
**THE IMPACT OF MICRO FINANCE ON WOMEN EMPOWERMENT –
WITH SPECIAL REFERENCE TO NANJANGUD TALUK**

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ABSTRACT

According to the State of the Microcredit Summit Campaign 2001 Report, 14.2 million of the world's poorest women now have access to financial services through specialized microfinance institutions (MFIs), banks, NGOs, and other nonbank financial institutions. The present study makes a modest attempt to analyse the impact of Micro-finance on women empowerment in Nanjangud taluk with the help of case study analysis. The intention of the study is to study the growth of Micro-finance and examining the impact of Micro-finance in the study area. The study has based on both primary and secondary data. The statistical tools like, CGR, AGR and exponential growth models have been used to analyze this study. Finally, it has concluded that, there are a very few ways to eradicate rural poverty in India. Mainly providing economic support to the rural people, particularly to the women, has been proved very fruitful to reduce the poverty in rural India.

Keywords: Micro-finance, Women, Empowerment & Rural

1. INTRODUCTION

According to the State of the Microcredit Summit Campaign 2001 Report, 14.2 million of the world's poorest women now have access to financial services through specialized microfinance institutions (MFIs), banks, NGOs, and other nonbank financial institutions. These women account for nearly 74 percent of the 19.3 million of the world's poorest people now being served by microfinance institutions. Most of these women have access to credit to invest in businesses that they own and operate themselves. The vast majority of them have excellent repayment records, in spite of the daily hardships they face. Contrary to conventional wisdom, they have shown that it is a very good idea to lend to the poor and to women.

So, given these impressive statistics, can we put ourselves on the back for our service to poor women and assume that women's empowerment and other gender issues will take care of themselves?

Although women's access to financial services has increased substantially in the past 10 years, their ability to benefit from this access is often still limited by the disadvantages they experience because of their gender. Some MFIs are providing a decreasing percentage of loans to women, even as these institutions grow and offer new loan products. Others have found that on average women's loan sizes are smaller than those of men, even when they are in the same credit program, the same community, and the same lending group. Some differences in loan sizes may be a result of women's greater poverty or the limited capacity of women's businesses to absorb capital. But they can also indicate broader social discrimination against women which limits the opportunities open to them, raising the question of whether microenterprise development programs should do more to address these issues. And looking at the leadership of many MFIs, we see very few women. Their contributions whether setting the vision on a board of directors, designing products and services, or implementing programs are missing. Thus, as the industry becomes more sophisticated in developing targeted products and services, it makes sense to look at both targeting women and empowering women.

With this background, it is very necessary to analyze the growth of Microfinance, number of SHGs, loan amount sanctioned by the banks and the repayment capacity of the people in the study area. Hence, the present study makes a modest attempt to analyse the impact of Micro-finance on women empowerment in Nanjangud taluk with the help of case study analysis.

2. OBJECTIVES

The objectives of the present study are

- To study the growth of Micro-finance in Nanjangud Taluk.
- To examine the impact of Micro-finance in the study area.

3. METHODOLOGY

The present study is both descriptive and analytical in nature. This study has been prepared by using both primary and secondary data. The secondary data have been collected from various sources like published books, documents, journals, periodicals, news papers, and other reports of financial institutions, Women and Children Department, Centre for Monitoring Indian Economy (CMIE), Planning Department etc.

The Primary data collected from the field study with the help of 100 samples by using pre-tested schedules. Nanjunagud taluk of Mysuru district of Karnataka state has been selected as primary study area. Because, Microfinance beneficiaries are very high which leads to women empowerment in this taluk. Hence, this study has selected this taluk as primary study area to study the influence of Micro Finance on the empowerment of needy people especially women.

The statistical tools such as Ratio analysis, Percentage, Averages, Compound Growth Rate, Annual Growth Rate and exponential growth models have been used to analyze both primary as well as secondary data sources.

4. PERFORMANCE OF MICROFINANCE (SHGs) IN NANJANGUD TALUK

The performance of Microfinance (SHGs) in Nanjanagudu is high after establishing Dhan foundation in Nanjanagud (August 2005) Beneficiaries also increased year to year.

4.1 Growth of SHG-Bank Linkage Program (MF) in Nanjanagud Taluk

The performance of Micro Finance in Nanjanagudu relating to women economic empowerment is evaluated with the help of the table 1 which shows the Micro Finance performance of Nanjangud taluk, in terms the growth of number of SHGs, Bank Loan and Refinance for the study period between 2005-06 and 2015-16. Here the AGR and CGR have been used to analyze the performance of SHG bank linkage program in Nanjanagud Taluk.

Table 1: Growth of No. of SHGs, Bank Loan and Refinance in Nanjanagudu (Rs in Lakhs)

Year	NO. Of SHGs	AVG	Bank Loans	AVG	Refinance	AVG
2005-06	58		52		26	
2006-07	94	62.06	92	76.92	72	176.92
2007-08	142	51.06	65	-29.34	48	-33.33
2008-09	172	21.12	49	-24.61	31	-35.41
2009-10	184	6.97	70	42.85	59	90.32
2010-11	232	26.08	95	35.71	71	20.33
2011-12	265	14.22	110	15.78	78	9.85
2012-13	278	4.90	129	17.27	51	-34.61
2013-14	292	5.03	169	31.00	94	84.31
2014-15	366	25.34	159	-5.91	73	-22.34
2015-16	311	-15.02	118	-25.78	80	9.58
CGR	17.05		11.06		8.49	

Source- Dhan Foundation of Nanjanagud

Table 1 indicates the Micro Finance performance of Nanjanagudu, in terms of No. of SHGs, Bank Loan and Refinance for the study period from 2005-06 to 2015-16. The Compound Growth Rate is used to identify the progress of SHGs bank linkage programme in Nanjanagud taluk. In the initial period No. of SHGs was only 58 and it has increased to 366 till 2014-2015, after that No. of SHGs decreased to 311 in 2015-16 due to lack of knowledge & co-ordination of SHGs members about microfinance systems, because of their illiteracy and high rate of interest. The average No. of the SHGs is 15.02 and well as compound growth rate of the SHGs is 17.05.

Dhan foundation has been providing loan facility to SHGs. Hence, from the initial period from 2005-06 to 2015-16; it has provided bank loans continuously from the amount of Rs.52 lakhs to Rs.118 lakhs because of encouragement of the SHGs members to take loan and to attract the nonmembers to join the SHGs. The total average of the bank loan outstanding is Rs.--25.78 lakhs and compound growth rate is 11.06

As for as refinance concerned it was highly fluctuated over a period of time but though there was variation, it has increased from Rs.26 lakhs to Rs.80 lakhs for the period from 2005-06 to 2015-16. So, the average of the total refinance is Rs.9.85 along with compound growth rate of 8.49.

5. PROFILE OF THE STUDY AREA

Nanjangud is a town in Mysuru district in the Indian state of Karnataka. Nanjangud lies on the banks of the river Kapila (Kabini), 23 km from the city of Mysuru. Nanjangud is famous for Srikanteshwara Temple. Nanjangud is also called as "DakshinaKashi" (southern Kashi). This city is also famous for a variety of banana grown in the region, the Nanjanagudu rasabale. The performance of Microfinance (SHGs) in Nanjanagudu is high after establishing Dhan foundation in Nanjanagud (August 2005) Beneficiaries also increased year to year.

Nanjangud is located at 15°07'N 76°41'E / 15.12°N 76.68°E / 15.12; 76.68. An average elevation of 657 metres (2155 ft). The taluk borders Mysuru taluk of Mysuru district to the north, T Narsipur taluk of Mysuru district to the east, H D Kote taluk of Mysuru district to the west and Gundlupet and Chamarajanagar taluks of Chamarajanagar district to the south.Nanjangud Town is the headquarters of Nanjangud Taluk which contains 5 hoblis and around 180 villages.

Nanjangud is a home to many industries which are mainly located in the Nanjangud industrial area which is spread across 532 acres. It all started with the now closed Sujatha Textile Mills which at its peak used to employ about 3000 people. Since then, STM has closed down. However, there are other industries which thrived. There are 36 major industries, 12 medium industries and 35 small scale industries at Nanjangud. According to NIA, Nanjangud is the second largest tax paying taluk in the state after Bengaluru. Some of the major businesses located in Nanjangud are; Nestle India Limited, AT&S India Pvt Ltd, TVS Motor Company, Bannari

Amman Sugars Ltd, South India Paper Mills, S Kumar's Read and Taylor, Raman Boards, Jubilant Organosys and Brakes (India).

6. CASE STUDY ANALYSIS

Nanjunagud taluk of Mysuru district of Karnataka state has been selected as primary study area. Because, Microfinance beneficiaries are very high which leads to women empowerment in this taluk. Hence, this study has selected this taluk as primary study area to study the influence of Micro Finance on the empowerment of needy people especially women. The Primary data collected from the field study with the help of 100 samples by using pre-tested schedules.

Table 2: Age of the Respondents

Age	Percent	Valid Percent
20-30	12.5	12.5
31-40	27.5	27.5
41-50	35.0	35.0
50 above	25.0	25.0
Total	100.0	100.0

Source: Field Study

The table 2 indicates that the age of the respondents. As per the given table 35% of the respondents belong to the age group of 41-50 and 27.5% of the respondents belongs to the age group of 31-40. Likewise, 25% of the respondents aged above 50 and 12.5% of the respondents belongs to the age group of 20-30 in the study area.

Table 3: Educational Status of the Respondents

Education	Percent	Valid Percent
Primary	40.0	40.0
Secondary	12.5	12.5
P.U.C and above	2.5	2.5
Illiterates	45.0	45.0
Total	100.0	100.0

Source: Field Study

The table 3 represents the education level of the respondents. According to the table, majority of 45% of the respondents are illiterates and 40% of the respondents are studied at primary level

only, 12.5 % of respondents have completed secondary level of education and only 2.5% of the respondents are completed their PU education in the study area.

Table 4: Reasons for Joining SHG

Reasons	Percent	Valid Percent
for saving	10.0	10.0
for loan	40.0	40.0
for improve financial status	30.0	30.0
for other purpose	20.0	20.0
Total	100.0	100.0

Source: Field Study

The above table 4 clearly shows the respondents' opinion about reasons for joining SHG. According to the table 40% of respondents have joined to SHG because of loan purpose and 30% of the respondents have joined to SHG due to improve their financial status. Likewise, 20% of respondents are joined to SHG because of other purpose and only 10% of respondents are the members of SHG due to saving purpose in the study area.

Table 5: Monthly Income after Joining to SHG

Income	Percent	Valid Percent
2000-4000	27.5	27.5
4000-8000	67.5	67.5
8000above	5.0	5.0
Total	100.0	100.0

Source: Field Study

The above table 5 clearly represents the monthly income of the respondents after joining to SHG. According to this table, majority of 67.5% of the respondents' monthly income is around 4000-8000, 27.5% of respondents' monthly income is around 2000-4000, and only 5% of the respondents' monthly income is above 8000 after joining to SHGs in the study area. It is very clear in the analysis that, the income of the beneficiaries is improved after joining to SHGs.

Table 6: Monthly Expenditure after Joining to SHG

Expenditure	Percent	Valid Percent
1000-2000	20.0	20.0
2000-4000	37.5	37.5
4000above	42.5	42.5
Total	100.0	100.0

Source: Field Study

The above table 6 clearly represents the monthly expenditure of the respondents after joining to SHG. According to this table, majority of 42.5% of the respondents' monthly expenditure is 4000 above, 37.5% of respondents' monthly expenditure is around 2000-4000, and remaining 20% of the respondents' monthly expenditure is 1000-2000 after joining to SHGs in the study area.

Table 7: Problems of SHG Programme

Problems	Percent	Valid Percent
no co-ordination	12.5	12.5
less understanding	20.0	20.0
bank loans delay	42.5	42.5
no problem	25.0	25.0
Total	100.0	100.0

Source: Field Study

The above table 7 shows the respondents' opinion about the problems of SHG programme. According to the table, majority of 42% of the respondents opined about the delay of bank loan. And 25% of respondents said no problem in SHGs, likewise 20% of respondents said less understanding among the group members and remaining 12.5% of respondents opined about no co-ordination between group members in the study area.

Table 8: Opinion about SHG Programme

opinion	Percent	Valid Percent
Helpful	17.5	17.5
Needful	10.0	10.0
Useful	72.5	72.5
Total	100.0	100.0

Source: Field Study

The above table 8 indicates the respondents' opinion about the SHG programme. As per the given table, the SHG programme is useful according to 72.5% of the respondents and SHG is helpful as per 17.5% of the respondents and the remaining 10% of the respondents opined that SHG is needful in the study area.

It may conclude that, Microfinance (SHG) has been playing a vital role in improving the socio-economic condition of the people. Providing economic support or loans to the rural women helps them to empower not only economically but also socially. In such a way, the significant growth of number of SHGs, bank loans and repayment of the loan in Mysuru especially Nanjangud taluk have become much essential instruments in reducing poverty in India especially in rural areas. Further, the study has discussed about various socio-economic indicators like age, education, income and expenditure in order to know the exact situation of the rural poor especially women in the study area. Finally, it has been proved that, there are a very few ways to eradicate rural poverty in India. Mainly providing economic support to the rural people, particularly to the women, has been proved very fruitful to reduce the poverty in rural India.

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