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A Research on Socio Economic Impact of Micro Finance for the Progressive Development of Self Help Groups in Prakasam District, Andhra

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Abstract: ***Micro finance by using self helped groups concept tool for the combat poverty and for the rural development. The Micro finance and the SHGs are the effective in reducing poverty, as well as empowering the women and creating awareness which finally results are in sustainable development of the nation. In our country India, the emergence of liberalization and globalization in early 1992 raised the problem of women workers in an unorganized sectors from bad to worse as most of the women that who were engaged in various self employment activities that have lost their livelihood. Despite of the substantial contribution of women in both household and national economy, for their work is considered just an extension of household domain and they remain non-monetized. In India, Microfinance concept is dominated by Self Help Groups as an effective mechanism for the providing financial services to be "Unreached Poor" and also in the strengthening of their collective self help capacities in leading to their empowerment. The Rapid progress in SHG formation has now turned into an empowerment movement along the women across the country. Micro finance is compulsory to defeat exploitation, and produce the confidence for economic self confidence of the rural poor, particularly among the rural women. This research paper make an attempt to identify how microfinance to self help groups shows impact for that development of the rural poor especially the women in Prakasam District.***

Keywords: women empowerment, Self help groups, Prakasam District, micro finance.

I. INTRODUCTION

From the past few Decades, Microfinance has emerged has a larger movement whose object is "a world in which that as everyone, those are especially the poor and the socially marginalized the people and also households have access to wide range of affordable, the high quality financial products and services, these including not just credit but also savings too, insurance, and the fund transfers. There are Many of those who promote microfinance that are generally believe that such access will help poor people out of poverty, including the participants in the major Microcredit Summit Campaign.

Many individuals, the microfinance is the way to promote the economic development and also employment and enlargement through the hold up of these micro-entrepreneurs and small business for others it is a way for poor to manage their finances extra successfully and they take advantage of these economic opportunities to while managing these risks. The terms have that are evolved from micro-credit to the micro-finance, and now these became 'financial inclusion'.

The empowerment of the women is one of the very important issue in the developing countries. As a women are the integral part of society, and her status and participation in decision making as well as these economic activities is very low. The Microfinance plays very important role in improving the women decision making by the contributing in economic activities as well. Over the past few years various efforts have been made by many Government and as well as Non-Government organizations to promote women empowerment particularly in rural areas. One of the major effort is the microfinance intervention. The Microfinance institution aims to provide credit to the rural poor who have no access to regular commercial Banks. Generally , this institution receives financial support from the western donors, the NGO's or commercial Bank, who lend to the microfinance institutions often against below the market interest rates. Many leading public and private sector banks are offering schemes exclusively to designed for the women to set up their own ventures as well.

Now even for the unorganized sector has been heading into the microfinance movement. This present paper is an made an attempt to study the role of the microfinance intervention in promoting the women empowerment in rural India. To verify the various schemes

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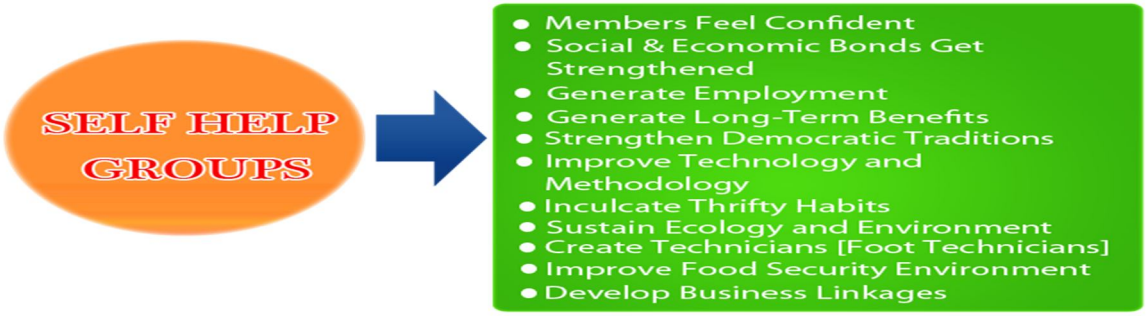
under which these micro finance tool is apply and the progress of this program and the help of various data provided by the government and the other institutions is included in this study also. With the help of this it is suggested that education facilities and the family protection must be provided in the proper way. These Microfinance institutions should strengthen and they expand their support to the resource poor women. Women have been the most underprivileged and they discriminated strata of the society not only in India but also the world over.

Apart of all these Government and Non-Governments' efforts, they have been highly forget the clients of the financial sector. So in the recent times, the microfinance has been emerging tool as a powerful instrument for the empowering women particularly, the rural women. Apart from the traditional sector of finance and the formal and semi formal sectors like the commercial banks, and NGOs etc. these are taking much interest in the providing microfinance to women in considering it to be a profitable commercial and profitable activity. Women are also participating in the microfinance movement through availing the microfinance services are being provided by the various financial channels as well. The main aim of this microfinance is to empower women. The Microfinance is the provision of the financial services to the low-income clients, so including consumers and the self employed, who are traditionally lack access to the banking and related services. The Microcredit, or microfinance, is banking the unbankables, so bringing credit, the savings and the other essential financial services within the reach of the millions of people who are too poor to be served by regular banks as well, in the most cases because they are unable to offer the sufficient collateral. The Women make up the large proportion of the microfinance beneficiaries.

Initially, the women (Specifically those in underdeveloped countries) have been unable to the readily participate in the economic activity. Microfinance also provides the women with the financial backing they need to start the business ventures and they actively participate in the economy. It gives them the confidence, and also improves their status and makes them more active in decision making as well, thus the encouraging gender equality. According to CGAP, long-standing MFIs even report the decline in violence towards women since the inception of the microfinance.



The most of the microcredit institutions as well as the agencies all over the world focuses on the women in developing countries too. The Observations and the experience shows that the women are a small credit risk, they repaying their loans and they tend more often to benefit the whole family. On the other aspect it is also viewed that as one of the method of charitable the women more rank in the socioeconomic way and they shifting the current traditional relationship between gender and in a class. A recent World Bank report confirms that societies that are discriminate on the basis of gender pay the cost of greater poverty, they slower economic growth, weaker governance, and a lower living standard for all people.

To a macro level, it is majorly because of 70 percent of the world's poor are the women. The Women have a higher unemployment rate than the men in the virtually every country and this will make up the majority of the informal sector in the most economies. They will constitute the bulk of those who are in need microfinance services. These will giving the women access to the microcredit loans therefore this will generates a multiplier effect that increases the impact of a microfinance institution's activities, benefiting multiple generations also.

A. Concept Of Empowerment

Prof Amartaya Sen (1993) describes that the freedom to lead to the different types of life is that reflected in the person's capability set also. The capability of the person that depends on a variety of the factors, these are including the personal characteristics and the social arrangements. However, the full accounting of this individual freedom goes to beyond the capabilities of these personal living. For an example that, if we do not have the courage to select to live in a particular way, even though we could be live that way if we so we choose, can it be said that we do have the freedom to live that way as well, i.e. the corresponding capability? Is that Another important point made by that is made by Sen (1990) is that for the measurement of purposes that one should focus on the

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certain universally-valued functioning, which they relate to the basic fundamentals of the survival and the well-being regardless of the context. Taking the example of the universally valued functioning like the proper nourishment and good health and shelter.

B. Microfinance And Women Empowerment

The Micro-finance programmes not only give the women and men access to savings and the credit, but also reach the millions of people worldwide bringing them all together regularly in the organised groups. Even though they are potentially a very significant contribution to the gender equality and the women's empowerment, as well as pro-poor development and the civil society strengthening. Even Through their contribution to women's ability to the earn an income these programmes will have potential to the initiate a series of 'virtuous spirals' of the economic empowerment, increased well-being for the women and their families and the wider social and political empowerment. The Micro finance services and groups are involving men also have potential to the question and the significantly change men's attitudes and behaviours are as an essential component of the achieving gender equality. Though mainstream of the microfinance programme are heart women by means of a sight to the authorize them. They are varying underlying the motivations for that pursuing women empowerment as well. Some people argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping to them should be a priority. as more feminist point of view stresses that an increased access to the financial services represent an important opening/opportunity for the greater empowerment. Such organizations are explicitly perceive microfinance as a tool in the fight for the women's rights and as well as independence. Finally, keeping up with the objective of the financial viability, an increasing number of the microfinance institutions prefer women members as they believe that they are better as well as more reliable borrowers.

C. Literature Review

1) Malhotra (2002) constructed as a list of the most commonly used as dimensions of the women's empowerment, in drawing from the frameworks developed by the various authors in the different fields of social sciences. Through allow for the partly cover, these be frameworks propose that the women's empowerment wants to the occur the length of with the manifold size counting: financial, socio-cultural, ancestral and interpersonal, lawful, supporting, and emotional.

2) It has been well-documented that are an increase in women's resources are the results in the well-being of the family, that are especially in children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1997). As a more the feminist point of view stresses that are increased access to the financial services represent in an opening/opportunity for the greater empowerment. Such an organizations explicitly they perceive microfinance as a tool in the fight for the women's rights and the independence.

3) Ranjula Bali Swain (2007) Can Microfinance Empower Women? SHG Groups in India" they finished so as to a lot of stride contain be complete in the right way and women are in the procedure of the empower themselves and NGOs to give hold up in monetary services that are particular training, they have a greater ability to make a positive impact on the women empowerment.

4) The Susy Cheston, Lisa Kuhn in their journal article titled as 'Empowering Women through Microfinance' they concluded like Microfinance has the potential to have a powerful impact on the women's empowerment.

5) Two authors Ranjula Bali Swaina and Fan Yang Wallentin (sep 2009) in their article 'they specified that Does microfinance empower women? proof as of self-help groups in India' they finished that their study powerfully indicate that these SHG members are empower by participating in the microfinance program in the sense that they have a more propensity to resist existing gender norms and the culture that they restrict their ability to the develop and make choices.

6) These Batliwala (1994) identified that there are three approaches to the women's empowerment: they have integrated development approach which focused on the women's survival as well as livelihood needs; these economic development approach which aimed at the strengthen women's economic position and also consciousness approach which are organized the women into the collectives that address the source of this oppression.

7) The Mayoux (1997) commented that the impact of this microfinance programmes on women is not every time positive. The Women people that have set up enterprises benefit not only from the small increases in the income at the cost of more workloads and the repayment pressures. Sometimes their loans are used by the men in the family to set up the new enterprises, or otherwise sometimes women end up with being employed as the unpaid family workers with little benefit.

8) These two Armendáriz and Morduch, (2010) verified the impact of micro credit on women's economic empowerment. The finding of these study indicated that the se microfinance empower women's economically through the changes in the household choices, and the bargaining power, by the increasing overall resources, they affecting the returns on the human capital.

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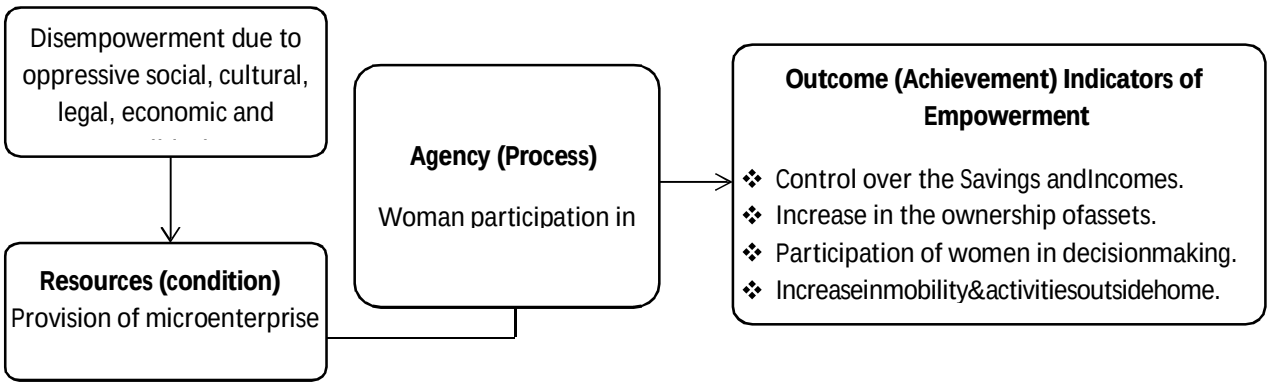
9) Skarlatos, (2004), investigated the impact of micro credit on women's empowerment. The study confirms that micro credit delivery in various points of the world has improved the economic position of households, enhancing the asset base and diversification in to higher return occupations among members. However, there are also a number of issues within the women's empowerment framework that impede the poverty reduction capacity of micro credit.

D. Self Help Groups (Shgs)

These are of homogenous group of ten -twenty individuals who come together for make saving and internally wish to helping each other in times of they need. The Group members are engaged in livelihood of activities such as running a retail shop, and cattle rearing, zari work, tailoring jobs, making candles, artificial jewellery etc. Each of individual saves a fixed amount on a monthly basis. In a district like prakasam District we need to find large number of the villages where these are the self help groups are now emerging as well. These are following are the villages where am can find self help groups for this study:

1) These are SHG Villages in Ardhaveedu Mandal: Ardhaveedu, Ayyavaripalli, Bogole, Bollupalli Donakonda, Gannepalli, Kakarla, Maguturu, Mohiddinpuram, Nagulavaram, Papinenipalli, Peddakandukuru.
2) SHG Villages in Ballikurava Mandal: Ambadipudi, Ballikurava, Chennupalli, Gorrepadu,Guntupalli,K.rajupalem,K.v.palem,Konidena,Kopperapadu,Kopperapalem, Kothuru, Kukatlapalli.
3) SHG Villages in Bestavaripeta Mandal: Akkapalli, Basinepalli, Bestavaripeta, Ch.obinenipalli, Chetticherla, Galijerugulla, J.b.k.puram, J.c.agrahram, Khajipuram, Konapalli, M.p.cheruvu, Mokshagundam
4) SHG Villages in Chandra Sekhara Puram Mandal: Ambavaram, Ambavaram Kothapalli, Anikalapalli, Arivemula, Ayyalurivaripalli, Boyamadugula, Chandrasekhara Puram, Chennapanayunipalli, Cherlopalli, Chintapudi, D.g.peta, K.agraharam
5) SHG Villages in Chimakurthi Mandal: Bandlamudi, Budawada, Busarapalli, Chandrapadu, Chimakurthy, Chinaravipadu, Devarapalem, E.v.palem, Gadiparthivaripalem, Gonugunta, Ilapavuluru, K.v.palem
6) Chinnaganjam, Chinthagumpalli, Gonasapudi, Kadavakuduru, Kothapalem, Motupalli, Munnamvaripalem, Neelayapalem, Pallepalem, Pedaganjam, R.b.palem, Santharavuru
7) Villages in Cumbum Mandal: China Cumbum, Cumbum, Darga, H.gudem, Jangamguntla, Kandulapuram, L.kota, Lingapuram, Narsireddypalli, Owrangabad, Peddanallakalva, Ravipadu
8) Villages in Naguluppala Padu Mandal: Ammanabrolu, Ch.uppalapadu, Chadalawada, Chavatapalem, Chekurapadu, Edumudi, H.nidamanuru, K.takkellapadu, Kanaparthi, Kandlagunta, Kothakota, M.muppalla
9) Villages in Kondapi Mandal: Ankarlapudi, Chinakandlagunta, Chinavenkannapalem, Chodavaram, Goginenivaripalem, Gurrapadiya, Ilavara, K.uppalapadu, Kattubadipalem, Kondapi, Mittapalem, Mugachintala
10) Villages in Kandukur Mandal: Anadapuram, Ananthasagaram, Balijapalem, Divivaripalem, G.mekapadu, Jillellamudi, K.m.palem, Kammavaripalem, Kancharagunta, Kondikandukur, Kovuru, Machavaram



E. Micro Financial Schemes

The Banking sector has been emerging in a very big way to participate in most of the microfinance movement. At present there are many commercial banks are taking much interest in developing the schemes exclusively for women. The Various leading public and private sector banks have been providing finance under different schemes to the women entrepreneurs with a subsidies and relief in interest rate on credit. The some of these schemes were listed in below.

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Commercial Banks' Schemes for Women Commercial banks	Name of the scheme
Bank of India	PriyadarshiniYojana
Canara Bank	CAN Mahila
Central Bank of India	Cent Kalyani
Dena Bank	Dena Shakti
Oriental Bank of Commerce	Orient mahilaVikasYojana
Punjab National Bank	PNB Kalyani Card Scheme
Punjab & Sind Bank	Udyogini Scheme
State Bank of India	Stree Shakti Package
State Bank of Mysore	Stree Shakti
SIDBI	Mahilaudyam Nidhi
Union Bank of India	ViklangMahilaVikasyojana
ICICI Bank	Women's account
IDBI Bank	MahilaUdyog Nidhi, MahilaVikas Nidhi
Vijaya Bank	Assistance to Rural Women in Non-Farm Development (ARWIND)

F. Micro Financial Institutions

1) Micro Finance intervention by other than banking sector: Besides all the banks, there were many more agencies and institutions those are working in the field of micro finance. In late 2017, CRISIL which is the India's leading ratings, the research and the risk advisory company released that the list of top 50 microfinance institutions in India. This report titled India's Top most Microfinance Institutions presents an brief of the leading players in the India's microfinance institution (MFI) space. The following are the CRISIL List of Top Microfinance Institutions in India.

a) SKS Microfinance Ltd (SKSMPL)
b) Spandana Sphoorty Financial Ltd (SSFL)
c) Shri Kshetra Dharmasthala Rural Development Project(SKDRDP)
d) BhartiyaSamruddhi Finance Limited (BSFL)
e) BandhanSociety
f) Grameen Financial ServicesPvt Ltd (GFSPL)
g) Bandhan Financial Services Pvt Ltd (BFSPL)
h) Sarvodaya Nano Finance Ltd (SNFL)
i) S.M.I.L.E Microfinance Limited
j) Sanghamithra Rural Financial Services (SRFS)
k) Rashtriya SevaSamithi (RASS)
l) Sahara Utsarga Welfare Society (SUWS)
m) Annapurna Financial Services Pvt Ltd
n) Hand in Hand(HiH)
o) Payakaraopeta-Women's-MutuallyAided-Co-operative-Thrift&Credit Society(PWMACTS)
p) Sewa Mutually Aided Cooperative Thrift Societies Federation Ltd(Sewa)
q) Initiatives for Development Bangalore, Foundation (IDF)
r) Gandhi SmarakaGramaSevaKendram(GSGSK)
s) Swayamshree Micro Credit Services(SMCS)
t) Community Development Centre (CDC)

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G. Data And Results

	No. of MFIs	Amount	No. of MFIs	Amount	No. of MFIs	Amount	No. of MFIs	Amount
loan disbursed by banks to MFIs	581 (12.2%)	3732.33 (89.4%)	779 (34%)	10728.50 (187.4%)	471 (-39.5%)	8448.96 (-21.3%)	465 (-1.3%)	5205.29 (-38.39%)
Loans outstanding against MFIs	1915 (72.7%)	5009.09 (82.2%)	1659 (-13.4%)	13955.75 (178.6%)	2315 (39.5%)	13730.62 (-2.0%)	1960 (-15.3%)	11450.35 (-16.6%)
Fresh loan as% of loan outstanding		74.5		76.9		61.5		45.5

Source: www.nabard.org.(Status of Micro Finance in India).

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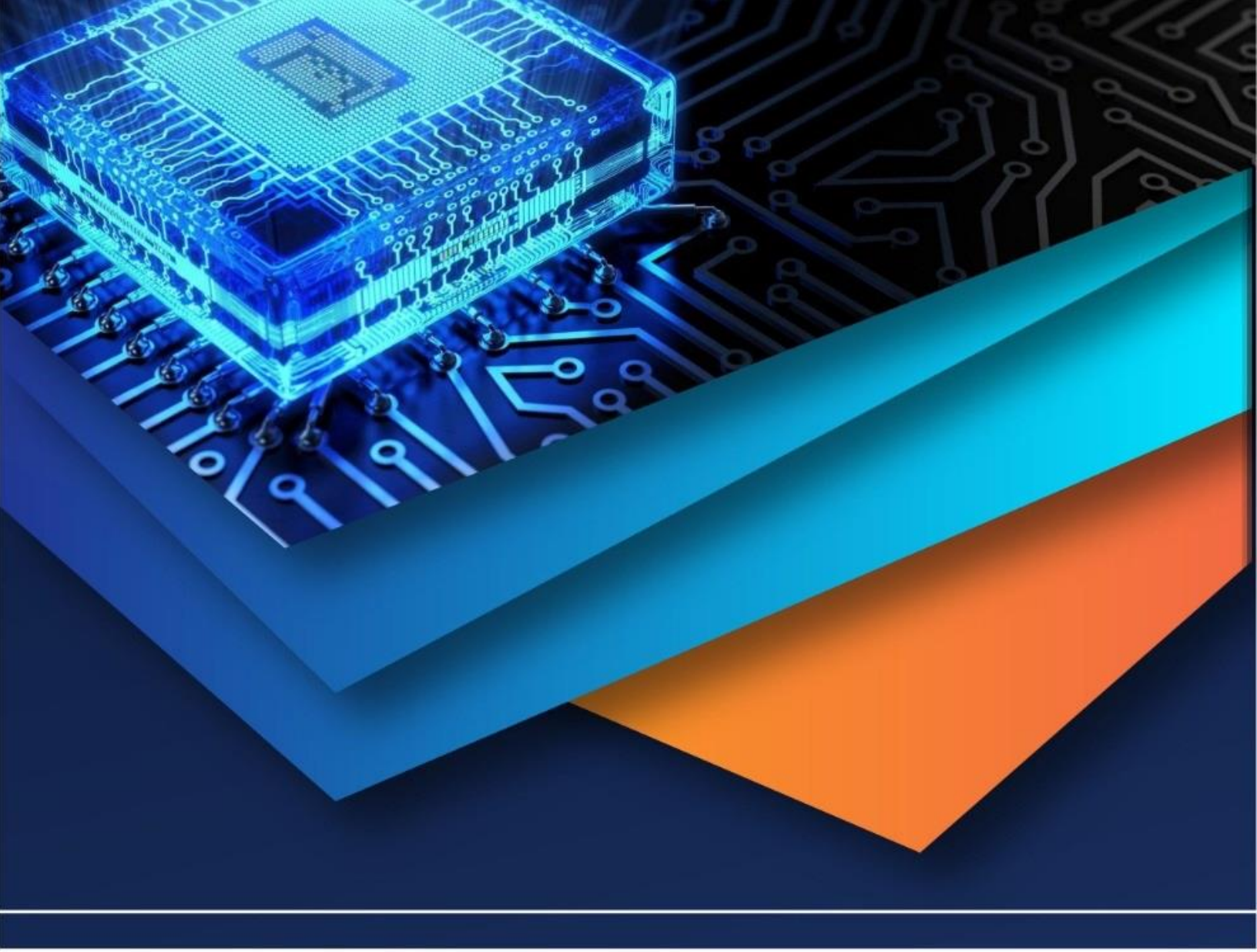

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