

Impact of Micro Finance on Urban Women Empowerment in Kadapa District: An Analytical Study

Dr. K. Sankara Reddy

School Assistant Teacher, Social Studies, Z P H School, Dommara Nandyala. Kadapa,(District), Andhra Pradesh

Abstract

The country also has a vast informal financial sector operating in the rural areas but very little is known about this sector, other than the wide variations that occur in business transactions across the country. The informal financial system caters to both informal credit as well as informal savings. There are trader money lenders, casual money lenders with a regular profession and professional money lenders such as the kabuliwallahs. The money lenders belong to both the indigenous and migrant communities. The informal financial sector is also a key source of social protection, especially in areas with limited access to the formal financial sector. In fact, in many countries, the informal sector is much larger than the formal sector. This paper highlighted that the impact of micro finance on urban women empowerment in Kadapa district of Andhra Pradesh.

Keywords: Urban area, Micro Finance, Women Empowerment, Income

Introduction

The country also has a vast informal financial sector operating in the rural areas but very little is known about this sector, other than the wide variations that occur in business transactions across the country. The informal financial system caters to both informal credit as well as informal savings. There are trader money lenders, casual money lenders with a regular profession and professional money lenders such as the kabuliwallahs. The money lenders belong to both the indigenous and migrant communities.

The informal financial sector is also a key source of social protection, especially in areas with limited access to the formal financial sector. In fact, in many countries, the informal sector is much larger than the formal sector.

Emergence of urban micro finance in Indian urban areas

In countries where urban micro finance predominates, it has been driven primarily by the belief that urban markets are a lower cost to serve. Given the extreme density of India's major cities, it seems likely that greater efficiencies, than what are seen in rural areas, can be achieved by MFIs serving urban customers. Rural micro finance has been the story of the first generation in India. Drawing inspiration and reason from history, the pioneers and mainstream support, the microfinance sector has embarked upon the second generation of change. These changes include a new policy framework, migration from

providing only microcredit to a diversified product set within microfinance, and a new interest in urban markets.

Micro finance –India

India has adopted the Bangladesh model in a modified form. To alleviate the poverty and to empower the women, the micro-finance has emerged as a powerful instrument in the new economy. With availability of micro-finance, self-help groups (SHGs) and credit management groups have also started in India. And thus the movement of SHG has spread out in India. The Illaben Bhat, founder member of SEWA (Self Employed Women's Association) in Ahmadabad, had developed a concept of women and micro finance. The Annapurna Mahila Mandal in Maharashtra and working women's forum in Tamilnadu and many National Bank for Agriculture and Rural Development (NABARD) sponsored groups have followed the path laid down by SEWA, it is a trade union of poor, self –employed women workers.

Objectives

The objectives of the study area:

1. To study the significance of micro finance and models adopted in providing credit in India.
2. To analyse the impact of SHGs on urban women empowerment in kadapa district

Methodology

To study the above research objectives before and after approach was used. The study is based on both primary and secondary data. The primary data has been collected through Survey from SHG members. Primary data was collected by distributing pre-designed schedules to self-help group members. Secondary data have been collected from the various sources.

Sampling

Random sampling method has been adopted for selecting the SHGs, in Kadapa and Rayochoti urban mandal-20 groups of SHGs, have been choose, all the members in 20 groups- 241 have been covered and collected data on different aspects. To collect the primary data from SGH members, schedule has been administered.

Statistical tools used

The data collected through questionnaires and schedules are properly analysed by applying the tools like ANOVA (Single Factor Analysis), Paired T-Test, Descriptive statistics and Percentages.

Impact of SHGs on socio-economic conditions of Members

The impact of SHs on its numbers (SHG- bank linkage) are presented and discussed in this chapter. The results are analysed in tables in such a way as to make them self-explanatory. Inferences also have been drawn and also summarized. Paired T Test inferential statistical technique has been used. The focus of the study is on the Self Help Groups (SHGs) members with bank linkages.

In the beginning general characteristics of the sample groups and their members have been discussed and later analyse the performance of SHGs in improving their economic position includes of savings, income, expenditure pattern, employment generation before and after joining in groups and social status. Further impact of microfinance on improving self-esteem and confidence building activities has been

studied. Involvement of SHGs in improving the availability of credit plus services and promotion of Income Generating and employment, Political and other activities among the members has also been discussed in the subsequent sections. All this finally has been analysed in impacting women empowerment in SHGs and asset formation.

Results and Discussions

Table 1 Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Income before joining	7702.49	241	4129.73	266.02
	Income after joining	10890.04	241	4139.95	266.68

From table 1 it is understood that mean Income of sample members after joining SHG is greater Rs.10890.0 (Sd=266.68) in comparison to Before Joining Rs.7702.49 (SD=266.02) This is greater by 41%.

Table 1a Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Income before joining & Income after joining	241	.93	.000

From the table 1a of Paired Sample Correlations it is understood that the correlation between Income before and income after joining is.93, since significance value.000 is less than .05 of alpha, the correlation is statistically significant.

Table 1b Paired Samples Test

		Paired Differences			
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference
					Lower
Pair 1	Income before joining - Income after joining	-3187.55	1528.34	98.45	-3381
		Paired differences	t	df	Sig. (2-tailed)
		95% Confidence Interval of the Difference			
		Upper			
Pair 1	Income before joining - Income after joining	-2993.62	-32.38	240	.000

The 241 sample members had a mean Income difference of -3187.56 (SD = 12.6) indicating the income after joining the SHG was significantly different, $t(240) = -32.38, p = 0.00$.

Table 2 Paired Samples Statistics for Expenditure before and after joining SHG

		Mean	N	Std. Deviation	Std. Error Mean
Pair 2	Expenditure before	6769.29	241	3373.57	217.31
	Expenditure after	9257.26	241	3629.49	233.80

From table 4.35 it is understood that mean Expenditure of sample members after joining SHG is greater Rs.9257.00 (Sd=3629.49) in comparison to Before Joining Rs.6769.29 (SD=3373.57). This is greater by 37%.

Table 2a Paired Samples Correlations for Expenditure before and after joining SHG

		N	Correlation	Sig.
Pair 2	Expenditure before & Expenditure after	241	.92	.000

From the table 4.35a of Paired Sample Correlations it is understood that the correlation between Expenditure before and Expenditure after joining is .92, since significance value .000 is less than .05 of alpha, the correlation is statistically significant.

Table 2b Paired Samples Test for Expenditure before and after joining SHG

		Paired Differences				
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	
Pair 2	Expenditure before & Expenditure after	-2487.97	1383.66	89.13	-2663.54	
		Paired Differences		t	df	Sig. (2-tailed)
		95% Confidence Interval of the Difference				
		Upper				
Pair 2	Expenditure before & Expenditure after	-2312.39	-27.91	240	.000	

The 241 the sample members had a mean Expenditure difference of -2487.97 (SD = 1383.66) indicating the Expenditure after joining the SHG was significantly different, $t(240) = -27.91, p = 0.00$.

Table 3 Paired Samples Statistics of Food expenditures before and after joining SHG

		Mean	N	Std. Deviation	Std. Error Mean
Pair 3	Food expense before	5483.40	241	3117.34	200.81
	Food expense after	7311.00	241	3127.12	201.44

From table 3 it is understood that mean Food expenditure of sample members After joining SHG is greater Rs 7311.00 (SD=3127.12) in comparison to Before Joining Rs.5483.4 (SD=3117.34). This is greater by 33%.

Table 3a Paired Samples Correlations of Food expenditures before and after joining SHG

		N	Correlation	Sig.
Pair 3	food expense before & food expense after	241	.93	.000

From the table 3a of Paired Sample Correlations it is understood that the correlation between Food expenditure before and Food expenditure after joining is .93, since significance value .000 is less than .05 of alpha, the correlation is statistically significant.

Table 3b Paired Samples Test for Food expenditures before and after joining SHG

		Paired Differences			
		Mean	Std. Deviation	Std. Error	95% Confidence Interval of the Difference Lower
Pair 3	Food expense before & Food expense after	-1827.59	1177.74	75.87	-1977.04

		Paired Differences	t	df	Sig. (2-tailed)
Pair 3	Food expense before & Food expense after	-1678.15	-24.09	240	.000

The 241 sample members had a mean Food Expense difference of -1827.59 ($SD = 1177.74$) indicating the Food expenditure after joining the SHG was significantly higher, $t(240) = -24.09, p = 0.00$.

Conclusions

Self Help Group is an important functionary which helps the rural as well as urban women to acquire power for their self-supportive life. SHG Programme clearly plays a central role in the lives of the poor. Empowering women is not just for meeting their economic needs but also more holistic social development. There is evidence of increased household income. Standard of living for the program participants have increased and also the food security is much more for the program clients. Microfinance is playing a significant role in alleviate poverty and rural development. Since women are the sole family caretaker, proper emphasis should be given to the urban women and for empowering the urban women finance is required. Microfinance to the urban SHGs is a way to raise the income level and improve the living standards and economic independence of the urban women. The impact on their lives is not just an economic one -gaining more self-confidence is often a more lasting achievement that forms the basis for social and economic improvements.

References

1. Anupam Hazra, (2012). Rural India: Still Floating Towards Cities. *Kurukshetra*, 60 (4), 3-6.
2. Dakshayani, G.N. (2013), A Study of Financing Self Help Groups by Andhra Bank under the Concept of Micro finance in Bijapur Region of Karnataka State. *International Journal of Applied Financial Management Perspectives*, 2 (1), 255-261.
3. Dhande, R.B. & Adkhe, H.P. (2010). **Micro Finance in the Indian Scenario- A study of Poverty Targeting Methods**, In. D. Lazar, Natarajan, & M.Deo (Eds.), *Macro dynamics of Micro Finance* (First Edit., pp. 407- 411). Excel Books.
4. Gupta, P.K. & Hanagandi, S.S (2012), A study on Women Empowerment Through Self Help Groups With Special Reference to Bijapur District in Karnataka, *International Journal of Applied Financial Management Perspectives*, I (1).
5. Janssens, W. (2010), Women's empowerment and the Creation of Social Capital in Indian Villages, *World Development*, 38(7), 974-988. Doi:10.1016/j.worlddev.2009.12.004.