



A STUDY ON THE IMPACT OF MICRO FINANCE IN EMPOWERMENT OF SELF-HELPGROUPS' WOMEN IN VISAKHAPATNAM 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. Therefore, 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 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. Therefore, it is necessary for both the male and female members in the family to bring income to meet their requirements.

In urban areas, there is more number of industries, which provide employment opportunities to both of the gender. However, if consider the position of the village women, they do not have much awareness on industrial work. Further, they have only limited literacy knowledge, which paved them to engage only in agriculture labour, which further made them weak in their financial position, as there is only limited scope for income in the agriculture work. Hence, most of the family in the rural parts of the country led a very poor life, which worsens the younger generation particularly in education. 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 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.

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 organizers misuse the funds 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. However, 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. Until 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 know 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 Visakhapatnam 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

Research Design

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 Visakhapatnam district, 100 women respondents were selected at random by using convenient sampling method from 10 SHGs operating successfully in Anandapuram, Padmanabham villages Visakhapatnam of District. The sample respondents consists of only female members in all selected SHGs in Anandapuram, Padmanabham villages of Visakhapatnam of District. In each SHGs 10, members were selected at random.

Study Period

The study period for the research work covers 2-month period starting from November 2016 to December 2016.

Study Area

Visakhapatnam 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 Visakhapatnam district does not have adequate development in the industrial sectors. The women in Visakhapatnam 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 Visakhapatnam district for his research work.

Statistical Tools

The collected data was 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, rank correlation, ANOVA, ‘t’ test and regression were used.

World Bank (1978)¹ 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

¹ World Development Report (1978), The World Bank, Year book of Labour Statistics, August, Washington D.C.

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)² 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)³ 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)⁴ 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)⁵ 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,

Table 1: Association Between Educational Qualification and Satisfaction Regarding the Facilities in the Bank

Factor	Calculated value χ^2	Table value	DF	Remarks
Educational qualifications	55.486	15.507	8	Significant

It is obvious from the above table that the calculated chi-square value is more than the table value and the result is significant at 5% level of significance. Hence the hypothesis "education of the respondents and the response regarding the satisfaction about the facilities in the bank are associated holds good. From the analysis it is concluded that there is a close relationship between the education of the respondents and their response regarding the satisfaction about the facilities in the bank

Table 2: Association Between Monthly Income and Satisfaction Regarding the Facilities in the Bank

Factor	Calculated value χ^2	Table value	DF	Remarks
Monthly income	22.921	18.307	10	Significant

It is obvious from the above table that the calculated chi-square value is greater than the table value and the result is significant at 5% level of significance. Hence the hypothesis "monthly income of the respondents and the response regarding the satisfaction about the facilities in the bank are associated hold well. From the analysis it is concluded that there is a relationship between the monthly income of the respondents and their response in regarding the satisfaction about the facilities in the bank.

Table 3: Association Between Occupational Status and Satisfaction Regarding the Facilities in the Bank

Factor	Calculated value χ^2	Table value	DF	Remarks
Occupation	15.448	15.507	8	Insignificant

² Manimekalai N., and Rajendra R. (1993), "Self - employment through DWCRA", Kurukshetra, Vol.XLI, No.10, pp.5-9.

³ Sivasankaraiah M., and Ramappa, P., (1993), "Impact of DWCRA on Rural Areas", Kurukshetra, July, Vol.XLI, No.10.

⁴ Rajakutti, S., and Pritha Sarkar (1994), "A DWCRA Odysseys in North the Paragons - A Learning Experience", Journal of Rural Development, Vol.13, No.3, July - September, pp.375-396.

⁵ Hemalatha Prasad C (1995), "Development of Women and Children in Rural Areas: Successful Case Studies", Journal of Rural Development, Vol.14, No.1, January - March.

It is obvious from the above table that the calculated chi-square value is less than the table value and the result is not significant at 5% level of significance. Hence the hypothesis "occupation of the respondents and the response regarding the satisfaction about the facilities in the bank are associated does not hold well. From the analysis it is concluded that there is no relationship between the occupation of the respondents and their response in regarding the satisfaction about the facilities in the bank.

Findings of Simple Percent Analysis

After making tabulation of the collected data, the data was analyzed by using simple percent analysis. Firstly the demographics profile of the respondents was simply analyzed. The major findings from simple percent analysis are presented below.

Major proportion (31.9%) of the respondents speaks Tamil language. Most (52.9 %) of the respondents are married. Majority (33.6%) of the respondents are belonged to the age group of 36-45 years Considerable proportion (53.4%) of the respondents follows Hindu religion

Majority (40.7%) of the respondents is from the backward community.

When we analyze the residential status, majority (40%) of the respondents are from semi-urban area Majority (32.9%) of the respondents get a monthly income of Rs. 6001-8000, Most (40%) of the respondents have 3 dependents in their family, Majority (46.7%) of the respondents have only one earning member in their family.

The occupation status of the respondents was analyzed. It is found that considerable amount (30%) of the respondents of the respondents are labour and most (33 %) of the respondents are involved in farming work.

Most of (48.4 percent) the respondents have savings bank account with the bank, and considerable volume (80 percent) of the respondents informed that they have already applied for loan with bank. Major proportion of the (42.6 percent) respondents informed that they have applied for short term loan. And majority (72 percent) of the respondents informed that the training is provided by bank.

The type and nature of account and information about the loan obtained from the bank was analyzed and it was inferred that 56 percent of the respondents have Savings Bank account. 73.1 percent of the respondents do not have account with more than one bank. 33.1 percent of the respondents have known about micro finance through their friends and 40.1 percent of the respondents have good knowledge about micro finance.

Majority of the (66.79 percent) of the respondents conveyed that guarantee by existing account holders is necessary for getting loan and most (60.12) percent of the respondents told that there is no necessity for security when we apply loan to Self Help Group. 53.4 percent of the respondents apply loan with bank for the purpose of developing the existing business. 40 percent of the respondents informed that no subsidy is provided for micro finance. 46.79 percent of the respondents told that 20% of the loan is given as subsidy.

Chi-Square Test

From the analysis it is concluded that there is a close relationship between the age of the respondents and their response in response regarding the satisfaction about the overall development after joining the SHGs

From the analysis it is concluded that there is a close relationship between the education of the respondents and their response regarding the satisfaction about the overall development after joining the SHGs

From the analysis it is depicted that there is a relationship between the monthly income of the respondents and their response in satisfaction about the overall development after joining SHGs

From the analysis it is inferred that there is a relationship between the occupation of the respondents and their response in regarding the satisfaction about the overall development after joining the SHGs

From the analysis it is found that there is no relationship between the native of the respondents and their response regarding the satisfaction about overall development after joining the SHGs.

From the analysis it is found that there is a relationship between the nature of work of the respondents and their response in regarding the satisfaction about overall development after joining the SHG.

Suggestions and Conclusion

The empirical findings of the study suggests that microfinance has a profound influence on the economic status, decision making power, knowledge and self worthiness of women participants of self help group linkage program in Visakhapatnam. Whereas it fails to include the poorest section and in improving assets position of the participants, as loans are 'micro' in their magnitudes and duration between dosages of loans are large.



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. Though different studies at various places and points of time differ in their conclusion, the present study acknowledge that despite of bottlenecks, microfinance is capable of graduating struggling poor from their shackles and helps to upscale them to a better living and playing a significantly positive role in upgrading women empowerment

Therefore, the study enlightens the role of continuous succeeding doses of microfinance loans and ensuring its yield oriented utilization, for achieving the targeted objectives of microfinance programs Among the six factors identified (microfinance related factors, household factors, assets, marital status, personal factors and social factors) through factor analysis, microfinance related factors are found to be having more significant and positive influence on women empowerment.

The microfinance related loan avaiement and its productive utilization found to be causing significant differences in women empowerment levels, measured through women empowerment index (WEI), of the loan availed participants as compared to the non- loan availed.

Microfinance sector has been witnessing tremendous progress in the recent years. There has been Phenomenal growth in the number and volumes of MFIs .The sector has witnessed many new elements like participation from private and multinational banks, private equity and venture capital funds, wholesale fund providers, rating agencies, international retail institutions. The concept of microfinance seems to have earned an almost mythical reputation as the panacea of problems of under development. Microfinance is believed to play vital role in development by helping the poor to meet basic needs improvement in economic welfare as well as women empowerment. The foregoing analysis indicates that microfinance activity and self help group participation has a positive impact on the income, assets, occupation, savings, and access to loans, bank connectivity, knowledge, self worthiness, and decision making level of the participants. Through factor analysis and regression, the study empirically supports the positive relationship between microfinance and women empowerment, in congruency with the microfinance literature. The study attempts to contribute the microfinance literature by comprehending the current experience of using microfinance as a financial mediator for building up and augmenting women empowerment

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