Caldwell, J. et al. (1982), "The Causes of Demographic Change in Rural South India: A Micro Approach", *Population and Development Review*, 8:4 pp: 689–727.
37. Cheston, S. and Kuhn, L. (2002), "Empowering Women through Microfinance", Draft Publication Sponsored By UNIFEM.
38. Hunt, J & Kasynathan, N, 2002. 'Reflections on microfinance and women's empowerment', *Development Bulletin*, No. 57, pp. 71-75.
39. Holvoet, N. (2005) "The Impact of Microfinance on Decision- Making Agency: Evidence from South India", *Development and Change*, Institute of Social Studies vol. 36 (1), pp: 75-102
40. ILO (1998), "Women in Informal Sector and Their Access to Microfinance", Inter-Parliamentary Union Annual Conference, Windhoek, Namibia.
41. Khan, M.A. and M.K.Rehman (2007)," Impact of Microfinance on Living Standards, Empowerment and Poverty Alleviation of Poor People: A Case Study on Chittagong District of Bangladesh", Umea School of Business (USB) Masters Thesis, Department of Business Administration
42. Kabeer, Naila. (2001), "Reflections on the Measurement of Women's Empowerment: In Discussing Women's Empowerment-Theory and Practice", *Sida Studies* No. 3. Novum Grafiska AB: Stockholm
43. Kabeer, N. (1998), "Money can't buy Me Love?: Revaluating Gender, Credit and Empowerment in Rural Bangladesh", *IDS Discussion Paper* 363, Brighton, IDS.

#### Journals :-

1. Anjugam, M. and T. Alagumani. (2001), "Impact of micro finance through Self Help Groups: A case study", *Indian Journal of Agricultural Economics*, 56(3): p.458.
2. Ana Marr (2002), 'studying group dynamics: an alternative framework for the study of microfinance impacts on poverty reduction.' *Journal of International Development*: p.511–534.

3. Ranjula Bali Swaina and Fan Yang Wallentin (2009), 'Does microfinance empower women evidence from Self-Help Groups in India.' *International Review of Applied Economics*: vol.23, no.5, 541-556.
4. Khandker, S. R.; Hussain, S.; and Zahed, K. (1998). "Income and Employment Effects of Micro-credit Programmes: Village-level Evidence from Bangladesh", *Journal of Development Studies*, Vol. 35, No. 2, pp. 96-124
5. Pitt, Mark M.; and Khandker, Shahidur R. (1998), "The Impact of Group-based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter?", *Journal of Political Economy*, Vol. 106, No. 5, pp. 958-96.
6. Sharma, Puspa Raj (2007), "Micro-finance and Women Empowerment", *The Journal of Nepalese Business Studies*, Vol. 4, No. 1, pp. 16-27.
7. Chaudary, and Nosheen, (2009), "The Determinants of Women Empowerment in Southern Punjab, Pakistan: An Empirical Analysis", *European Journal of Social Sciences*, Vol 10- 2

## **PUBLISHED PAPERS AND SEMINARS**

- Paper Presentation on “Improving Teaching Methodology to meet global challenges” at Maharishi Arvind Conclave in year 2010, at Maharishi Arvind group of institute, Kota.
- Paper Presented on “Importance of Moral Education” at Maharishi Arvind International Institute of Management, Kota, 16<sup>th</sup> Dec’10.
- Paper Presented on “CSR is not charity rather an essential element of business strategy” at 3<sup>rd</sup> National conference on emerging issues in business management at Arya Group of College, Kukus Jaipur, 5th March’11.
- Published article in “International Journal of Research Thought, ISSN-2229-7995, Vol.2, Issue-2 in June’11 on “Avoid Attrition and Accept Retention” with Co-Author Dr. Gurudatt Kakkar.
- Participated in the Workshop on Quality Management Innovation and Learning Jointly organized by Geetanjali Institute of Technical studies, Udaipur and International Certification Services Pvt Ltd – Mumbai, on the topic of “Stress Relieving Programs to Improve efficiency at workplaces” in Oct’11.
- Published Article in “International Journal of Research Thought”, ISSN-2229-7995, Vol.2, Issue-3 in Jan’12 on “The Power of Women Entrepreneurs”.
- Published module on “Multi-National Corporation” in the book of International Business in Kota Open University.
- Paper Presented on “Education Aspect for well-being of social development” in International Seminar at Bhopal Nobles Sansthan, Udaipur on 13<sup>th</sup> Nov’13.
- Published Research paper in Kisan World Magazine in Chennai on “Microfinance and Socio-Economic Empowerment of Women a case of Jandaksha Trust regarding Women Development in Udaipur.( May 2014)
- Paper presented on “EMPOWERED WOMEN- SCALING NEW HEIGHTS THROUGH MICROFINANCE: AN EMPIRICAL STUDY IN UDAIPUR DISTRICT, RAJASTHAN” in ICSSR Sponsored national seminar on “Women Empowerment, Entrepreneurship and Empowerment: Sustainable pathways to Egalitarian society” being organized by CRIT, THE IIS UNIVERSITY, JAIPUR ON 30-31 JANUARY, 2017.
- Paper published on “ROLE OF SELF HELP GROUP (SHG) THROUGH MICROFINACE FOR WOMEN’S EMPOWERMENT (AN EMPIRICAL STUDY IN UDAIPUR CLUSTER)”

in International Journal of Emerging Technologies and Innovation Research (JETIR) , Impact Factor:5.87, UGC and ISSN Approved on 15<sup>th</sup> Aug. 2018, ISSN-2349-5162, Vol.5, Issue-8.



**BHUPAL NOBLES' SANSTHAN, UDAIPUR**  
A Unit of Vidya Pracharini Sabha, Estd. 1923

**INTERNATIONAL SEMINAR**  
November 12-13, 2013

**Education, Well - Being and National Integration**  
*in collaboration with*  
Indo – German Society, Jaipur  
Academy of Well–Being Society, Udaipur  
BNPG College (NSS Unit) Udaipur  
BNPG Girls' College (NSS Unit) Udaipur

**Certificate**

It is certified that Prof./Dr. / Mr. / Mrs. / Ms. ANJOO CHAUHAN  
of RESEARCH SCHOLAR has participated / presented a paper / chaired  
the session in the International Seminar, held on 12-13 November, 2013 organised by the Bhupal Nobles' Sansthan at Kumbha  
Sabhagar, BNPG College, Udaipur. The title of paper is EDUCATION ASPECT FOR WELL-BEING OF  
SOCIAL DEVELOPMENT.

 Dr. M.S. Agaria Secretary VP Sabha Udaipur	 Dr. N.N. Singh Managing Director B.N. Institute Udaipur	 Prof. Pawan Surana Hon. Gen. Sec. IGS Jaipur	 Prof. Vijayalaxmi Chouhan President AOWB Udaipur	 Dr. Maina Jain Seminar Director BN Girls' College Udaipur	 Dr. Jayshree Singh Organising Secretary BNPG College Udaipur
--	---	--	--	---	--



**THE IIS  
UNIVERSITY**

(deemed to be university u/s 3 of UGC Act 1956)

Categorized 'A' by MHRD  
Accredited by NAAC

Gurukul Marg, SFS, Mansarovar,  
Jaipur 302 020



**National Seminar  
on**

**Women's Employment, Entrepreneurship and Empowerment :  
Sustainable Pathways to Egalitarian Society**

**30-31 January 2017**

This is to certify that **Ms. Anjoo Chauhan**  
of **Kota University, Kota**

attended this Seminar sponsored by Indian Council of Social Science  
Research (ICSSR), New Delhi, organized by Centre for Research,  
Innovation and Training (CRIT), The IIS University, Jaipur as a participant  
and presented a paper entitled

**"Empowered Women- Scaling New Heights Through Microfinance: An  
Empirical Study In Udaipur District, Rajasthan".**

**Prof. Raakhi Gupta**  
Registrar

**Prof. Subhash Garg**  
Seminar Convenor

**Dr. Ashok Gupta**  
Vice Chancellor





# Journal of Emerging Technologies and Innovative Research

An International Open Access Journal

[www.jetir.org](http://www.jetir.org) | [editor@jetir.org](mailto:editor@jetir.org)

## Certificate of Publication

The Board of

Journal of Emerging Technologies and Innovative Research (ISSN : 2349-5162)

Is hereby awarding this certificate to

**ANJOO CHAUHAN**

In recognition of the publication of the paper entitled

**ROLE OF SELF HELP GROUP (SHG) THROUGH MICRO FINANCE FOR  
WOMEN'S EMPOWERMENT (An Empirical study in Udaipur cluster)**

Published In JETIR ( [www.JETIR.org](http://www.JETIR.org) ) ISSN UGC Approved & 5.87 Impact Factor

Published in Volume 5 Issue 8 , August-2018

EDITOR IN CHIEF



JETIR1808190

Research Paper Weblink <http://www.jetir.org/view?paper=JETIR1808190>



Registration ID : 186394