



THE INFLUENCE OF MICROFINANCE IN RURAL WOMEN FOLK DEVELOPMENT OF KAMAREDDY DISTRICT (TELANGANA STATE)

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ABSTRACT

Microfinance is the provision of loans and other financial services to the poor. The microfinance has evolved due to the efforts of committed individuals and financial agencies to promote self-employment and contribute to poverty alleviation and provision of social security. By this study, it is finalized that the rural women development is definitely improved through the support of microfinance. It is distinguished that the Self Help Groups also provide the expected benefits to the rural women folk if training is given on different developmental activities. Most of the microfinance institutions in India attempt to go beyond savings and credit groups to provide microfinance services in the form of savings and insurance.

KEYWORDS : Microfinance, Rural women, Self help groups and development and Self confidence.

Introduction

Rural women play a significant role in the domestic and socioeconomic life of the society. In rural areas, employment opportunities for women is worse because of lack of land for farming, lack of alternative opportunities and several cultural constraints that prevent them to secure work in urban areas for better income. Regarding the impact of micro-finance programme on poor it is established that microfinance programme has the ability to increase income of poor people, and reduce their vulnerability to external shocks. Increased income transforms into household asset creation which actually facilitates in alleviating poverty.

Microcredit has defined as the extension of small loans to be given in multiple doses based on the absorption capacity of the needy beneficiaries, who are too poor to qualify for formal bank loans, as they have no assets to offer as collateral security against loans. Microfinance has filled the efforts of rural women development and wealth generation by providing small scale savings, credit, insurance and other financial services to poor and low income households.

Definition of Micro finance

Microfinance has come to be referred to as a small scale financial service including savings, credit, insurance, business services and technical assistance provided to rural people who operate small or micro enterprises, provide services, work for wages or commissions and other individuals and groups working at local levels.

Concept of Micro finance

The concept of micro financing and self-employment activities in rural areas has developed considerably over the last two decades. It is working neither on domain/charity nor on subsidy. It is basically rotational investment done to motivate the poor to empower themselves and practice the dictum save for the future and use that resource during the time of need. Theoretically, microfinance also known as microcredit or micro lending means making provision for smaller working capital loans to the self employed or self-employment seeking poor.

Self Help Groups are regarded as the best means for development of women in the maximum developing countries. India is also comes under this category. NGOs play a significant role in organizing the women groups. These are organised for the participation of women in developmental activities. The Self Help Groups is commonly used refer to

groups of 12 to 20 members participated basically in savings and credit activities. A SHG is a group of about 20 people from a homogeneous class, who come together for addressing their common issues.

Research methodology

This study is conducted in Kamareddy District. The scholar has focused his attention on the self help groups which get micro financial assistance from available Banks in the study area. It is reported that self help groups have taken revolving fund and financial assistance. Self Help Groups have a membership ranging from 12 to 20. The scholar has contacted 150 members of the self help groups who are active members of the group.

The main objective of this study is to examine whether it is possible to generate additional income and employment through micro finance in this region and to analyze the ways in which they are developed.

Sources of Data:

The study is undertaken in rural areas of Kamareddy district. Both primary and secondary data's are used. Primary data is enumerated from a field survey in the study area. Secondary data is collected from various libraries.

Sampling Method:

Cluster sampling and area sampling is followed. Since the members are large in number they are divided by groups and randomly selected for data collection.

Sample Size:

150 sample respondents have been interviewed and collected for the research covering from all the mandals rural areas of Kamareddy district.

Method of Data Collection:

A structured interview schedule was prepared and used for collecting data from the rural SHG women members who are engaged in different developmental activities through microfinance.

Limitations of the Study

The study is confined with the rural areas of Kamareddy district of Telangana State. Hence the results may not be applicable to urban area SHGs even in the same region. The data was collected only from those who engaged in income

generating activities.

Data Analysis and Interpretation:

Table-1 Microfinance and other alternatives

S.No.	Alternative sources	Frequency	Percentage
1	Money lender	47	31.3
2	Friends or Relatives	28	18.7
3	NGO's	24	16
4	Other banks	31	20.7
5	Govt. Schemes	20	13.3
	Total	150	100

The details mentioned in this table shows that 47 (31.3%) of the respondents perceived that they were approach alternative sources for finance, however 31 (20.7%) of them perceived that they are taken loans from other banks also, 28 (18.7%) of the respondents are chosen alternatives of their friends or relatives, however 24 (16%) of them getting the other loans from NGO's and last 20 (13.3%) of the respondents got the finance from other government schemes. It is concluded that the respondents were very poor and they are not sufficient with SHG funds so that they go for alternatives sources for their needs.

Table-2 Micro finance and self confidence levels

S.No	Self Confidence Levels	Frequency	Percentage
1	Yes	102	68
2	No	33	22
3	No Opinion	15	10
	Total	150	100

The details mentioned in this table analysed that an overwhelming majority 102 (68%) of the respondents perceived that they got the overall self confidence by this programme, however 33 (22%) of them perceived the negative opinion about this aspect and rest of the 15 (10%) respondents are neutral about the self confidence aspect. It is concluded that the maximum number of the respondents gain the overall self-confidence by the support of microfinance.

Table-3 Changing levels of Socio economic conditions

S.No	Opinion	Frequency	Percentage
1	Remained same	39	26
2	Increased	94	62.7
3	Decreased	10	6.7
4	Can't say	7	4.6
	Total	150	100

The details depicted in the above table represents that the majority of respondents 94 (62.7%) are perceived that increase their socio-economic status after joining MFI, while next majority of the respondents 39 (26%) said that their socio-economic status is remained same. However 10 (6.7%) of them perceived their opinion negatively and last 7 (4.6%) of respondents can't say anything about this aspect.

Table-4 Loan usage pattern of Microfinance

S.No.	Loan used for	Frequency	Percentage
1	Children education	38	25.3
2	Health	21	14
3	Domestic Needs	46	30.7
4	Agriculture	25	16.7
5	Petty Business	20	13.3
	Total	150	100

The data presented in this table reveals that 46 (30.7%) of the respondents spent SHG amount for their domestic purpose, next 38 (25.3%) of them used this amount for their children education, 25 (16.7%) of the respondents are utilized money on agriculture as investment, 21 (14%) of them used the loan for their health and remaining 20 (13.3%) of the respondents used loan amount on petty business. The data indicated that

majority of the respondents used this amount for their family needs. There is a significant positive response in the loan usage pattern of micro finance.

Table-5 Monthly Income of the Members before and after joining Self Help Groups

S.No	Opinion	Frequency	Percentage
1	Increased	111	74
2	Neither increase nor Decrease	28	18.6
3	Decreased	11	7.4
	Total	150	100

The data presented in table-5 the financial condition of the respondents was very poor before they have taken micro finance hence an overwhelming majority 111(74%) of them perceived that their monthly income was increased. In the case of 28(18.6%) of the respondents, it is reported that their monthly income was neither increase nor decrease and rest of the last 11(7.4%) of them responds negatively on monthly income. There is considerable change in the income of the respondents after they started using micro finance. Income earned by the respondents varies depending on the type of occupation undertaken by them.

Table-6 Benefits Received by the Respondents through Micro Finance

S.No	Opinion on Benefits	Frequency	Percentage
1	Increased saving habit	57	38
2	Accessibility of resource	45	30
3	Technical guidance	30	20
4	Other promotional assistance	18	12
	Total	150	100

The data given in the above table describes that 57 (38%) of the respondents said that they are benefited and increased their saving habit through microfinance, next 45 (30%) of them perceived that they are much accessible of resources after joining in this scheme, 30 (20%) of the respondents feels that they are well aware of technical guidance by this programme and last 18 (12%) of the respondents were benefited other promotional assistance as a SHG member. It is observed that overall perception of the respondents is increased level of saving habit.

Table-7 Development Levels as a SHG member

S.No.	Development Levels	Frequency	Percentage
1	Increase in Family income	55	36.7
2	Awareness on bank operations	31	20.7
3	Improved standard of living	29	19.3
4	Leadership and communication skills	14	9.3
5	Decision making in family and society	21	14
	Total	150	100

The details represented in the above table shows that 55 (36.7%) of the respondents perceived that increased their family income levels through microfinance, 31 (20.7%) of them said that they had good awareness on bank operations, 29 (19.3%) of the respondents feels that improved their standard of living. 14 (9.3%) of the respondents perceived that they gain the leadership and communication skills as a SHG member and remaining 21 (14%) of the respondents were able to making decision capacity in the family as well as in the society. It is indicated that overall perception is increased developmental levels as a SHG member.

Concluding Remarks:

Micro finance programs are treated as a key strategy in addressing development issues across nations since the last thirty years. By this study it is examined the role of

microfinance as a financial intermediary for enhancing women development in the rural areas. Further it explores that as a member of microfinance SHGs helped women to become financially free, self confident with improved prestige in the family and in society. From this study it is noted the financial operations of SHGs was successful. Hence SHGs are able to decrease poverty and successfully gained women development in backward rural areas. The microfinance brought self confidence and social status than economic development. Role of microfinance is appreciable in build up the confidence, courage, skill development and empowerment. They feel free to move with their group members and leaders. It leads them to participate on various social welfare activities with good to cooperation. While interacting with the respondents, it is observed that some are expecting the NGO to come up with more training sessions in income generating programmes.

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