



A STUDY ON THE IMPACT OF MICRO FINANCE IN EMPOWERMENT OF SELF HELP GROUPS' WOMEN IN KRISHNA DISTRICT

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Introduction

In olden days in most of the family male members were meant for earning income to the family where as the female members looked after the house works. In most of the family it was followed. After some time it was felt that if the female members are involved in some works other than the family affairs it would be the support extended by them to their spouse and family members. So in some family the female members were allowed to work in some industries and agriculture. Most of the women members supported to the family members the work or job involved by the male members of the family. Being India a country having more than 65 percent of its population are residing in rural areas. They depend only on agriculture and allied industries of agriculture. Due to the failure of rainfall and problems of insects and also the monsoon nowadays the farmer could not earn even the amount incurred by them to cultivate the produces. But the necessity of the family is going on increasing day by day. Further the prices of the domestic utilities are also increasing like anything. It is very difficult to run the family with single earning. So it is necessary for both the male and female members in the family to bring income to meet their requirements.

To minimize the unemployment problems in the rural areas and to generate the income to the family in the rural parts, the central government introduced Micro Finance to encourage the rural public to generate income to their family by way of doing small business or involved in some self employment activities. As a part of the development of women in the rural areas self help groups were established in the year 1993-94 in Uthrapradesh. But the evolution of SHGs commenced in 1990s. Micro finance plays vital role in the empowerment of women particularly in the village areas by providing financial assistance through self help groups in the local areas since 1990. Andhra Pradesh government emphasizes more on the development of women through self help groups. The banks are given direction to provide more volume loan to the self help groups. More number of self help groups was established in all villages. NGOs and government create awareness among all women in the rural areas to form self group even for each line and street in all villages of Andhra Pradesh. We happened to see number of SHGs is being established and functioning well. The self help group members are involved in various activities like running a canteen, manufacturing pickles and handy crafts and cloth items, etc. The local banks are adopting the particular villages for providing loan to self help groups. Though the Micro finance extends maximum support to the development of women and also the self help groups, the members in self help groups have different views about micro finance and face many issues in getting the loan and the repayment of the loan. In many occasions the members in self help groups are compelled by family members not to involve in SHGs activities because of various reasons. In some of the SHGs the income level of the members is very low when compared with the income from other SHGs. What are the actual causes? What is the role of micro finance in empowerment of women? To know all these reasons a thorough study is to be undertaken. By keeping the above views in mind the researcher selected the above topic "A STUDY ON THE IMPACT OF MICRO FINANCE IN EMPOWERMENT OF SELF HELP GROUPS' WOMEN IN KRISHNA DISTRICT"

Statement of the Problem

Micro finance scheme has been introduced by the central government initially with the view to promote the income sources of the village people by providing financial support to the weaker section particularly in rural parts of the country. Further it was extended to support the SHGs in all parts of the country for the empowerment of the women and to improve the income level of the individual family. In some of the SHGs the financial support provided by the bank through micro finance is not utilized for the productive purpose where as it is used by the female members for the domestic expenses of the family. On the due date the repayable amount is collected by in- charge member from all the members and repaid to the bank on the due date. In some of the SHGs the funds are misused by the organizers and made little bit delay in repay the installment amount to the bank. It is reported that there is a part of political involvement in sanctioning the loan to SHGs

Significance of the Study

The purpose of the micro finance is to provide financial support to the weaker section who leads their normal life below BPL. Micro finance is provided to all unemployed to have self employment. But the bank managers provide loan to the applicants without considering the repaying capacity of the borrowers. It is reported that only in SHGs the bank managers do not face the collection of outstanding and arrears from the borrowers. The SHGs are provided with adequate loan for the development of the SHGs in all possible ways. The members of the self help groups are given support and advice even for marketing their products. Till in many villages the numbers SHGs formed is not sufficient when we consider the number of SHGs and the total women population in the village. Many women do not about the micro finance and its support to the development of



women. So is the right time to have thorough study about “**A Study on The Impact of Micro Finance In Empowerment of Self Help Groups’ Women In Krishna District**” and it is inevitable to bring betterment to the women in general.

Objectives of the Study

1. To evaluate the role of micro finance in the empowerment of women.
2. To measure the level of satisfaction of the members in SHGs regarding the support extended by the government and banks through Micro finance.
3. To know the procedures for availing micro finance and make awareness to the members of SHGs about micro finance and its uses for the development of women.
4. To analyze the problems faced by the members in availing financial support through micro finance.
5. To find remedial measures to solve the issues in Micro finance and offer recommendations to the authorities concerned to do the needful to avail the micro finance to all the SHGs without any hurdles.

Research Methodology

Descriptive research was conducted in this study to make the research effective and useful to the needy.

Collection of Data: Both the primary and secondary data were collected in this research work

Primary Data

Primary data was collected from the sample respondents from the population by way preparing a questionnaire. The questionnaire was prepared with the guidance of the experts in the relevant field. Necessary corrections were made in the questionnaire to complete the research work successfully.

Secondary Data: Secondary data was collected from the journals and magazine published in the related topics.

Sample Selection

The population for the study is members in SHGs formed in Krishna district, 100 women respondents were selected at random by using convenient sampling method from 10 SHGs operating successfully in Brahmabotlapalem, Chandarlapadu, Chintalapudi, Eturu, Gudimetla of Krishna District. The sample respondents consist of only female members in all selected SHGs in Krishna District. In each SHGs 10 members were selected at random.

Study Period: The study period for the research work covers 3 month period starting from October 2015 to December 2015

Study Area: Krishna District is being one of the districts which are having more acres of cultivable land and depending more on agriculture income in Andhra Pradesh. Further the Krishna district does not have adequate development in the industrial sectors. The women in Krishna district have limited sources for generating income where the role of SHGs and Micro finance will surely help to the empowerment of women and improve the income of the individual family. Hence the researcher selected Krishna district for his research work.

Statistical Tools

The collected data were analyzed and interpreted properly to find the result of the research work. Further to know the association between two variables in deciding the particular issues statistical tools like simple percentage, chi-square, were applied and the result was found.

Review of Literature

World Bank (1978) in its study found that volume of migration of women has been increasing more rapidly than that of males of the last several decades. It is also observed that employment among women from the lower middle class and poor socio-economic groups is more common than it is among the elite. The women labourers engaged in the unorganized segment suffer from disabilities and exploitation of much higher magnitude than those employed in organized sector.

Manimekalai and Rajendran (1993) in their study found that the DWCRA was helping and promoting self-employment among the rural women who are below the poverty line. It helped them in organizing the beneficiaries in group activities and promotes economic and social self-reliance. Sivasankaraiah and Ramappa (1993) in their study concluded that the marketing of product made by the members of the DWCRA group is very important. The interest of women in the programme can be sustained only when a proper market is arranged for their products.



Rajakutti and Prita Sarkar (1994) in their study opined that orientation of panchayat members and bankers towards the philosophy of DWCRA and than imaginative and committed role of NGO would be a contributing factor for the success of DWCRA programme.

Hemalatha Prasad (1995) in his study identified certain common factors, for success of self-help groups, like homogeneity of the group in terms of caste occupation and locality made the group more cohesive, assured and regular income from the scheme. Effective and dynamic leadership, awareness about the repayment procedures and consequences of the non-repayment influenced their repayment behaviour the study identified that systematic planning for skill training, raw material supply, quality control and marketing support from officials were the key factors for the effective management of the programme, thus.

Analysis and Interpretation of Data

Table No. 1, Table Showing the Age Group of the Respondents

Serial No	Age	Frequency	Percent
1	Below 25 years	29.0	29.0
2	26-35 years	35.0	35.0
3	36-45 years	28.0	28.0
4	Above 45 years	8.0	8.0
	Total	100.0	100.0

Source: Primary data

Interpretation

From the above table it is clearly understood that among 100 respondents 35 percent of the respondents belong to the age group of 26-35 years, 29 percent of the respondents belong to below 25 years, 28 percent of the of the respondents belong to the age group of 36-45 years while the remaining 8 percent of the respondents are above 45 years.

Table no. 2, Table Showing The Educational Qualifications of The Respondents

Serial No	Educational qualification	Frequency	Percent
1	up to 10th std	40	40.0
2	Up to 12th std	34	34.0
3	degree	14	14.0
4	others	12	12.0
	Total	100	100.0

Source: Primary data

Interpretation

From the above table it is clearly noted that among 100 respondents 40 percent of the respondents have studied up to 10th standard, 34.3 percent of the respondents have studied up to 12th standard, 14 percent of the respondents have completed degree courses while the remaining 12 percent of the respondents have studied other courses.

Table No. 3, Table Showing the Marital Status of the Respondents

Serial No	Marital status	Frequency	Percent
1	Married	75	75
2	Unmarried	16	16
3	Divorced	09	09
	Total	100.0	100.0

Source: Primary data

Interpretation

From the above table it is clearly noted that among 100 respondents 75 percent of the respondents are married, 16 percent of the respondents are unmarried while the remaining 9 percent of the respondents divorced from their spouse.

Table No. 4, Table Showing the Monthly Income of the Respondents

Serial No	Monthly Income	Frequency	Percent
1	Below Rs.5000	6	6.0
2	Rs.5001-8000	20	20.0



3	Rs.8001-10000	28	28.0
4	Rs.10001-15000	26	26.0
5	Above Rs.15000	20	20.0
	Total	100.0	100.0

Source: Primary data

Interpretation

The above table depicts that among 100 respondents 28 percent of the respondents get a monthly income E.8001-10000 per month, 26 percent of the respondents earn E 10001-15000 per month, and 20 percent of the respondents get a monthly income of E. 5001 -8000 and above E 15000 respectively whereas 6 percent of the respondents earn less than E.5000 per month.

Table no. 5, Table Showing The Earning Members in The Family Of The Respondents

Serial No	Earning Members in the family	Frequency	Percent
1	no member	24.	24.
2	1 member	40	40
3	2 members	24	24
4	more than two members	12	12
	Total	100.0	100.0

Source: Primary data

Interpretation

The above table clearly exhibits that among 100 respondents 40 percent of the respondents have only one earning member in their family, 24 percent of the respondents informed that they have no earning members and 2 earning members respectively in their family, whereas 12 percent of the respondents have more than 2 earning members in their family.

Table no. 6, Table Showing the Nature of Work of the Respondents

Serial number	Nature of work	Frequency	Percent
1	Tailoring	16	16.0
2	Agriculture labour	38	38.0
3	Workers in construction industry	26	26.0
4	Business	14	14.0
5	Other work	6	6.0
	Total	100.0	100.0

Source: Primary data

Interpretation

From the above table it is inferred that among 100 respondents 38 percent of the respondents involved in agriculture work, 26 percent of the respondents involved in construction industry work, 16 percent of the respondents are engaged in tailoring work, 14 percent of the respondents business while the remaining 6 percent of the respondents are involved in others .

Table no. 7, Association Between Age of the Respondents and Their Opinion About the Interest Rate Charged by the Bank For Micro Credit

Null hypothesis

There is no association between the age of the respondents and their opinion about interest charged by the bank for micro credit

Alternative Hypothesis

There is an association between the age of the respondents and their opinion about interest charged by the bank for micro credit

.Factor	Calculated value ²	Table value	DF	Remarks
Age	2.258	12.592	6	Not significant



As the calculated value of chi-square ² (2.258) is less than table value (12.592) for 6 degrees of freedom at 5% level of significance, There is no association between the age of the respondents and their opinion about interest charged by the bank for micro credit. Hence the null hypothesis is accepted and it is inferred that there is no significant relationship between the age of the respondents and their opinion regarding the interest charged by the bank for micro credit

Table No. 8, Association Between Marital Status Of The Respondents And Their Opinion About Support Provided By The Government And NGOs To Avail Micro Credit

Null Hypothesis

There is no association between the marital status of the respondents and their opinion about support provided by the Government and NGOs to avail micro credit.

Alternative Hypothesis

There is an association between the marital status of the respondents and their opinion about support provided by the Government and NGOs to avail micro credit.

Factor	Calculated value ²	Table value	DF	Remarks
Marital status	3.196	15.507	8	Not significant

As the calculated value of chi-square ² (3.196) is less than table value (15.507) for 8 degrees of freedom at 5% level of significance, There is no association between the marital status of the respondents and their opinion about support provided by the Government and NGOs to avail micro credit.. Hence the null hypothesis is accepted and it is inferred that there is no significant relationship the marital status of the respondents and their opinion about support provided by the Government and NGOs to avail micro credit.

Table No. 9, Association between Educational Qualification of the Respondents and Their Satisfaction about the Income from SHGs

Null hypothesis

There is no association between the educational qualification of the respondents and their satisfaction about the income from the SHGs

Alternative Hypothesis

There is an association between the educational qualification of the respondents and their satisfaction about the income from the SHGs

Factor	Calculated value ²	Table value	DF	Remarks
Educational qualifications	8.922	21.026	12	Not significant

As the calculated value of chi-square ² (8.922) is less than table value(21.026) for 12 degrees of freedom at 5% level of significance, There is no association between the education qualification of the respondents and their opinion about the income from the SHGs. Hence the null hypothesis is accepted and it is inferred that there is no significant relationship the educational qualification of the respondents and their opinion about the income from the SHGs.

Table No.10, Association between Ages of the Respondents and Their Satisfaction Social Status

There is no association between age of the respondents and their satisfaction regarding the social status

Alternative hypothesis

There is an association between age of the respondents and their satisfaction regarding the social status.

Factor	Calculated value ²	Table value	DF	Remarks
Age	16.364	21.026	12	Not significant

As the calculated value of chi-square ² (16.364) is less than table value(21.026) for 12 degrees of freedom at 5% level of significance, There is no association between the age of the respondents and their satisfaction regarding the social status. Hence the null hypothesis is accepted and it is inferred that there is no significant relationship between the age of the respondents and their satisfaction regarding the social status

Findings

- 1 Majority (35 percent) of the respondents belong to the age group of 26-35 years
- 2 Most (40 percent) of the respondents have studied up to 10th standard
- 3 Major proportion (75 percent) of the respondents is married.



- 4 Most (28 percent) of the respondents get a monthly income E.8001-10000 per month,
- 5 Considerable (40 percent) of the respondents have only one earning member in their family
- 6 Majority (38 percent) of the respondents involved in agriculture work
- 7 Considerable portions (43 percent) of the respondents informed that their standard of living is good
- 8 Most (29 percent) of the respondents conveyed that support provided by the employees in the bank for getting micro credit is very good
- 9 Majority (32 percent) of the respondents are satisfied with the volume of the loan provided under micro credit.
- 10 Most of the respondents (67 percent) informed that there is an involvement from VIP or politician in sanctioning the loan by the banks.
- 11 Most of the respondents (55 percent) informed that they face problems in marketing their products made in SHGs.

Findings from Chi-Square Test

- There is no significant relationship between the age of the respondents and their opinion regarding the interest charged by the bank for micro credit
- There is no significant relationship the marital status of the respondents and their opinion about support provided by the Government and NGOs to avail micro credit.
- There is no significant relationship the educational qualification of the respondents and their opinion about the income from the SHGs.
- There is no significant relationship between the age of the respondents and their satisfaction regarding the social status

Suggestions

Few respondents informed that they face problems in marketing their product made from SHGs; hence the government and NGOs should organize an awareness programme to the members of the SHGs regarding the sources available for marketing their products and provide support to market their products.

Some of the respondents told that the bank charge penalty interest while there is delay in making payment of micro credit, so the bank authorities if possible should try to avoid charging of penal interest instead they have to try effort to collect the loan amount in time regularly.

Some of the respondents informed that there is a considerable involvement of VIPs or politician in sanctioning the loan to SHGs. It should be avoided. The authorities concerned should take initiatives to monitor these types of problems.

Few respondents informed that the family members not allow them to go outside to market the products made from SHGs. Hence the NGOs if possible should advice the family members in a pleased manner which will help the SHGs women to move outside to market the products from SHGs.

Some of the members informed that there is no training to the members in the SHGs from bank or NGOs regarding the sources or area of marketing. Hence if possible the NGOs and Bank should try to organize training programme to the members in SHGs.

Conclusion

Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity. Thus academic literature shore up and buoyant on microfinance as a tool of development and assures of its potential strengths to make significant difference in lives of hopeless and struggling millions of poor in India as well as world. The finding of the study calls for an extension of the government support and redesigning micro finance programs suited for better and effective execution for achieving full benefits. The study confirms that as an anti poverty tool, microfinance has its own limitations to reach the bottom of the poor. However, it is found effective in graduating the poor, not the poorest, and lower middle class to a higher standard of living.

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