

# Micro Finance and Its Impact on Empowerment of Women in Krishna district, Andhra Pradesh.

Dr.P.Srinivasulu  
Assosiate Professor  
SRR & CVR Govt,Degree(A) College  
Vijayawada.

## Abstract

The general meaning of the term 'empowerment' is giving to individuals of power to take decisions in matters relating to themselves in relation to self-development<sup>1</sup>. Garden feels, 'the individual is an effect of power, and at the same time, repressively to the extent to which it is that effect, it is the element of its articulation. The individual with power has constituted, is at the same time its vehicle'. According to Chandra Shanti Kohli (1997) empowerment in its simplest form means, the manifestation of redistribution of power that challenges patriarchal ideology and the male dominance. "Becoming Powerful" the liberal meaning of the term 'empowerment' is being used today in all spheres of life as a process to strengthen the elements of society. It is both a process and the result of process. It is transformation of the structure or institutions that reinforce and perpetuates gender discrimination. It is a process that enables women to gain access to and control of material as well as information resources. Gender disparity manifests itself in various forms, the most obvious being the trend of declining female ratio in population. The concept of women's empowerment appears to be the outcome of several important critiques and debates generated by the women's movement throughout the world, and particularly by 'Third world Feminists'.

Key Words: Empowerment, Micro Finance, etc.,

In recent times micro credit has emerged as a popular programme. Quite suitable alleviate poverty and has become viable alternative to severally anti-poverty programmes taken up in India. The anti poverty programmes implemented in India's Five Year Plans have failed to achieve the targets. The repayment of the loans has been very poor and the financial institutions could not recover the loan amounts. But the experiments of self help groups and extension of micro credit to the members for taking of micro enterprises has been quite different. The self-help groups promote saving habit among the members and the recovery of loans is very regular. In this chapter an attempt is made to work out he income generated out of the micro enterprises and the percentage of income generated in the total income the members house holds and to asses to what extent the sample house holds are able to cross the poverty line due to micro credit availed by the members of the SHGs. This chapter analysis the generation of income different micro enterprise activities undertaken by the sample households

**Impact of Micro Finance on Generation of Income**

This Table gives the details of average income earned from different sources by the sample households who under take milk vending as the micro enterprise.

**Average Income from Different Sources of Sample Households:  
Milk Vending.(in Rupees)**

S. No.	Sources of income	Total Income	Average Income per Household	Average Percapita Income	Percentage to Total
1.	Income from micro enterprise	197749	8988.59	2103.71	58.43
2.	Income from agriculture	72576	3298.91	772.09	21.45
3.	Income from non-agricultural sources	44284	2012.91	471.11	13.09
4.	Salaries	-	-	-	-
5.	Business	-	-	-	-
6.	Other sources	23788	1081.27	253.06	7.03
	Total	3,38,397	15,381.68	3599.97	100.00

Source: Primary Data

The above table shows that the total annual income earned by all the 22 sample households who have taken up milk vending is worked out to Rs.3,38,397 of which as much as 58.43 per cent is observed to have earned from milk vending while agricultural income and income earned from non-agricultural services account for 21.45 per cent and 13.09 per cent respectively. The average income from all sources per household is estimated at Rs.15381.68 out of which micro enterprise alone could fetch an income of Rs.8988.59 per household. The average monthly income per household from milk vending is worked out to Rs.408.57. There were 94 persons living in the sample households who undertake milk vending business and the average per capita income from all sources is accounted for Rs.3599.97 of which the average per capita from micro enterprise alone is worked out to Rs.2103.71. The average income per household from all sources without micro enterprise would have been only Rs.6393.13. From this, it can be inferred that the average income generated from micro enterprise is higher than the income earned by the households from other sources. From the above trend one can generalize that micro enterprises could generate substantial income to the self-help group members.

This Table shows the different levels of income earned from the organisation of micro enterprise by the sample households.

**Different Levels of Income Earned by the Sample Households from Milk Vending.**

S.No.	Income Levels (Rupees)	No. of Sample Households	Percentage
1.	Upto 2000	1	4.54
2.	2000 – 4000	3	13.64
3.	4000 – 6000	4	18.18
4.	6000 – 8000	7	31.82
5.	8000- 10,000	3	13.64
6.	Above 10,000	4	18.18
	Total	22	100.00

Source: Primary Data

From the table, it can be observed that out of the 22 sample households who undertake milk vending, 4.54 per cent could earn an average income of less than Rs.2000 per household while 13.64 per cent have realised micro enterprise income in the range of Rs.2000-4000. The households who have reported income from micro enterprise in the range of Rs.4000-6000 are 7 comprising of 31.82 per cent of the sample households. The average income reported by 13.64 per cent of the households is in the range of Rs.8000-10,000 per year from milk vending. The above analysis shows that majority households could earn more than Rs.6000 per household from maintaining micro enterprise.

This Table shows the source-wise average income earned by the sample households who run tiffin centers with the micro credit obtained from self help groups.

**Average Income from Different Sources of Sample Households:  
Tiffin Centers**

(In Rupees)

S. No	Sources of Income	Total Income	Income Average per Households	Average Per capita Income	Percentage To Total
1.	Income from micro enterprise	215883	19625.72	4906.43	60.61
2.	Income from agriculture	68669	6242.63	1560.66	19.29
3.	Income from non-agricultural sources	-	-	-	-
4.	Salaries	32919	2992.63	748.16	9.24
5.	Business	38701	3518.27	879.57	10.86
6.	Other sources	-	-	-	-
	Total	356172	32379.25	8094.82	100.00

Source: Primary Data

Among the sample households, 11 house holds run tiffin centers and the total income of all the households earned from all sources has been worked out to Rs.3,56,172 of which 60.61 per cent has been realised from the tiffin centers. Among the other sources, agricultural income accounts for 19.29 per cent, salaries and other earnings for 9.24 per cent and other business for 10.86 per cent. The average income per household is worked out to Rs.32379.25 from all sources of which tiffin centers, which are run with the help of micro credit, could provide an average income of Rs.19625.72 (60.61 per cent) and the remaining 39.39 per cent was earned from all other sources. But for the micro credit assistance provided for the households, the average income per household would have been Rs.12753.78. The average per capita income of 44 persons living in the sample households of this category has been worked out to Rs.8094.82 while the per capita micro enterprise income is worked out to Rs.4906.43 on an average.

The average income of different levels earned by the sample households from maintenance of tiffin centre is given in this Table

**Different Levels of Income Earned by the Sample Households from the Tiffin Centres.**

Sl. No:	Income Levels (Rupees)	No. of Sample Households	Percentage
1.	Less Than 2000	--	--
2.	2000 – 4000	1	9.09
3.	4000 – 6000	--	--
4.	6000 – 8000	2	18.18
5.	8000- 10,000	--	--
6.	10,000 - 15,000	1	9.09
7.	15,000 - 20,000	3	27.27
8.	Above 20,000	4	36.37
	Total	11	100.00

Source: Primary Data

Out of the 11 sample households who maintain tiffin hotels, 4 house holds could realise an average income of more than Rs.20,000 per household while 3 households could earn an income in the range of Rs.15,000-20,000 from the tiffin centres. As many as 63.64 per cent of the households have recorded additional income of more than Rs.15,000 per household from the tiffin centres assisted by SHGs. Among the remaining 4 households, 1 household has reported an income in the range of Rs.10,000-15,000, 2 households in the range of Rs.6,000-8,000 and 1 household in the range of Rs.4,000-6,000 from the micro enterprise. The above analysis leaves the impression that tiffin centres are the viable units fetching wishes incomes than the other enterprises.

The average income from the different sources of sample households who run petty shops is presented in this Table

#### Average Income from Different sources of Sample Households: Petty Shops

(in Rupees)

S. No	Sources of Income	Total Income	Average Income per household	Average Per capita Income	Percentage to Total
1.	Income from micro enterprise	153650	19206.25	4956.45	53.37
2.	Income from agriculture	61910	7738.75	1997.09	21.50
3.	Income from non-agricultural sources				
4.	Salaries	19810	2476.25	639.03	6.88
5.	Business	33842	4230.25	1091.69	11.75
6.	Other sources	18690	2336.25	602.90	6.50
	Total	287902	35,987.75	9287.15	100.00

Source: Primary Data

The above table shows that eight households maintain petty shops with the micro finance assistance from SHGs. All the households derive income from all sources to the tune of Rs.2,87,902 of which 53.37 per cent is derived from petty shop. Other sources of income include income from agriculture accounting for 21.50 per cent, salaries accounting for 6.88 per cent, other business accounting for 11.75 per cent and other sources accounting for 6.50 per cent of the total income. The average income per household works out to Rs.35,987.75 of which petty shop accounts for Rs.19206.25. Had there been

The average income earned from different sources by the sample households who undertake leaf-making activity is given in Table

#### Average Income from Different Sources of Sample Households: Leaf Making

(in Rupees)

S. No	Sources of Income	Total Income	Average Income per household	Average Per capita Income	Percentage to Total
1.	Income from micro enterprise	40381	4486.77	1346.03	52.13
2.	Income from agriculture	-	-	-	-
3.	Income from non-agricultural sources	-	-	-	-
4.	Salaries	-	-	-	-

5.	Business	37082	4120.23	1236.06	47.87
6.	Other sources	-	-	-	-
	Total	77463	8607.00	2582.09	100.00

Source: Primary Data

A glance at the table leaves the impression that leaf-making activity is one of the activities which needs very low investment or almost it is a purely labour intensive activity. There are 9 members who have taken up this activity and all the 9 households are observed to have earned a total income of Rs.77463 of which 52.13 per cent has been derived from leaf making and the remaining from other businesses they engage. The average income per household is computed at Rs.8607.00 of which leaf making could provide ail income of Rs.4486.77 on an average per household. The average percapita income from all sources and from leaf making has been worked out to Rs.2582.09 and Rs.1346.03 respectively.

This Table gives the different levels of income that the members have generated from leaf making and marketing.

#### Different Levels of Income Earned by the Sample Households from Leaf Making.

SI. No	Income Levels (Ru pees)	No. of Sample Household	Percentage
1.	Less Than 2000	-	-
2.	2000 – 4000	3	33.33
3.	4000 – 6000	6	66.64
4.	6000 – 8000	-	-
5.	8000- 10,000	-	-
6.	10,000- 15,000	-	-
7.	15,000-20,000	-	-
8.	Above 20,000	-	-
	Total	9	100.00

Source: Primary Data

Out of the 9 sample households who undertake leaf making, 3 households (i.e.33.33 per cent) have reported that they earn income in the range of Rs.2000-4000 from leaf making while 6 households have earned income between Rs.4000 and Rs.6000 from making and selling leaves. The above analysis leads to the conclusion that leaf making can supplement the income earned from other activities but it cannot provide substantial income to the members.

Vegetable vending is one of the activities undertaken by the members of the SHGs. Out of the 100 sample households covered by the study, 8 households have taken up vegetable vending processing vegetables from markets and farmers and selling them.

This table presents the total and average income from all sources of sample households who have taken up vegetable vending.

**Different Levels of Income Earned by the Sample Households from Leaf Making.**

S. No.	Sources of Income	Total Income	Average Income per household	Average Per capita Income	Percentage to Total
1.	Income from micro enterprise	60191	7523.87	1823.97	64.53
2.	Income from agriculture	17444	2180.50	528.60	18.70
3.	Income from non-agricultural sources	-	-	-	-
4.	Salaries	-	-	-	-
5.	Business	-	-	-	-
6.	Other sources	15645	1955.63	474.10	16.77
	<b>Total</b>	<b>93280</b>	<b>11660.00</b>	<b>2826.67</b>	<b>100.00</b>

Source: Primary Data

The total income earned by all the 8 sample households who have taken up vegetable vending as a micro enterprise is worked out to Rs.93,280 of which they earn 64.53 per cent from vegetable vending alone. The other sources of income include agriculture fetching 18.70 per cent and other sources fetching 16.77 per cent of the total income. The average income from all sources per household works out to Rs.11660.00 out of which vegetable vending alone fetches an average income of Rs.7523.87. The average income of the household minus income from micro enterprise works out to Rs.4136.22 only. The average per capita income from all sources is worked out to Rs.2826.67 and from vegetable vending alone to Rs.1823.97.

The following table gives the ranges of incomes earned by the sample households who sells vegetables as micro finance activity.

**Different Levels of Income Earned by the Sample Households from Vegetable Vending.**

SI. No.	Income Levels (Rupees)	No. of Sample Household	Percentage
1.	Less Than 2000	-	-
2.	2000 – 4000	1	12.5
3.	4000 – 6000	1	12.5
4.	6000 – 8000	4	50.0
5.	8000-10,000	2	25.0

6.	10,000- 15,000	-	-
7.	15,000-20,000	-	-
8.	Above 20,000	-	-
	Total	8	100.00

Source: Primary Data

The above table shows that all the 8 households who have taken up vegetable vending have realised less than Rs. 10,000 each. Out of the 8 households, 1 household each have earned income in the range of Rs.2000-4000 and Rs.4000-6000 respectively while 50 per cent of the households (4 households) realise income in the range of Rs.6000-8000 and 25 per cent (2 households) earn income between Rs.8000 and Rs.10,000 per year from vegetable vending. The above analysis reveals that vegetable vending fetches a moderate income to the households who take up the activity.

The average income from all the sources of the sample households maintaining laundry shops is given in Table

#### Average Income from Different Sources of Sample Households: Laundry Services

(in Rupees)

S. No	Sources of Income	Total Income	Average Income per household	Average Per capita Income	Percentage to Total
1.	Income from micro enterprise	92207	15367.83	3293.10	55.38
2.	Income from agriculture				
3.	Income from non-agricultural sources	36671	6,111.83	1309.68	22.03
4.	Salaries	22916	3,819.33	818.43	13.76
5.	Business				
6.	Other sources	14693	2,448.83	524.75	8.83
	Total	166487	27,747.82	5945.96	100.00

Source: Primary Data

The above table shows that 6 households are maintaining laundry shops with the assistance obtained from SHGs and the total income earned by all the 6 households from all sources is estimated at Rs. 1,66,487 of which 55.38 per cent is earned from the laundry shops. The income earned from non-agricultural sources comprises of 22.03 per cent, salaries and other earnings 13.76 per cent and other sources 8.83 per cent of the total income of all sources. The average income from all sources per household is worked out to



Rs.27,747.82 and laundry shops alone provide a net income of Rs.15,367.83 per household. Each household earns only Rs. 12380.27 on an average with out laundry shops if they do not get micro credit from SHGs.

The average per capita income from all sources works out to Rs.5945.96 while the average per capita income from laundry shop works out to Rs.3293.10.

The distribution of sample households who run laundry shops levels of income they earn from the micro enterprise is presented in Table

**Distribution of Sample Households by Levels of Income Earned from Laundry Shops.**

Sl. No:	Income Levels (Rupees)	No. of Sample Households	Percentage
1.	Less Than 2000	-	-
2.	2000-4000	-	-
3.	4000-6000	-	-
4.	6000-8000	-	-
5.	8000-10,000	-	-
6.	10,000-15,000	2	33.33
7.	15,000-20,000	1	16.67
8.	Above 20,000	3	50.00
	Total	6	100.00

Source: Primary Data

It is clear from the above table that 50 per cent of the six sample households who run laundry shops with the micro credit facility availed through SHGs earn more than Rs.20,000 per year while 1 household has reported earnings to the tune of Rs.15,000-20,000. The households which earn income in the range of Rs.10,000-15,000 are two constituting 33.33 per cent of the sample households who maintain laundry shops. The above trend reveals that laundry shop is one of the activity, which fetches good return to the investor.

There are 8 sample households who have invested the micro credit obtained from SHGs on tailoring shops. This is comparatively the most income earning activity of all the activities taken up by the sample households.

The table provides the average income from different sources of the sample households who maintain tailoring units.

## Average Income from Different Sources of Sample Households: Tailoring.

(in Rupees)

S. No	Sources of Income	Total Income	Average Income per Household	Average Per capita Income	Percentage to Total
1.	Income from micro enterprise	200289	25,036.12	6259.03	57.06
2.	Income from agriculture				
3.	Income from non-agricultural sources	35354	4,419.25	1104.81	10.07
4.	Salaries	64451	8,056.37	2014.09	18.36
5.	Business				
6.	Other sources	50914	6,364.25	1591.06	14.51
	Total	351008	43,876.00	10969.00	100.00

Source: Primary Data

From the above table, it can be observed that all the eight sample households who have set up tailoring units have reported a total net income of Rs.3,51,008 from all sources of which the income earned from tailoring units constitutes 57.06 per cent. The other sources of earnings include income from agriculture accounting for 10.07 per cent, salaries accounting for 18.36 per cent and other sources accounting for 14.51 per cent. The average income from all sources per household is worked out to Rs.43,876.00 of which micro enterprise alone fetches a net income of Rs.25,036.12 per household. The average per capita income works out to Rs.10,969.00 from all sources.

This Table gives the distribution of sample households according to the ranges of income generated out of micro enterprise i.e tailoring units run by the SHG members.

**Distribution of Sample Households by Levels of Income Earned from Tailoring Units**

SI. No	Income Levels (Rupees)	No. of Sample Households	Percentage
1.	Less than 2000	-	-
2.	2000 – 4000	-	-
3.	4000 – 6000	-	-
4.	6000 – 8000	-	-
5.	8000- 10,000	-	-
6.	10,000- 15,000	1	12.50
7.	15,000-20,000	1	12.50

8.	Above 20,000	6	75.00
	Total	8	100.00

Source: Primary Data

The above table shows that out of the 8 sample households who run tailoring units, as many as 75 percent of the households derive more than Rs.20,000 per year from the tailoring units set up with micro financial assistance obtained from SHGs. One household each has reported a net income in the range of Rs.10,000-15,000 and Rs.15,000-20,000 respectively. The above trend suggests that tailoring units are one of the economically viable schemes, which fetch good returns. Rural labourers who mostly depend on wage earnings have become members of the self-help groups and they obtain loans from self-help groups.

This Table presents the average income from all sources of the sample households who are wage labourers.

**Average Income from Different Sources of Sample Households: Wage Labour**  
(in Rupees )

S. No.	Sources of Income	Total Income	Average Income per households	Average Per capita Income	Percentage to Total
1.	Income from micro enterprise	96321	9632.10	2408.02	90.93
2.	Income from agriculture	-	-	-	-
3.	Income from non-agricultural sources	-	-	-	-
4.	Salaries	-	-	-	-
5.	Business	-	-	-	-
6.	Other sources	9609	960.90	240.22	9.07
	Total	105930	10593.00	2648.24	100.00

Source: Primary Data

There are 10 sample households who are engaged in labour for wages and the total income reported by all the households is Rs.1,05,930 of which the income from micro enterprise works out to 90.93 per cent. The average income per household works out to Rs.1 0,593.00 from all sources of which an amount of Rs.9632.10 has been derived from micro enterprise. The average per capita income from all sources works out to Rs.2648.24. The above trend reveals that wage labourers are the low income earners compared to the other groups.

The distribution of sample households by levels income realized from the micro enterprise is presented in Table.

**Distribution of Sample Households by Levels of Income Earned from Wage Labour.**

SI. No.	Income Levels (Rupees)	No. of Sample Households	Percentage
1.	Less than 2000	0	-
2.	2000-4000	0	-
3.	4000-6000	2	20.00
4.	6000-8000	1	10.00
5.	8000-10,000	2	20.00
6.	10,000-15,000	5	50.00
7.	15,000-20,000	-	-
8.	Above 20,000	-	-
	Total	10	100.00

Source: Primary Data

The data on the distribution of sample households generated by the labour households with the assistance got from SHGs, show that 60 per cent of the 10 households who are labourers them have reported income in the range of Rs.10,000-50,000, 20 per cent in the range of Rs.4000-6000, 10 per cent in the range of Rs.6000-8000 and 20 per cent in the range of Rs.8000-10,000.

There are 12 cultivators in the sample households and they obtained micro credit from SHGs, to meet the cultivation expenses. This Table shows the average income earned by the sample households from different sources.

**Average Income from Different Sources of Sample Households: Cultivation**

(in Rupees)

S. No.	Sources of Income	Total Income	Average Income per household	Average Per capita Income	Percentage to Total
1.	Income from micro enterprise	103059	8588.25	2020.76	64.91
2.	Income from agriculture	-	-	-	-
3.	Income from non-agricultural sources	55721	4643.41	1092.57	35.09
4.	Salaries	-	-	-	-
5.	Business	-	-	-	-
6.	Other sources	-	-	-	-
	Total	158780	13231.66	3113.33	100.00

Source: Primary Data

The table shows that all the sample households who obtained loans from SHGs for cultivation have realized a total income of Rs.1,58,780 of which 64.91 per cent has been generated out of the micro credit assistance got from SHGs and the remaining 35.09 per cent has been derived from non-agricultural sources. The average income per household from all sources works out to Rs.13,231.66 and the average income from the micro credit is worked out to Rs.8588.25 per household. The average per capita income is estimated at Rs.3113.33 from all sources and Rs.2020.76 from micro enterprise.

The distribution of sample households by levels of income generated out of micro financial assistance provided through SHGs, is presented in Table

**Distribution of Sample Households by Different Levels of Income Earned from Micro Enterprise: Cultivation.**

Sl. No.	Income Levels (Rupees)	No. of Sample Households	Percentage
1.	Less than 2000	-	-
2.	2000-000	-	-
3.	4000-6000	1	8.33
4.	6000-8000	3	25.00
5.	8000-10,000	5	41.67
6.	10,000-15,000	3	25.00
7.	15,000-20,000	-	-
8.	Above 20,000	-	-
	Total	12	100.00

Source: Primary Data

From the table, it can be observed that out of the 12 sample households who obtained micro credit for cultivation 41.67 per cent could generate income in the range of Rs.8000-10,000, 25.00 per cent each in the ranges of Rs.6000-8000 and Rs.10,000-15,000 while 1 household realised an income in the group of Rs.4000-6000. This shows that the micro credit facility could help small and marginal farmers to meet the cultivation expenses with low interest burden.

The average income from different sources of the sample households who availed micro credit for undertaking others activities is given in Table 5.19.

There are 6 sample households who have taken up other activities as micro enterprise and these households solely depend on the micro enterprise they maintain.

This Table shows the average income from different sources' of the sample households from other micro enterprises.

## Average Income from Different Sources of Sample Households: Other Activities

(in Rupees)

S. No.	Sources of Income	Total Income	Average Income per household	Average Per capita Income	Percentage to total
1.	Income from micro enterprise	48698	8116.33	2117.30	59.00
2. '	Income from agriculture	-	-	-	-
3.	Income from non-agricultural sources	19672	3278.67	855.30	23.84
4.	Salaries	-	-	-	-
5.	Business	-	-	-	-
6.	Other sources	14160	2360.00	615.65	17.16
	Total	82530	13755.00	3588.25	100.00

Source: Primary Data

The data in the table show that the 6 sample households who run other micro enterprises could generate a total income of Rs.82,530 of which the income from micro enterprise accounts for 59.00 per cent while the non agricultural sources accounts for 23.84 per cent and other sources for 17.16 per cent. The average per household income from all sources and from micro enterprise is worked out to Rs.13755.00 and Rs.8116.33 respectively. The average percapita income works out to Rs.3588.25 from all sources and Rs.2117.30 from micro enterprise.

The distribution of sample households by levels of income earned form micro enterprise by the sample households who run other activities presented in Table

## Distribution of the Sample Households by Levels of Income earned from Micro Enterprise

SI. No.	Levels of Income (Rupees)	No. of Sample Households	Percentage
1.	Less than 2000	-	-
2.	2000-4000	-	-
3.	4000-6000	1	16.66
4.	6000-8000	2	33.34
5.	8000-10,000	0	-
6.	10,000-15,000	3	50.00
7.	15,000-20,000	-	-
8.	Above 20,000	-	-
	Total	6	100.00

Source: Primary Data

There are 6 sample households who have taken up other activities by taking micro credit from SHGs. Out of the 6 sample households, 50 per cent have earned a net income in the range of Rs. 10,000-

15,000, 33.34 per cent in the range of the Rs.6000-8000 and 1 household (16.66 per cent) between Rs.4000 and Rs.6000 per year.

The following Table presents the average income from different sources of sample households of all micro enterprises.

**Average Income From Different Sources of Sample Households: AH Micro Enterprises.**

(in Rupees)

Sl. No.	Sources of Income	Total Income	Average Income per Household'	Average per capita Income	Percentage to Total
1.	Income from micro enterprise	12,08,428	12084.28	2976.42	59.89
2.	Income from agriculture	2,20,599	2205.99	543.35	10.93
3.	Income from non-agricultural sources	1,91,702	1917.02	472.17	9.50
4.	Salaries	1,40,096	1400.96	345.07	6.94
5.	Business	1,09,625	1096.25	270.01	5.43
6.	Other sources	1,47,499	1474.99	363.30	7.31
	Total	20,17,949	20179.49	4970.32	100.00

Source: Primary Data

The above table shows that all the 100 sample households have reported that their total income from different sources has been Rs.20,17,949 of which as much as 59.89 per cent has been derived from the micro enterprise taken up by the sample members. The other sources account for 10.93 per cent from agriculture, 9.50 per cent from non-agricultural sources, 6.94 per cent from salaries, 5.43 per cent from business and other sources for 7.31 per cent. The average income from all sources per household is worked out to Rs.20,179.49 of which the income from micro enterprise alone stands at Rs. 12084.28. It can be observed that income from all sources other than micro enterprise works out Rs.8095.21 only. From this an inference can be drawn the average income of the household has increased from Rs.8095.21 to Rs.20,179.49. This shows the positive impact of micro credit on income generation of the poor. The average per capita income works out to Rs.4970.32 of which an amount of Rs.2976.42 has been earned from micro enterprise.

This table shows the distribution of sample households by levels of income earned from the micro enterprises organized by them with the micro credit provided through SHGs.

**Distribution of Sample Households by Levels of Income Earned From Micro Enterprises.**

S.No	Levels of Income (Rupees)	Micro Enterprises									
		Milk Vending	Tiffin Centres	Petty Shops	Leaf Making	Vegetable Vending	Laundry Shops	Tailoring Units	Wage Labourers	Cultivation	Other Activities

1.	Less than 2000	1	-	-	-	-	-	-	-	-	-	1
2.	2000-4000	3	1	-	3	1	-	-	-	-	-	8
3.	4000-6000	4	-	-	6	1	-	-	2	1	1	15
4.	6000-8000	7	2	1	-	4	-	-	1	3	2	20
5.	8000-10000	3	-	1	-	2	-	-	2	5	-	13
6.	10000-15000	4	1	2	-	-	2	1	5	3	3	21
7.	15000-20000	-	3	1	-	-	1	1	-	-	-	6
8.	Above 20000	-	4	3	-	-	3	6	-	-	-	16
	Total	22	11	8	9	8	6	8	10	6	6	100

Source: Primary Data

It is evident from the above table that out of the 100 sample households, as many as 43 households could earn a net income of more than Rs. 10,000 per annum from micro enterprises. The households which reported a net income in the range of Rs.8,000-10,000 are 13 which 20 households are observed to have earned income between Rs.6,000 and Rs.8,000. Out of the sample households, 15 per cent have earned income in the category of Rs.4,000-6,000 and 8 per cent in the range of Rs.2,000-4,000 while only one household which has taken up milk vending has reported the lease net income of less than Rs.2000. From the above analysis, it is fair to conclude that micro credit assistance is highly helpful to the poor to improve their income status and to come out of the problem of poverty.

### Impact of Micro Finance on Poverty Reduction

Micro Finance is assumed to have positive impact on reducing the poverty levels of the members of the self-help groups. Table 5.22 presents the impact of micro credit on poverty reduction of sample households.

The following table shows that out of 100 sample households, as many as 90 households were below the poverty line. To identify the sample households below the poverty line, the official estimate of planning



commission based on the NSS 55 round of Rs.265.88 percapita per month has been considered as the poverty line income. Among the different micro enterprise activities, all the sample households who have undertaken milk vending, leaf making, vegetable vending, laundry shops, tailoring units, wage labour and other activities were below the poverty line norm before taking up the micro enterprises by availing micro credit. Out of the 22 households who have taken up milk vending could cross the poverty line while 8 out of 11 households who were below the poverty level before organising micro enterprise were able to cross the poverty line. Out of the 8 sample households running petty shops, only 3 households were below poverty line and all the 3 households have crossed the poverty mark.



## Impact of Micro Finance on Poverty Reduction

S.No.	Name of the Micro Enterprise	Total No. of Households	No. of Households Below the Poverty Line	Average Percapita Income of the Households Below the Poverty Line (Rupees)	No. of Households who crossed the Poverty Line	Average Percapita Income of Households who crossed the Poverty Line (Rupees)
1.	Milk vending	22	22	1496.26	22	3599.97
2.	Tiffin Centres	11	8	2968.58	8	6807.63
3.	Petty shops	8	3	3012.65	3	7057.26
4.	Leaf making	9	9	1236.09	-	-
5.	Vegetable vending	8	8	1002.71	-	-
6.	Laundry shops	6	6	2412.85	6	5946.03
7.	Tailoring units	8	8	2541.35	8	10969.04
8.	Wage labour	10	10	1162.06	-	-
9.	Cultivation	12	10	1490.27	6	3346.16
10.	Other Activities	6	6	1820.45	2	3286.25
	<b>All</b>	<b>100</b>	<b>90</b>	<b>1927.51</b>	<b>55</b>	<b>5133.92</b>

Source: Primary Data

All the 9 household engaged in leaf making and 8 households engaged in vegetable vending who were below poverty line were able to improve their income but they could not cross the poverty norm. All the 6 households running laundry shops and 8 households running tailoring units who were below the poverty level could cross the poverty line in come. No household out of 10 sample households who were could not cross the poverty line inspite of the micro credit assistance provided by SHGs.

Out of the 10 of the 12 cultivator households, who were below the poverty line, 6 households were able to cross the poverty line income level. All the 6 sample households who are engaged in other activities were below the poverty line and 2 households only could more out of the poverty line. On the whole, out of the 90 sample households who were below the poverty line before taking up the micro enterprise, 55 households (61.11 per cent) could cross the poverty line. The average per capita income of the 90 below

poverty line households before taking up the micro enterprise is worked out to Rs.1927.51. The average per capita income of 55 sample households who have crossed the poverty line due to micro credit has been worked out to Rs.5133.92. The above analysis amply proves the positive impact of micro credit on poverty reduction.

#### References:

1. **Chambers Dictionaries**
2. Garden, Colin (ed.), **“Power/Knowledge: Selected interviews and other Writings, 1972 – 1977”**, Nickel Foncanlt, Pantheon Books, New York, 1980.
3. Suguna B, **“Empowerment of Rural Women Through Self Help Groups”**, Discovery Publishing House, New Delhi – 2006, p. 1.
4. Walters, S. **“Her words on his lips: Gender and Popular Education in South Africa”**, ASPBAE Courter 52: 17.
5. Batliwala, Srilatha, **“Women’s Empowerment in South Asia–Concepts and Practices”**, Asian South Pacific Bureau of Adult Education (ASPBAE), New Delhi, 1994, p – 11.
6. Pillai, T.K., **“Women and Empowerment”**, Gyan Publishing House, New Delhi, 1995, p – 21.
7. Sharma, Kummd, **“Grassroots organisations and Women’s Empowerment some issues in the contemporary debate”** in Sowmya Shakti, Centre for Women’s Development Studies, New Delhi, Vol. VI, 1991 – 92, p. 29.
8. Government of India, **“Fourth World Conference on Women”**, Beijing, 1995, Country Report, Department of Women and Child Development, Ministry of Human Resource Development, 1995, p. 116.
9. Suguna .B, **“Empowerment of Rural Women through Self Help Groups”**. Discovery publishing house, New Delhi, 2006, pp. 1– 2.
10. Ibid. P – 2.
11. **The Social Work Dictionary** (Barker, 1991).
12. Zipper Allism, the Politics of Empowerment: **Social Work**, Vol. 4, No. 2, March 1995.
13. Suguna .B, **“Empowerment of Rural Women through Self Help Groups”** Discovery Publishing Home, New Delhi, 2006, pp. 2 – 3.
14. Akhtar, Farida, (1992) Quoted from Kapur Promilla, **“Empowering the Indian Women”**, Publication Division, Ministry of Information and Broadcasting, Government of India, 2001, p. 407.
15. Kapur, Promilla, (1997) **“Family, Social, Human and Spiritual values for Women’s Empowerment and Gender Equality”**, paper presented in the **International Conference on “Gender Equality through Women’s Empowerment – Strategies and Approaches”**, Lucknow, India.