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E-mail
editor@ijmrbs.org
editor.ijmrbs@gmail.com

IMPACT OF THE MFIS ON THE SOCIO-ECONOMIC DEVELOPMENT OF WOMEN IN INDIA: CHALLENGES FACED IN ACCESSING MFIs SERVICES

**Ms. SUMAIYA FATHIMA, Research Scholar, School of Commerce and Management,
YBN University, Ranchi, Jharkhand**

**Dr. Devendra Kumar Ojha, Asst. Professor, School of Commerce & Management,
YBN University, Ranchi, Jharkhand**

Introduction:

The MFI usually prefer the loan disbursement and repayment through the Banks and thus each beneficiary had to open up an account. These bank accounts have been of great importance to the women who have engaged themselves in other lucrative ventures whose payments are through the bank. The performing of the banking function also enhanced the self-confidence of the women in that they go to the bank and fill in the forms and assist others to do the same. The accounts would also yield some interest that was earned at the end of the year thus increasing on the money available for use by the women. The going to the bank for the women was prestigious and improved their confidence levels. The improvement in the access to social services like the banks and microfinance institutions and the levels of confidence also showed indications of socio-economic development.

This study has addressed this research gap by examining the impact and benefits of microfinance in empowering women in **Hubli and Dharwad in north Karnataka.**

Issues/challenges:

Sustainability: MFIs model is comparatively costlier in terms of delivery of financial services. Cost of supervision of credit is high, the loan volumes and loan size is low. MFIs pass on the higher cost of credit to their clients who are interest insensitive for small loans but may not be so as loan size increase. So, high cost involved in MFIs. Question arises on sustainability of small MFIs.

Lack of Capital: Lack of owned funds is the challenge of this sector. Presently, to meet this challenge of MFIs, no trustworthy machinery is available in the country. Fund availability is

necessary for MFIs to operate but due to various obligations and regulation imposed by the government and banks, MFIs are not getting funds easily from the banks.

Lack of Modern Technology: MFIs have no efficient software to deal with the information. Reason can be of high cost. All MFIs facing the problem of multiple lending and they are trying to fulfill regulation announced by RBI but no one has strong software to cope up this problem

Lack of good Management: Small MFIs have no effective management in middle level & upper middle level. Due to this operational function is not implementing effectively.

Borrowings: - Earlier years, MFIs are now finding it relatively easier to raise loan funds from banks. They know very well about need of MFIs. Banks are trying to find exact risk about MFIs. They are trying to use right technology to assessment of right risk. So, they can make innovative & suitable product for MFIs

Insurance in MFIs: - Some MFIs use product of insurance for security of portfolio. Clients do not get benefit of insurance. Claim ratio is high so premium of insurance is high. Small MFIs are facing problem to implement other life & general insurance product. Still, insurance companies are not making product as per need of MFIs. MFI have no right approach to find risk about prospects death clients. So, claim ratio is high. Many death clients are husband of clients. Many MFIs are using group term life insurance product. Some MFIs violate the regulation regarding group insurance micro insurance of IRDA.

From Credit to Enterprise: - MFIs always linked to the banks, how they can be induced to matured level of enterprises, how they can be induced to factor in livelihood diversification, how they can be increasing their access to the supply chain linkage to the capital market. So, MFIs are facing different type of problems, how they can be matured as good enterprises.

Mixing Charity with Business Activity: To run a business activity a marginal profit is needed. In the absence of this no organization or institution will run but often microfinance business is connected with charity have problem arises on operational stages.

Difficulty in Measuring the Social Performance of MFIs: - there is no specific tool to measure

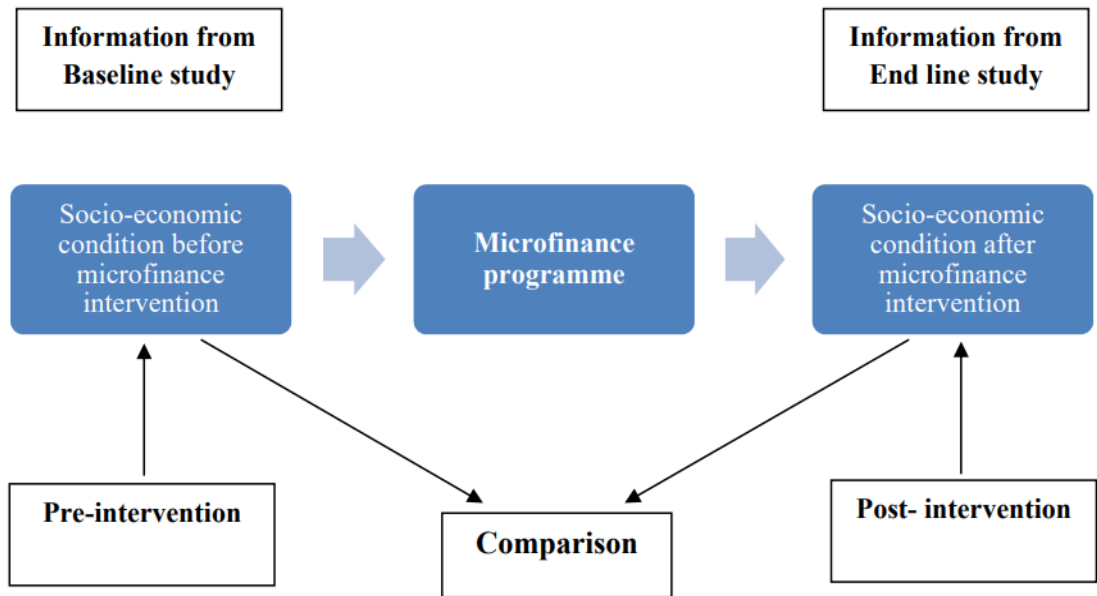
the performance with proves that is working in positive direction and where it lacks, what more initiative is needed.

Lack of Customized Solution for the Poor People: Many poor and rural people are illiterate and not able to easily understand about the rule, policies, and features of products. Thus proper channel must be set up for the customer satisfaction and solution of problem. Dual responsibility of MFIS to be financially sustainable, Sound and development oriented: MFIs have dual responsibility to be financially sound and work for socioeconomic development of in rural, semi-rural or urban areas.

Human resource challenges in MFIs: Due to low salary, low growth rate, lack of resources, and lack of good human resource policies, employee' resignation rate is high. Lacuna of good employees in small MFIs. That effect on growth and operational functions of MFIs. Challenge regarding clarity of regulation about MFIs: - Still, microfinance bill is pending. How to make clear regulation and policies about MFIs is a big challenge.

The women were able to use the income obtained from their enterprises to purchase household items like furniture, beds and beddings, clothing and solar equipment. The acquisition of this property would improve the levels of hygiene and reduce the incidence of diseases in the household. This boosted their social status in the community because their homes were very neat and with good furniture and a meeting place for the group and other social meetings/gatherings. The existence of well-planned and clean homesteads in a community was also an indicator of socio-economic development. It also meant that the women had earned income and spent some of it on the welfare of the household instead of neglecting that function.

The above benefits that were established as accruing to the women identified the expressed benefits to include, reduced dependence on husband support, support husbands to pay children school fees and medical expenses, ability to renovate or move to a better house, giving new vitality to a previously declining project, having money to work with and feeling respected.



The purpose of the paper is to highlight the issues, challenges and opportunities of microfinance sector in India. Many developmental programs implemented in India, microfinance programs have a strong rural oriented and targeted the poor, especially for women. Numerous challenges are ahead of this sector like lack of accessibility, unhealthy competition, seasonal migration, political unawareness, excluding vulnerable groups, threatening the financial discipline, resource constraints, low level knowledge of microfinance institutions (MFIs) etc. On the other hand, existing in poverty in India, along with opportunities, is paving way for the growth of this sector and offering a huge market potential for microfinance. On this basis the sector presents a lot of opportunities such as: stimulating growth of economy, women empowerment, increasing volume, accessibility and outreach, economics of scope etc.

TABLE 5.1: DISTRIBUTION OF SAMPLE SHG MEMBERSBY AWARENESS ON THE FUNCTIONING OF SHGS

S.No	The women for joining the group	Sum	Mean	Rank
1.	For Creating Self— Employment Opportunities	2603	6.51	1
2.	NGO's Encouragement	2209	5.52	2

3.	Death / Divorce / Separation of Husband	1976	4,94	6
4.	Family Advice	1786	4.47	7
5.	To Get Internal Loan	1748	4.37	9
6.	For Social-Economic Empowerment	2001	5.00	5
7.	To Get Bank Loan	1744	4.36	8
8.	To Develop Saving Habit	2031	5.08	4
9.	Others	2034	5.09	3

Source: Computed from Primary Data

Table 5.1 The result inferred that majority of the respondents have joined in SHGs for creating self-employment opportunities, it is ranked in the first place with the mean score of 6.51, respectively. Similarly the women members have said that the NGO's gave encouragement to join in SHGs, it is ranked in second place with the mean score of 5.52.

TABLE 5.2: RESPONDENTS' OPINION ON UTILIZATION OF LOAN MONEY

Loan utilization	Mean	Rank
Food materials	2.75	9
Children education	3.82	1
Health! treatments	3.27	5
Life cycle ceremonies	2.82	8
Social Events	2.04	11
Agriculture/ Animal Husbandry	3.07	6
Other income generating activities	3.58	3
Burying Housing articles	2.54	10
Buying Occupational tools	2.93	7
Saving/Processing Assets	3.66	2
Repayment of Debts	3.53	4

Source: Computed from Primary Data

Table 5.2 The result observed that, the women SHGs have utilized their loan amount in repaying the debts and also for health treatments. These factors are ranked in fifth and sixth place with an average score of 3.27 and 3.07.

TABLE 5.3: RESPONDENTS' OPINION ON BENEFITS OF SANGHA LOAN

Factors	Mean	Rank
Savings mobilized by the poor	6.37	1
Access to the required amount of appropriate credit by the poor	5.47	3
Matching the demand and supply of credit structure and opening new market for F1's	4.69	6
Reduction in transaction cost for both lenders and	4.30	9
Tremendous improvement in recovery	4.42	8
Heralding a new realization of subsidy less and corruption less credit	4.86	5
Remarkable empowerment of poor women	4.59	7
It make women feel of Economic self-reliance	5.49	2
Others	5.04	4

Source: Computed from Primary Data

The above table 5.3 illustrates the respondent's opinion on benefits of SHG loans. Majority of the respondents have opined that the saving habit among the people has been developed by the SHG loans and it helps to the uplift economic status of poor people, it is ranked in first place with the mean score of 6.37.

TABLE 5.4 RESPONDENTS' LEVEL OF SATISFACTION TOWARDS THE LOAN FACILITIES OFFERED IN THE SANGHA

Loan Facilities	Mean	Rank
Face value of loan amount	3.49	1
Total cost Incurred	3.38	3

Interest rate	3.18	5
Travel expenses	2.71	8
Documentation Charges /Photo/Other legal & processing fee	2.41	10
Other charges	2.44	9
Loan Processing Time	2.98	7
Treated of Officials	3.11	6
Repayment terms	3.38	3
Repayment period	3.42	2

Source: Computed from Primary Data

Table 5.4 The rural poor women are incapacitated due to various reasons because most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor person is not only weak in socio-economic terms but also lacks access to knowledge and information, which are the most important components of today 's development process.

TABLE 5.5 RESPONDENTS' OPINION ON THEIR ACHIEVEMENTS AS A SHG MEMBER

Variables	Mean	Rank
Equal status participation in household	8.88	1
Equal rights are given to us	8.25	2
Significantly increase our living condition or economic condition	7.62	3
Development of our educational qualification	6.74	5
Reduce the family burden	6.94	4
Development of communicational skill and general awareness	6.10	6
Maintaining household smoothly	5.70	10
Partiality are removed among the members	5.99	7
Awareness in health and education	5.95	8
Improve the helping tendency towards others	5.41	12
Create general awareness among the public	5.56	11
Improve creating thinking	5.71	9

Source: Computed from Primary Data

From the above data analysis, it has been inferred that, the women members 'have gained equal status in the home as well as in the society, it is ranked in the first place with the mean score of 8.88.

Table 5.5. Ranking of performance indicators of SHGs

Performance Indicator	Weighted Average Score	Mean	Rank
Members participation on training	401	3.34	I
Group homogeneity	377	3.14	II
Decision making pattern	356	2.97	III
Level of loan Repayment	352	2.93	IV
Share of production loan to total loan	315	2.62	V
Members awareness of rule and regulation	311	2.59	VI
Frequency of group meeting	307	2.56	VII
Regularity of group saving	306	2.55	VIII
Level of record maintenance	295	2.46	IX
Rotation of group leader	264	2.20	X

Table 5.6, it can be seen that performance indicators such as member's participation on training, group homogeneity, decision making pattern, level of loan repayment performance and share of production loan to total loan, obtained higher mean value and were found to be important indicators to the performance of SHGs. Performance indicators such as member's awareness of rule and regulation, frequency of group meeting, regularity in group saving, level of record maintenance and rotation of group leader obtained lower ranks. Therefore, focus should be given on these performance indicators whose mean score is low for more efficient functioning and long run sustainability of SHGs in Nagaland. Earlier study also concluded that financial literacy, accounting, entrepreneurship development, etc. have moderate effectiveness on SHGs from a study on women 's capacity building through self-help groups for poverty.

Relationship between tenure of SHGs existence and performance score

In order to determine, if the tenure of SHGs existence influences the performance scores obtain by different SHGs, hypothesis was framed as under.

H₀: There is no significant improvement in performance score obtained by different SHGs classified based on the tenure of SHGs existence.

H₁: There is significant improvement in performance score obtained by different SHGs classified based on the tenure of SHGs existence.

Table:5.7. Mean ranks obtained for the tenure of SHGs existence and performance scores received by each indicator

Performance Indicator	Mean Ranks			H value	Level of Significance
	Below 5	5 to 10	More than 10		
Frequency of group meeting	57.23	61.47	64.67	0.753	0.686
Rotation of group leader	49.78	66.28	65.33	6.817	0.033*
Decision making pattern	56.74	61.09	67.06	1.256	0.534
Regularity of group saving	44.26	60.21	98.47	33.89	0.000*
Record maintenance	54.15	64.92	60	3.00	0.223
Group homogeneity	59.56	64.18	50.17	2.653	0.265
Level of loan repayment	55.5	59.24	76.17	5.086	0.079*
Members participation on training	50.32	64.28	70.89	7.202	0.027*
Members awareness of rule and regulation	33.43	67.28	99.19	53.68	0.000*

Kruskal-Wallis test was used to examine if there is significant differences exists in the performance score of SHGs classified based on the tenure of SHGs. The mean rank with respect to the tenure of SHGs existence and the performance scores received by each indicator are shown in Table5.7. The values of H with respect to the tenure of the SHGs existence and the scores received by each SHGs performance indicator and their mean ranks are presented.

Relationship between literacy of the group leader and performance score

In order to determine, if literacy of the group leader influences the performance scores obtain by different SHGs, hypothesis was framed as under.

Ho: There is no significant increase in performance score received by different SHGs classified based on literacy of the group leader.

H1: There is significant increase in performance score received by different SHGs classified based on the literacy of the group leader.

Table 5.8. Mean ranks obtained for the literacy of the leader and performance scores received by each indicator

Performance Indicator	Mean Ranks					H value	Level of Significance
	Illiterate	Primary	High school	Higher Secondary	Graduate & Above		
Frequency of group meeting	33.67	46.87	52.0	77.0	88.8	27.51	0.000*
Rotation of group leader	33.25	35.52	54.4	82.4	85.7	41.51	0.000*
Decision making pattern	41.5	57.8	62.15	60.5	70.5	3.164	0.531
Regularity of group saving	22.75	50.48	59.09	73.97	65.55	16.18	0.003*
Level of Record maintenance	28.75	33.09	59.47	77.74	87	42.95	0.000*
Group homogeneity	58.08	44.26	58.55	70.17	74.4	10.93	0.027*
Level of loan Repayment	55.67	56.37	58.89	67.01	57.5	2.044	0.728
Members participation in training	13.42	38.46	55.92	82.56	83.3	48.59	0.000*
Members awareness of rule and regulation	34.5	57.5	59.12	65.87	70.5	5.719	0.221

Kruskal-Wallis test was used to examine if there is significant differences exists in the performance score of SHGs classified based on the literacy of the group leader. The mean rank received with respect of literacy of the group leader and the performance scores obtain by each indicator are presented in Table 5.8.

The values of H with respect to the literacy level of the leader and the scores received by each SHGs performance indicator and their mean ranks are presented. It shows that the mean ranks for frequency of group meeting, rotation of group leader, regularity in group saving, level of record maintenance, group homogeneity, members participation on trainings and share of production loan to totalloan increases with increase in literacy of the group leader and were found to be significant at 5 per cent. This shows that, there is an overall improvement in performance for each indicator with increase in literacy of the group leader.

Moreover, performance indicators viz., decision making pattern, level of loan repayment and awareness of rule and regulation do not show significant difference. It was also found out that mean rank of the overall score of performance indicators increase with the increase in literacy of the group leader and found significant at 5 per cent. Thus, null hypothesis (H₀) is rejected and accept the alternative hypothesis (H₁) and concluded that, there is a significant increase in overall performance of SHGs with the increase in literacy of the group leader.

This may be because of the fact that the literacy of the group leader improves the knowledge and skills level of the leader which helps to motivate group members achieving desired goals. Earlier study also concluded that, literacy of the leader influenced the performance of the SHGs.

Relationship between size of the group and performance score

In order to determine, if the size of the group influences the performance scores obtain by different SHGs, hypothesis was framed as under.

H₀: There is no significant increase in performance score obtained by different SHGs classified according to the size of the group.

H₁: There is significant increase in performance score obtained by different SHGs classified according to the size of the group.

Table 5.9. Mean ranks obtained for the size of the group and performance scores received by each indicator

Performance Indicator	Mean Ranks			H value	Level of Significance
	Below 10	10-15	More than 15		
Frequency of group meeting	58.87	60.4	65.21	0.323	0.851
Rotation of group leader	65.6	58.29	62.12	1.135	0.567
Decision making pattern	25.5	68.94	93.17	50.41	0.000*
Regularity of group saving	62.67	62.07	44.88	3.007	0.222
Level of Record maintenance	60.95	61.44	53.29	0.735	0.693
Group homogeneity	71.3	62.26	22.04	20.47	0.000*
Level of loan Repayment	26	68.97	91.71	48.64	0.000*
Members participation on training	55.78	64.38	47.04	4.096	0.129
Members awareness of rule and regulation	59.08	61.41	58.12	0.173	0.917
Share of production loan to total loan	57.75	63.1	50.5	1.756	0.416*

Kruskal-Wallis test was used to examine if there are significant differences exists in the performance score of SHGs classified according to the size of the group. The mean rank with respect of size of the group and the performance scores obtain by each indicators are presented in Table 5.9.

The values of H with respect to the size of the group and the scores received by each performance indicator and their mean ranks were presented. It shows that the mean ranks for decision making pattern, group homogeneity, level of repayment, share of production loan to total loan increases as the size of the group increased, which depicts an improvement in performance for these indicators with increase in size of the group and were found to be significant at 5 percent level and indicator. Moreover, indicators such as frequency of group meeting, rotation of group leader, regularity in group saving, level of record maintenance, member participation on training, awareness of rule and regulation does not show significant difference. Moreover, the mean rank obtained for overall score of each indicators has also improved with increase in size of the group and is found to be significant at 5 percent.

Thus, null hypothesis (H₀) is rejected and accept the alternative hypothesis (H₁) and concluded that, there is a significant improvement in overall performance of SHGs increases as the size of the group increased. This may be because of the fact that with increase in size of the group, the work force increase and each individual member contribution to the group makes the group functioning more productive.

Social and economic impact on the women SHGs members

Women empowerment is of utmost importance to enhance the women self-confidence, capacity building and taking together unprivileged women into inclusive growth and socio-economic development of the women. Women empowerment is basically multi-dimensional in its approaches as it includes social, political, economic and social aspects. Moreover, in recent past an increasing number of micro finance institutions/NGOs focused women beneficiaries as it has been appreciated that they are more responsible and productive in loan utilization as well as in repayment performance. Women should and need to be provided with an opportunity to participate in various social and economic issues for inclusive growth to remove social barriers and discrimination in the society. In the light of role of SHGs on social and economic upliftment of women, an attempt is made to analyse the social and economic impact of SHGs on the SHGs members.

Social impact on the members of SHGs

In this section the study attempts to assess social impact of SHGs members on SHGs participation. Social variables viz., self-confidence and self-worth, decision making ability, social responsibilities and awareness, skill enhancement, access to social infrastructural facilities are discussed. Paired t-test is applied to analyse the social impact of SHGs participation in comparison with before and after SHGs participation by the tribal women in Nagaland. The findings on social impact of SHGs participation were discussed below:

Self-confidence and self-worth

Table 5.10. Mean scores on different sub parameters for self-confidence and self-worth before and after SHGs participation

Self-confidence and self-worth	Mean score before SHGs	Mean score after SHGs
Confidence to overcome financial crisis	2.35	3.90
Confidence to interact officials	2.43	3.52
Confidence to communicate freely in group	2.55	3.50
Physical mobility	2.97	4.05
Treatment in the family	2.98	3.64

Table 5.10 In order to measure, self-confidence and self-worth, responses were collected from 360 sampled SHGs members on various sub- parameters by using 5 points Likert scaling technique. Sub parameters for self-confidence and self-worth viz., confidence to overcome financial crisis, confidence to interact officials, confidence to communicate freely in group, physical mobility and treatment in the family were considered for the study. The mean scores on different sub parameters for self-confidence and self-worth, before and after SHGs participation by the women.

Testing of hypothesis:

Null hypothesis (Ho): There is no significant difference on the mean score for self-confidence and self-worth of SHGs members after SHGs Participation.

Alternative hypothesis (H1): There is significant difference on the mean score for self-confidence and self-worth of SHGs members after SHGs Participation.

Table 5.11. Result of the Paired sample t-Test for self-confidence and self-worth after and before SHGs participation

Self-confidence and self-worth	Paired Differences					T	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval				
				Lower	Upper			
Confidence to overcome	1.547	1.371	0.072	1.405	1.689	21.40	359	0.000

financial crisis								
Confidence to interact officials	1.097	1.496	0.079	0.942	1.252	13.91	359	0.000
Confidence to communicate freely in group	0.958	1.656	0.087	0.787	1.130	10.98	359	0.000
Physical mobility	1.072	1.491	0.079	0.918	1.227	13.64	359	0.000
Treatment in the Family	0.647	1.681	0.089	0.473	0.821	7.30	359	0.000

Table 5.11 Results for test of significance in mean scores difference for all the sub-parameters for self-confidence and self-worth of the SHGs members before and after SHGs that, all the sub-parameters considered for self-confidence and self-worth, the P value (=0.000), which is less than 0.05. Thus, null hypothesis (Ho), is rejected and accept the alternative hypothesis (H1) and conclude that, there is significant increase on mean score for self-confidence and self-worth of the members after SHGs participation. This is in conformity with earlier study which viewed that the Micro Credit based income generation activities plays a crucial role in poverty alleviation and empowerment in rural areas making significant impact among unprivileged women to gain social and economic independence as well as help increase their self-esteem, confidence and independence in social spheres.

Decision making ability

Table 5.12. Mean scores on different sub parameters for decision making ability before and after SHGs participation

Decision making ability	Mean Score Before SHGs	Mean Score After SHGs
Decision making ability on selection of farming enterprise	2.96	3.48
Decision making ability on children education	2.85	3.71
Decision making ability on household purchase	3.09	3.99
Decision making ability on family matters/problems	3.06	4.18

Table 5.12 In order to measure the decision making ability, response was collected from 360

sampled SHGs members on various sub- parameters by using 5 points likert scaling technique. Sub parameters for decision making ability viz., decision making ability on selection of farming enterprise, decision making ability on children education, decision making ability on household purchase and decision making ability on family matters/problems. The mean score on different sub parameters for decision making ability before and after SHGs participation.

Testing of hypothesis:

Null hypothesis (Ho): There is no significant difference on the mean score for mean score for decision making ability of the members after SHGs participation.

Alternative hypothesis (H1): There is significant difference on the mean score for decision making ability of the members after SHGs participation.

Table 5.13. Result of the Paired sample t-Test for decision making ability after and before SHGs participation

Decision making ability	Paired Differences					t	df	Sig. (2-tailed)
	Mean	Std. Deviation	St Err Mean	95% Confidence Interval				
				L	U			
Decision making ability on selection of farming enterprise	0.519	1.861	0.09	0.327	0.712	5.29	359	0.000
Decision making ability on children education	0.858	1.644	0.08	0.688	1.029	9.9	359	0.000
Decision making ability on household expenditure and savings	0.903	1.672	0.08	0.729	1.076	10.24	359	0.000
Decision making ability	1.117	1.672	0.08	0.943	1.290	12.67	359	0.000

Table 5.13 Results for test of significance in mean scores difference of all sub-parameters for decision making ability of the SHGs members before and after SHGs participation. For decision making ability of SHGs members, the P value (=0.000), which is less than 0.05. Thus,

null hypothesis (Ho) is rejected and accept the alternative hypothesis (H1) and conclude that, there is significant increase on mean score for decision making ability of the members after SHGs participation. Similar finding was also made in the past which concludes SHGs participation enhance decision making pattern which was ranked first followed by social and economic improvement, psychological, increase in confidence building of the individual as responded by the participants.

Findings and Suggestions:

Micro Finance is a banking service/activity which provides financial assistance/loans to individuals, unemployed and groups as a whole. Micro Finance through Self Head Group (SHG) is the powerful and suitable way of reaching financial assistance to the people directly in rural areas for rural development. Empowerment of women is the main aim of micro finance, because it leads to the sustainable development of the nation. This paper aims to the empowering of rural women through micro finance. This study was held in the rural areas of north Bangalore.

Women's are well in managing the money so the micro finance is mostly giving loans to SHGs in rural areas. The data collected from the respondents through a proper and structured questionnaire and the secondary data is collected from publishing reports, government reports and other documents.

In this research various statistical tools are used for better analysis and interpretation of the data collected from both primary and secondary data. Results reveal that indicators of women empowerment are household economic decision making, legal awareness, mobility, economic security and family decision making. Paired samples t test is used to know the difference in women's perception before joining microfinance program and after joining microfinance program. The findings of this study reveal that microfinance is a powerful tool that enhancing women empowerment in various means household economic decision making, legal awareness, mobility, economic security and family decision making.

Microfinance institutions have assumed responsibility for promoting women's empowerment through economic and social development in developing nations. The primary objective of this study is to analyze the impact of microfinance on women's empowerment in the state of

Karnataka. Women empowerment are measured by income & savings, ownership of assets, decision making, and mobility. This study is based on primary data through administered questionnaire to 500 women those who are involved in microfinance program in state of Karnataka using convenience sampling method on a five point Likert scale.

The research employed descriptive, correlational, and regression techniques using the Statistical Package for Social Science (SPSS). From the study, it is found that microcredit is helpful in empowering women on social and economic dimensions. The provision of various services such as micro saving, microcredit, training and other awareness program through microfinance institutions contributes to the holistic development of women who participate in microfinance.

The findings indicate that the women involved in microfinance programs experience a noticeable increase in their income levels and savings. Moreover, they exhibit higher ownership of assets, active involvement in household financial decision-making, and enhanced confidence in their mobility, compared to non-participants. The research has found that the microfinance has brought significant impact on empowerment of women. Based on these findings, microfinance emerges as a vital tool for poverty reduction and driving social change, which are key factors in promoting women's empowerment. The study highlights the significant role of self-help group microfinance empowering women.

Microfinance has emerged as a potential tool for empowering women:

Microfinance has emerged as a potential tool for empowering women, offering financial and nonfinancial services to marginalized women and promoting their socio-economic development. However, limited research has been conducted on the role of microfinance in women empowerment specifically in state of Karnataka. This study aims to address this research gap by examining the impact and benefits of microfinance in empowering women in state of Karnataka.

This research provides a comprehensive understanding of the experiences and sheds light on the effectiveness of microfinance in promoting women's socio-economic empowerment in state

of Karnataka, contributing to both academic knowledge and practical implications for policymakers, development practitioners, and microfinance institutions operating in the region. The outcomes of this study inform the design and implementation of future interventions that effectively harness the potential of microfinance to empower women and foster inclusive development in the district.

The study aims to achieve a comprehensive understanding of the experiences and effectiveness of microfinance in promoting women's socioeconomic empowerment in state of Karnataka, contributing to both academic knowledge and practical implications for policymakers, development practitioners, and microfinance institutions operating in the region.

The Microfinance and Women Empowerment" which investigated the role of microcredit and its effect on its borrowers in state of Karnataka. The study found that microfinance initiatives commonly prioritize lending to women, as they exhibit higher repayment rates. This emphasis on women borrowers is connected to women's empowerment and economic development, as it fosters self-confidence. Women are considered valuable borrowers due to their ability to utilize small loans for wise investments rather than spending on luxury items. Women affirmed that the microcredit program had a positive impact on their self-confidence, and women residing in villages were encouraged to assume leadership positions within their families. The program facilitated decision-making opportunities for women in household matters, and women initiated businesses by obtaining microloans from microfinance institutions (MFIs).

Role of Micro-Financing in Women Empowerment:

The research focused on the perceived impact of microcredit on women's empowerment in urban India, specifically Punjab. The study revealed significant benefits for women clients in terms of their socio-economic status, personal growth, financial independence, improved family relationships, and child development. Empowering women with financial resources can have a positive ripple effect on their families and society as a whole, helping them escape the cycle of poverty.

The study found that the loans provided by microfinance institutions had a significant impact on the well-being of women by promoting social and economic empowerment. To enhance the

effectiveness of these loans, the study recommended providing seminars and training to women entrepreneurs on effective loan management and maximizing the financial opportunities offered to them.

Evidence from self-help groups in India" The study concluded that participation in microfinance programs, particularly self-help groups, empowered women by enabling them to resist gender norms and cultural constraints. The study also found that women's involvement in microfinance programs led to improvements in access to drinking water and toilet facilities, increased social participation, and greater self-reliance. The study highlighted the positive impact of microfinance programs on women's economic growth by enhancing their income-generating activities. The study found that factors such as age, education level of the husband, marital status, and loan amount significantly influenced women's empowerment and decision-making within the household emphasized the psychological, social, and economic dimensions of women's empowerment through microfinance.

The study found that microfinance instilled courage and self-confidence in women, improved their literacy levels, and contributed to economic development and happiness within their families. The role of microfinance institutions in granting women access to savings and credit, which in turn enhanced their economic decision-making and welfare. The study emphasized the importance of providing training and guidance to women to maximize the benefits of microfinance programs and examined the impact of microfinance services on women's empowerment in the state of Karnataka. The study found a strong correlation between income, enhanced family relationships, and leadership potential. The study recommended scaling up efforts to empower women socio-economically and provide adequate support to ensure their success.

The study has investigated whether individuals who participate in microfinance programs experience higher levels of empowerment compared to non-members, and to explore whether the duration of membership enhances the degree of empowerment among the clients. A sample of 500 women was selected for the study, and data analysis was conducted using a logistic regression model. The findings reveal that higher scores on empowerment indices are partially influenced by the presence of multiple household members earning regular income. Additionally, married women appear to be less likely to experience empowerment compared

to non-married borrowers across all dimensions examined.

The study aimed to investigate the role of microcredit in empowering women and alleviating poverty. Women, who constitute a significant portion of the impoverished population, often face adversity due to socioeconomic inequality and gender disparities. They have limited access to income-generating assets such as property and financial resources. Microcredit is regarded as a crucial tool for empowering women and reducing poverty.

The study specifically focuses on the importance of microcredit in enabling women's empowerment and examines its impact on various aspects. These include identifying the sources of microcredit for women, evaluating its influence on women's income, savings, and investments, and identifying the barriers that hinder women's access to microcredit. The findings indicate that women's income and savings increase following their receipt of microcredit. To ensure the effectiveness of microcredit programs, it is recommended that the government promote awareness of micro credit institutions and their services through mass media channels such as radio, television, and print media. Additionally, allocating more resources to microcredit organizations would allow a greater number of women to benefit from these programs.

The study examined the various factors contributing to women's empowerment through microfinance programs. Microfinance, particularly microcredit, is recognized as a valuable tool for economic development. The microfinance sector is predominantly managed by Self-Help Groups (SHGs), which provide financial assistance to marginalized individuals in rural areas through an efficient mechanism. These groups enable people to develop their collective self-help capabilities, leading to empowerment. The study focuses on analyzing the impact of microfinance in reducing poverty and promoting socio-economic empowerment among women in rural India. It highlights the significant influence of microfinance in fostering certainty, confidence, motivation, skill enhancement, and empowerment among women.

The role of SHG members is evident in guiding and encouraging women to participate in various social welfare activities with strong cooperation. The study concludes that group affiliation and access to financial services bring about positive changes in group members,

leading to socio-economic and psychological empowerment.

Microcredit has positive impact on the women empowerment:

The study demonstrates that women who are member of MFIs have a significantly higher level of participation in decision-making compared to non- members, particularly concerning household expenditures, children's education, children's marriages, marketing decisions, and social customs within the home. The findings of this study also show the similar result that microfinance have improve their decision making capability.

Self Help group microfinance has been widely implemented in state of Karnataka, particularly targeting women to help them develop self-employment opportunities and various income-generating activities. The impact of microfinance on women's empowerment has been studied extensively, and the results indicate that microfinance is a powerful tool in enhancing women's empowerment for all indicators, including income and savings, ownership of assets, decision-making, and mobility. However, it should be noted that participation in microfinance does not solve all the problems of the poor, but it serves as a means of helping them to boost their economic activities or augment their status. Other associated services like microcredit, awareness workshops, and training programs are crucial for the empowerment of women, as they not only provide self-employment training but also facilitate good decision-making ability and boost their confidence. Studies have shown that self-help group microfinance has contributed immensely to the economic empowerment of women through improvement in their income and savings. Women who participate in microfinance activities have increased levels of employment, income, investment, savings and expenditure, and ownership of assets compared to non-participants.

Access to microfinance has improved the status of women both at the family level and in society as a whole. Women's participation in household and business decision-making and community activities has increased, and there has been an improvement in child education status for women and their families. Participants are more confident while travelling, visiting the market for the purchase of household goods, and dealing with other members of society.

In brief, Self-help group microfinance has been found to be a robust instrument for empowering women, as the study results show an improved economic and social condition of women. Microfinance services have an overall significant impact on SHG women in state of Karnataka. The microfinance is only a portion of what is needed to empower women, and microfinance institutions have become a vehicle for social and economic transformation and empowerment of women.

The legitimacy of microfinance is beyond doubt. In a context of growing Financialization, the poor more than anybody else need microfinance services. In the same vein, in a context where democracy remains mainly formal and inaccessible to the poorest, the collective approach (which is at the core of Indian microfinance through the Self-help-group concept) undeniably represents a tool for democratic practices and therefore for grass roots development, especially for women. , it is equally necessary to identify efficient and innovative experiments in order to better In practice, however, real effects are much more limited than what is usually presented.

How far and under what conditions can microfinance combat poverty and contribute to grass roots development? The question is all the more acute in India, where microfinance has grown very fast and intensively over the last decade. After a first cycle of growth where the number of clients went from a few thousand to several millions, microfinance is nowadays at the core of many agendas, be they public or private. Indian microfinance, both in terms of the number of clients and the volume of credit disbursed, is not anecdotal any more. Because of the socio-economic, political, even cultural questions it raises, microfinance becomes a societal challenge. If it is indeed urgent not to let oneself be blinded by the surrounding optimism and not to under-estimate the present weaknesses of microfinance reflect on the future of microfinance. This is why this communication aims to shed light at the process of micro Financialization in particular at the spatial dimension and dynamics. Findings on the spatial variation and changes in the development of the microfinance sector can enhance our understanding of the complex processes of current regional development in India and can contribute to the formulation of innovative regional development policies.

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