



IMPACT OF MICROFINANCE ON WOMENS ECONOMIC EMPOWERMENT

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ABSTRACT

The empowerment of women is one of the central issues in the process of development of countries all over the world. Poverty is one of the major reasons of women's disempowerment. Women's economic empowerment a strategy aimed at enabling women in decision-making, increments in income and asset ownership. The main aim of the study is to examine the impact of microfinance on women's economic empowerment. Microfinancing has significant positive effect on women economic empowerment by improving women's independent income, increasing asset possession level, and improved monthly savings amount. Microfinance has a positive impact on women's entrepreneurship development and business exposure. Self Help Group is one of the driving forces on the chain of socio-economic development.

INTRODUCTION

Microfinance has been considered as an important development program. Women empowerment is necessary for the national development. Without women no nation can be economically strong. Many projects, programs and schemes were started by the government to empower women as they were considered as the tool for the national development and through this a nation can eliminate the poverty. Through microfinance also women can be empowerment. There are many microfinance Intuitions who are engage in women empowerment activities and they focus only on women because they repay the loan amount on time. Muhammad Yunus introduced the concept of microfinance only for women because they are the one who is behind the growth of their microfinance. A SHGs is a special kind of organizations whose objective is to eradicate poverty.

- Women are disproportionately represented among the poorest in society and need more help than men in securing sustainable livelihood
- Enhancing perception of women's contribution to household income and family welfare, increasing women's participation in household decisions about expenditure and other issues and leading to greater expenditure on women's welfare.

- Women are provided proper Training on business and entrepreneurial skills.
- Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, microfinance scene is dominated by self-help group (SHGs)-Banking Linkage programs.

And entrepreneur's women

OBJECTIVES

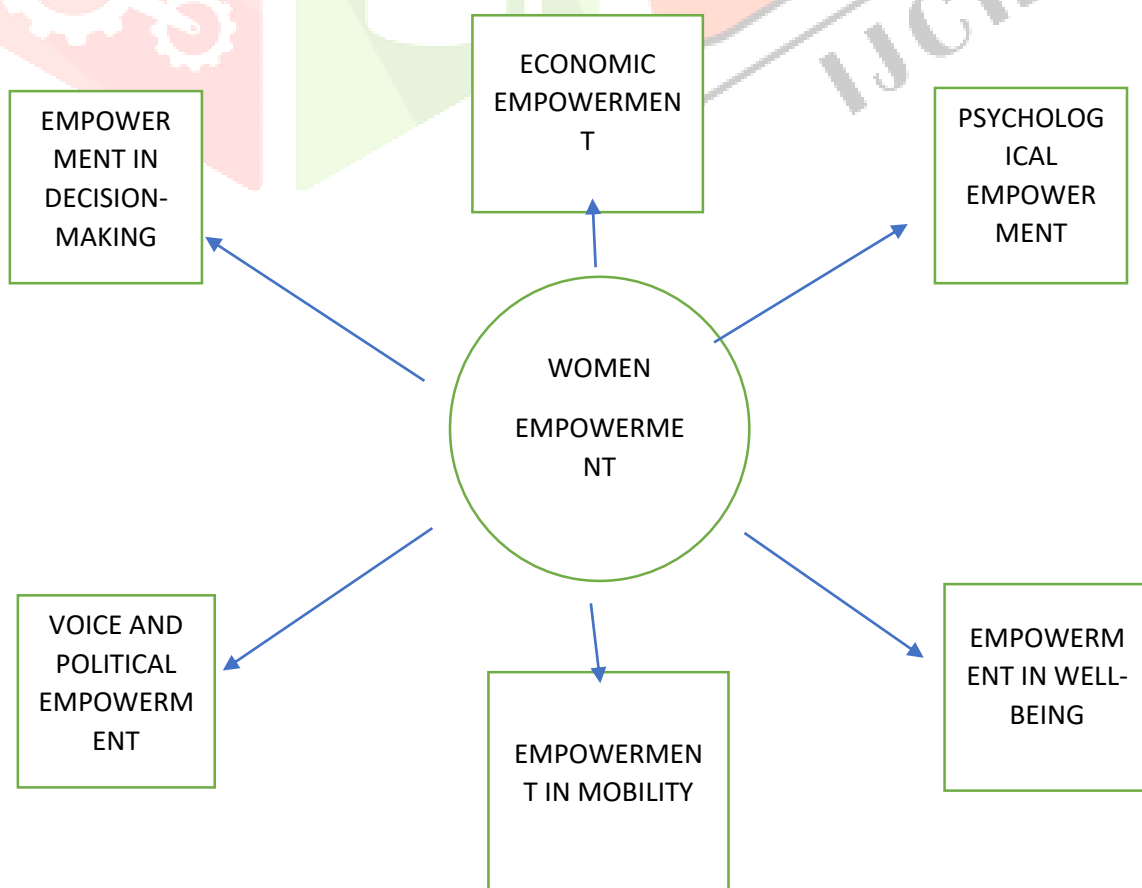
- Provides a platform for exchange of ideas.
- To provide job-oriented training
- To provide suitable platform for women.
- Provide collateral free to save small amount of money.
- To analyze the critical issues associated with microfinance.
- To improve socio-economic status.

LITERATURE REVIEW

MICROFINANCE DEVELOPMENT IN INDIA

Microfinance is a powerful tool for achieving a higher level of MFI's efficiency in undeveloped countries and it is not only providing the financial source, but more importantly it gives opportunities to utilize all resources. It's crucial circumstance helps to reduce poverty create self-employment, economic growth with long term perspective, further the country without providing this financial source, no one can achieve the target 100% literacy, employment, growth initiatives etc. NABARD's SHG-Bank Linkage program created good connection between banks and SHG members and SHG creates social awareness, sanitation, talent of women. It provides financial self-governance and made themselves economically independent with lots of achievement further it creates women empowerment in the society. Microfinance is developing as a potent weapon for poverty alleviation in the new economy. When it comes to reaching out to India's "un-reached poor" with financial services, the Self-Help Group, commercial bank linkage program is the clear Frontrunner. As a result of economic independence, women gain decision-making authority, confidence, social standing, and roles within the home and community.

CONCEPTUAL FRAMEWORK



RESEARCH METHODOLOGY

Part-1 SHG-BANK LINKAGE PROGRAMME

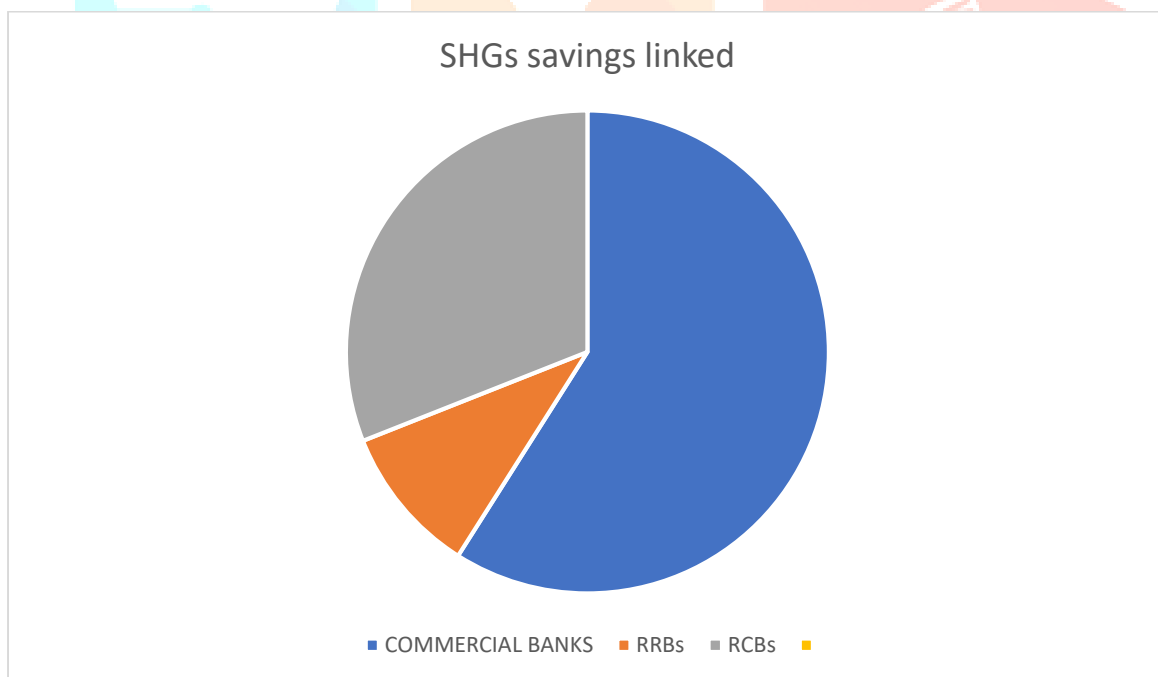
The overall progress under the programme from 2020-2021 to 2022-2023 in terms of SHG savings with linkage with the banking sector is presented.

Progress under SHG-BANK LINKAGE PROGRAMME (2020-21 to 2022-23)							
Particulars		2020-2021		2021-2022		2022-2023	
		No of SHGs	amount	No of SHGs	amount	No of SHGs	amount
SHG savings with Banks as on 31 st March 2023	Total SHGs no's	112.23(9.57%)	37,477.61(43.31%)	118.93(5.97%)	47,240.48(26.05%)	134.03(12.7%)	58,892.68(24.67%)
	All women SHGs	97.25(10.11%)	32,686.08(40.16%)	104.05(6.99%)	42,104.77(28.81%)	112.29(8.52%)	52,455.48(24.58%)
	%Of women	86.65	87.21	87.43	89.13	84.25	89.07
	Of which NRLM/SGSY	64.78(11.9%)	19,353.7(35.22%)	71.84(10.89%)	27,576.94(42.46%)	82.01(61.29%)	37,424.80(63.55%)
	%Of NRLM /SGSY GROUPS	57.72	51.64	60.40	58.38	61.19	63.55
	Of which NULM/SJSRY	5.29(12.79%)	1,954.09(35.22%)	5.81(9.87%)	2,600.19(33.06%)	7.39(27.11%)	3,547.12(36.42%)
	% OF NULM/SJSRY group of totals	4.71	5.21	4.89	5.50	5.51	6.02
Loans disbursed to SHGs during the year	Total no. of SHGs extended loans	28.87(-8.23%)	58,070.68(-25.22%)	33.98(17.71%)	99,729.22(71.74%)	42.96(26.42%)	145,200.23(45.59%)
	All women SHGs	25.9(-10.19%)	54,423.13(-52.75%)	31.5(21.63%)	93,817.21(72.38%)	41.42(31.49%)	139,315.69(48.50%)
	% Of women groups	89.71	93.72	92.70	94.07	96.42	95.95
	Of which NRLM/SGSY	15.84(-22.69%)	29,643.04(43.19%)	22.91(44.64%)	63,100.77(112.87%)	34.87(52.20%)	116,479.07(84.59%)
	% Of NRLM/SJSRY groups total	54.87	51.05	67.42	63.27	81.18	80.22
	Of which NULM/SJSRY	1.13(-28.93%)	2,112.04(-37.99%)	1.84(62.45%)	5,816.1(175.38%)	1.98(8.03%)	8,627.25(48.33%)
	%Of NRLM/SJSRY GROUP OF TOTALS	3.91	3.63	5.40	5.83	4.62	5.94
Loans outstanding against SHGs as on 31 st march	Total no of SHGs linked	57.8(1.81%)	103,289.71(-4.43%)	67.4(16.61%)	151,053.0(46.24%)	69.57(3.22%)	188,078.80(24.51%)
	No all of women SHGs linked	53.11(3.89%)	96,596.52(-4.00%)	62.65(17.96%)	142,286.1(47.31%)	65.15(3.99%)	179,468.42(26.13%)
	% of women SHGs	91.89	93.52	92.95	94.20	93.65	95.42

Of which NRLM/SGSY	33.78(-8.43%)	57336.62(-15.33%)	44.54(31.87%)	94231.52(64.35%)	55.45(24.48%)	150506.71(59.72%)
%of NRLM/SGSY groups of totals	58.44	55.51	66.09	62.38	79.70	80.02
Of which NULM/SJSRY	2.23(-16.48%)	4056.45(-25.8%)	3.27(46.52%)	7608.57(87.87%)	7608.57(87.57%)	11077.18(45.59%)
%of NULM/SJSRY group of totals	3.86	3.93	4.85	5.04	4.91	5.89

Overall, there is an increase of 13% in the number of SHGs savings linked and 25% in the savings amount during 2022-2023 as compared to 2021-22. Both the number amount of SHGs saving with banks show a positive trend over the last 3 years a similar increase trend can be observed in the number and amount of SHGs with loans outstanding with banks over last 2 years loans disbursed to SHGs have consecutively increased over the last 2 years in both physical and financial terms recovering from a dip in FY 2021 due to the pandemic.

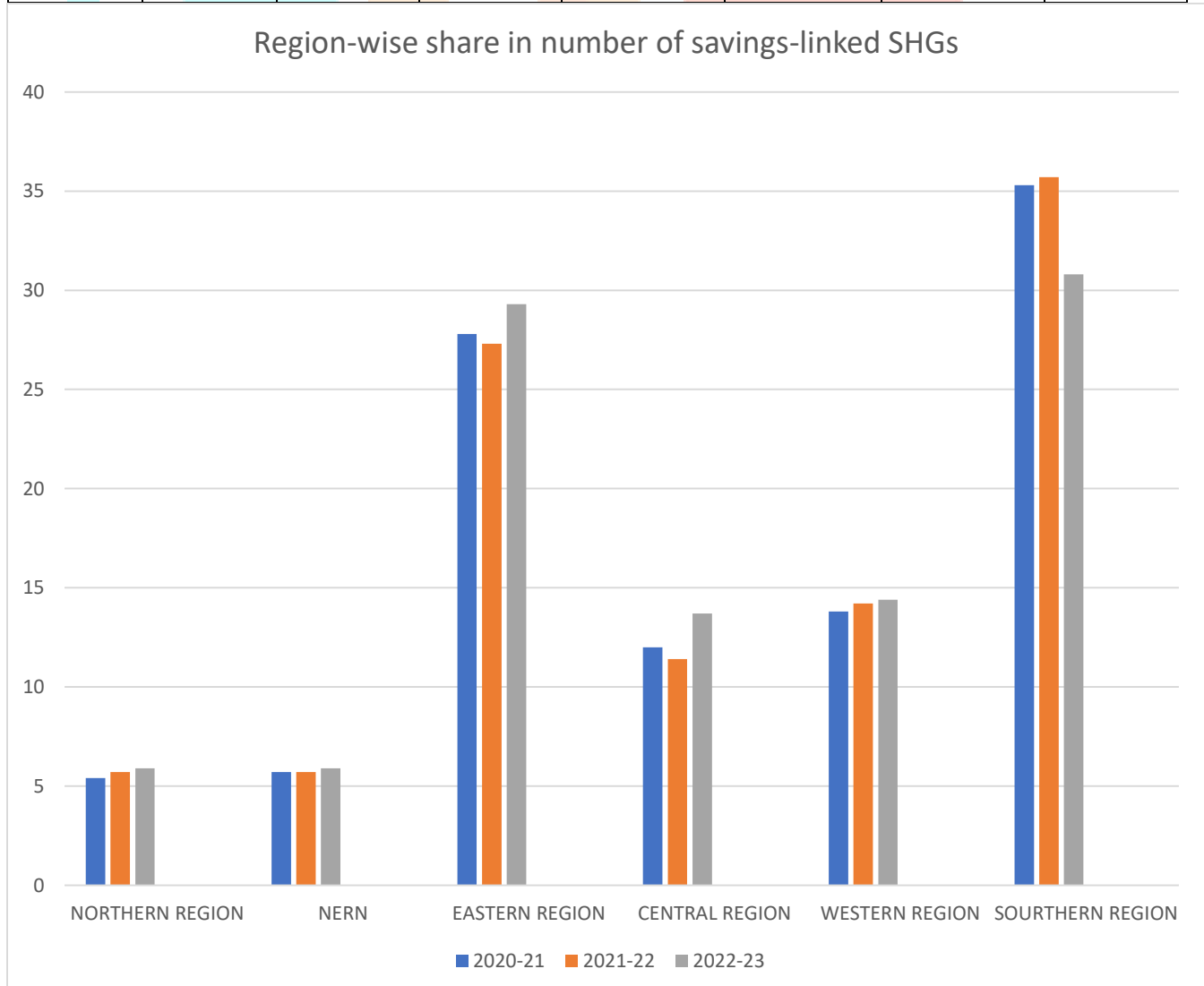
A comparison of the shape of banks in the amount of SD savings and loan outstanding indicates that commercial banks had a major share at 59% and 69% followed by RRBS at 31% and 26% and followed by 10% and 5% followed by RCBs respectively.



PROGRESS OF SAVINGS LINKAGE OF SHGs WITH BANKS (2020-21 to 2022-23)

During 2022- 23, banks reported an additional of 15 lakh savings linked SHGs at all India level, registering the growth of Citrix percent over the previous year. the region wise comparative analysis reveals that in terms of savings linked SHGs, growth was witnessed across all regions during 2022 23 with the expectation of the southern region which saw minor dip due to programme saturation. region wise growth in savings linked SHGs during 2022-23 ranged from 35% in central region to 14% in western region.

Region wise progress of savings linked SHGs with banks (2020-21 to 2022-23)							
Sr no	regions	2020-21		2021-22		2022-23	
		No of SHGs	Savings amount	No of SHGs	Savings amount	No of SHGs	Savings amount
A	Northern region	609808	1,74,345	6,80,143	1,99,582	7,87,807	1,22,485
B	NERN	633714	83,126	6,18,845	1,06,441	7,93,320	1,27,153
C	Eastern region	3122424	7,74,912	32,43,980	13,58,595	39,30,551	17,42,499
D	Central region	1345575	2,11,870	13,55,564	3,25,696	18,00,032 1040	4,58,675
E	Western region	1550176	3,74,023	16,88,451	3,27,06691	19,27,560	5,41,611
F	Southern region	3961703	21,29,485	42,44,070	24,06,043	41,31,805	28,96,845
	total	11223400	37,47,761	1,18,93,053	47,24,048	1,34,03,083	58,89,268

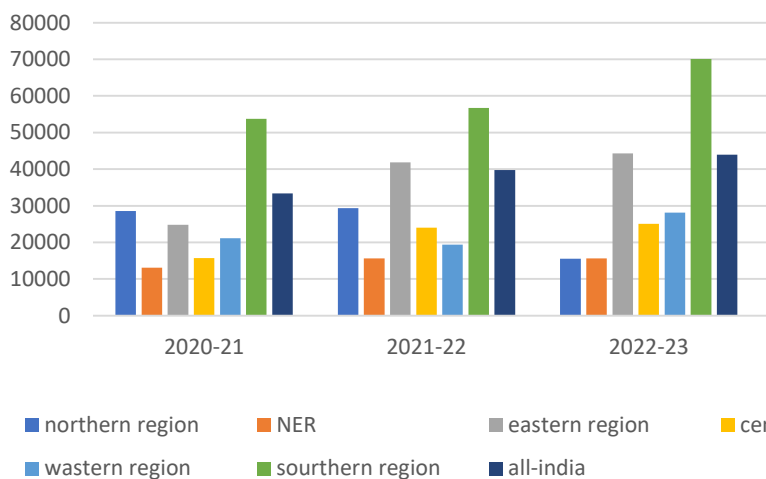


In terms of percentage share of savings linked SHG during year 2022-23 the southern region registered the highest share at 31% followed by the eastern region 29% in western region 14% the state wise bifurcation of the number of SHGs savings linked with bank in detail and statements IIA. among the states Maharashtra has the maximum SHGS at 15.15 lakhs Followed by West Bengal 14. 44 lakhs, Bihar 11.10 lakhs and Andhra Pradesh 10.81 lakhs. During the year 2022-23, highest number of SHG were added in West Bengal state 3.61 lakhs, followed by Chhattisgarh 2.26 lakhs, Maharashtra 1.81lakhs. negative growth was observed in Telangana, Tamil Nadu and Punjab.

line with increasing trend observed in savings linkage during the year, cumulative savings of SHGs with banks also registered an increase of 25% from 47,240.48 crore in 2021-22 to Rs 58,892.68 crore in 2022-23. SHG savings during 2022-23 witnessed growth across all regions except the northern region -39% highest growth was in the western region at 65%. Among the states, highest growth was observed in Arunachal Pradesh, Chhattisgarh and Meghalaya, where's Karnataka, Kerala Manipur Punjab Uttarakhand, Tripura, and Tamil Nadu registered negative growth.

The average savings grief by 10.62% from Rs 39 721 in 2021-22 2 Rs 43,940 in 2022-23. region wise data reveals the average savings have increased for all the regions except the northern region significant increase of 45% was observed in western region (from 19,408 to 28,098). southern region 70, 111 continue to have the highest average savings for SHGs while the northern region registered with the lowest Rs 15,448. among states/UTs, Andhra Pradesh has the highest average savings amount of Rs 1,72,124 followed by Rs 85,000 per se HG in Telangana. excluding Andhra Pradesh and Telangana states the average savings per S HG at All India level declined to Rs 30,000 from Rs 43,940, is reduction of 32%. this indicates the dominance of these 2 states on the overall savings position state wise outstanding position is given in state IIA.

REION-WISE AVERAGE SAVINGS perSHG



2020-2021	28590	13117	24818	15746	21128	53752	33392
2021-2022	29334	15634	41881	24027	19408	56692	39721
2022-2023	15548	15634	44332	25036	28098	70111	43940

CREDIT DISBURSEMENTS BY BANKS

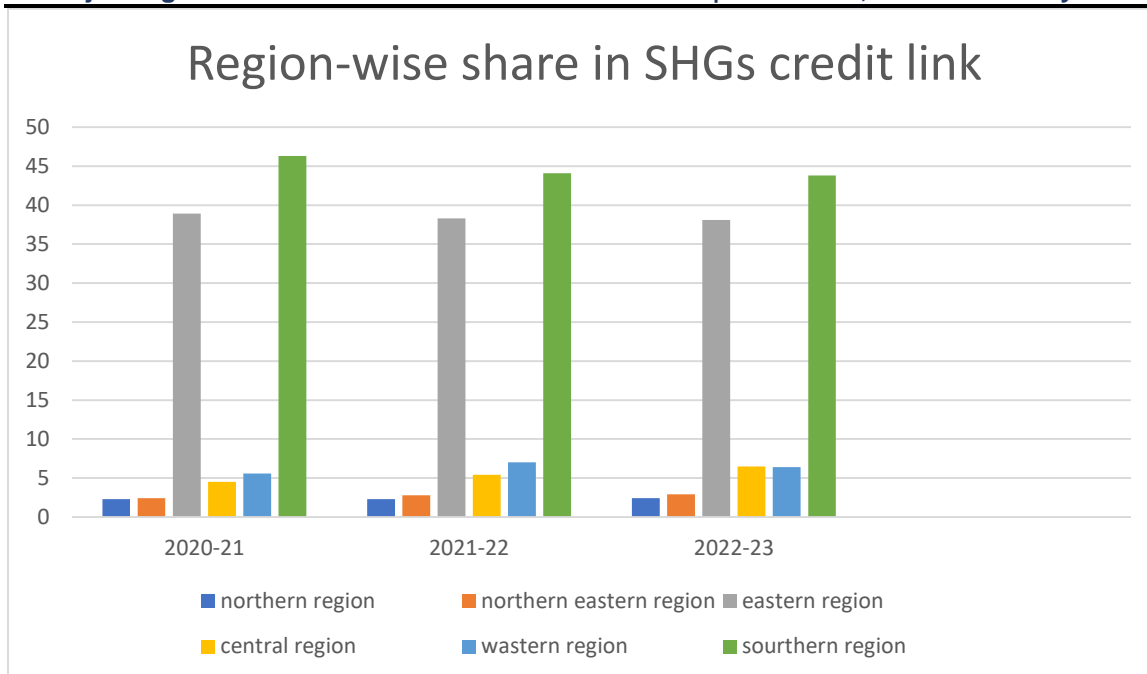
Credit amounting to Rs 1,45,200 crore was disbursed by banks to 43 lakhs SHGs during 2022-2023 as against Rs 99,729 crore to 34 J lakh SHGs during the year 2021 to 22 registering a growth of 46% and 26% in quantum of credit this burst and number of years SHG credit link during the year respectively. comparative analysis of bank loans disbursed to SHG for the last 3 financial years (2020-21 to 2022-23) is given below.

REGION-WISE STATUS OF BANK LOAN DISBURSED TO SHGs during 2020-20 to 2022-23										
Region	2020-21			2021-22			2022-23no			
	No of SHGs	Total loans disbursed	Average loan disbursed	No of SHGs	Total loans disbursed	Average loan disbursed	No of SHGs	Total loans disbursed	Average loan disbursed	Average loan disbursed
Northern	67658	94045	139001	79532	117102	147239	102931	206437	200559	
Northeastern	68116	103651	152168	94871	184636	194618	123931	313764	253850	
eastern	1124578	1487551	132276	1301505	2568978	197385	1634604	3338333	204229	
Central	128617	105428	81971	184322	216983	117720	278359	463673	166574	
Western	161159	230120	142921	239086	381363	159509	273253	675144	247077	
Southern	1337266	3786063	283120	1498951	6503860	433894	1882772	9522672	5055779	
Total	2887394	5807068	201118	3398267	9972923	293471	4295521	14520023	338027	

Growth in credit disbursement SHGs in 2022-23 witnessed an increased all regions over 2021 to 22, highest growth being in central region 114%. Disbursement is absolutely terms was highest in the southern region with Rs 95,226.72 crore to 19 lakhs USHG lowest in the northern region at Rs. 20,64.37 crore to 1 lakh SHGs. among the states Karnataka had the maximum numbers of SHG credit linked during the year at 7.44 lakh, followed by West Bengal 6.76 lakh Bihar 6.40 lakh, and Andhra Pradesh 5.27 lakh.

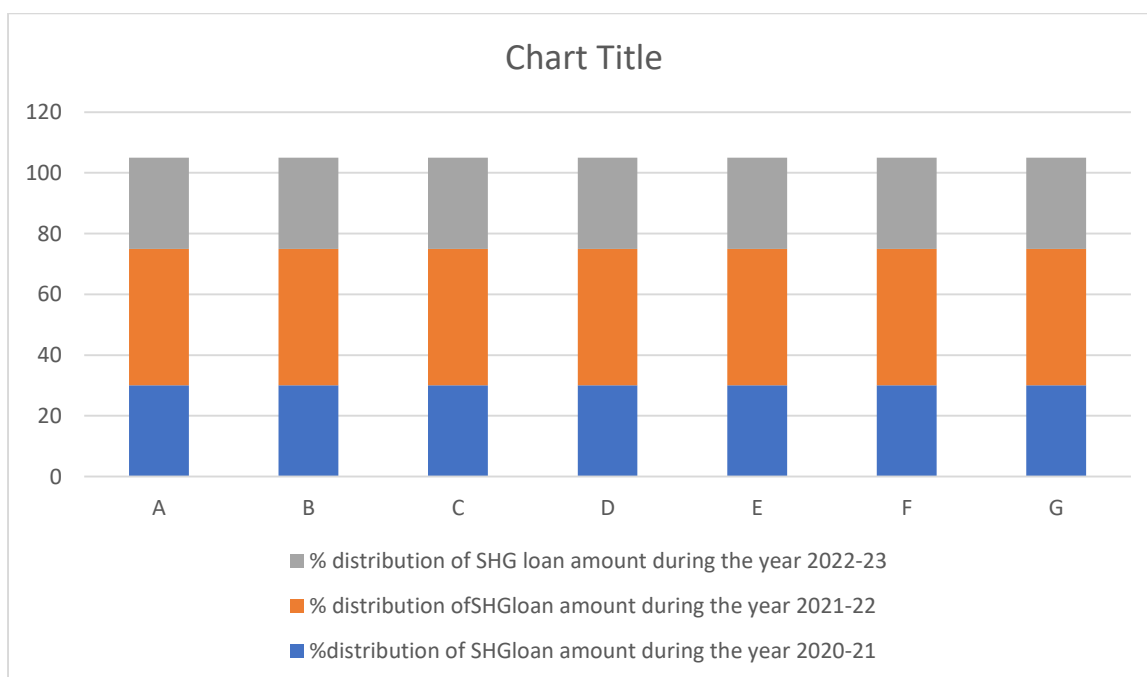
a comparative analysis of region wise percentage share in credit linkage of SHGs during the last 3 years (2020-2021 to 2022-23) reveals that northern NER, central and western region I have increased their share as compared to southern and eastern regions. in the case of northern and eastern regions their respective Shares have remained almost constant. During the year however the southern region has highest percentage of SHGs credit linked at 44% followed closely by the eastern region at 38%.the proportion of credit linked SHGs in the Northern Northeastern, central and western region remained below 7%.

Among the states, highest growth was observed in Arunachala Pradesh, Uttar Pradesh and Bihar, whereas Haryana, Jharkhand, Punjab, Telangana, Sikkim and Odisha recorded negative growth.



Year	Northern region	Northeastern region	Eastern region	Central region	Western region	Southern region
2020-21	2.3	2.4	38.9	4.5	5.6	46.3
2021-22	2.3	2.8	38.3	5.4	7	44.1
2022-23	2.4	2.9	38.1	6.5	6.4	43.8

The average percentage SH loans disbursed across states/regions shows growth of 15% at the pan India level from Rs 2.93 lakhs/SHG to Rs 3.38 lakhs/SHG IN 2022-23. Further average loans size per SHG has increased across all regions. Region wise comparison for the financial year 2022-23 reveals that the average loan size is highest in the southern region (5.06 LAKH), followed by north-eastern region (2.54 lakhs) and western region (Rs 2.47 lakh), respectively. Among the states, Andhra Pradesh had the highest average loan disbursement per SHG Rs 7.64 lakh, followed by Telangana (Rs 6.07 lakh), Kerala (Rs 5.55 lakh), Goa (Rs 5.35 lakh) Tamil Nadu (Rs 5.25 lakh). Excluding the southern states, the average loan disbursement SHG at All-India level works out the rate 2.07 lakh is a reduction of 38% in existing average of Rs 3.38 LAKH. It can be inferred that sustained state patronage help in creating a conducive environment for nurturing SHGs, which ultimately wins the confidence of bankers in the southern region reflecting in higher quantum of loans disbursed other states may study and adopt the models operating in the states.



NORTHERN REGION	NERN	EASTERN REGION	CENTRAL REGION	WESTERN REGION	SOURTHERN REGION	ALL-INDIA
A	B	C	D	E	F	G

CREDIT OUTSTANDING

Amazon 31st March 2023 a total of 69.57 lack credit linked SHG had loan outstanding offers 1,88,078.80 crore with loan outstanding per SHG amounting to Rs 2.70 lakh at the All-India level. region wise, the southern region had the highest loan outstanding as on 31st March 2023, both cumulatively and on per SHG position.

Region wise SHGs having loans outstanding (as on 31 March 2023)				
Sr no	Region	SHG credit linked	Loans outstanding with SHGs	
			amount	Per SHG
1	Northern region	1,70,971	2,09,750	1.23
2	NERN	2,68,593	3,90,420	1.45
3	Eastern region	23,83,255	39,97,045	1.68
4	Central region	4,95,999	5,12,131	1.03
5	Western region	4,29,237	6,87,851	1.60
6	Southern region	32,08,996	1,30,10,683	4.05
	Total	69,57,051	1,88,07,880	2.70

State wise 8 linkage status of SHG as on 31 March 2023 is depicted in in the table overall, out of 134.03 lakh SHGs savings linked 52% SHGs having loans outstanding with banks, living credit gap of 48%. 6 states have credit interest percentage higher than the All-India average with Telangana leading with 97% of its SHGs having loans outstanding followed by Andhra Pradesh 89% in Bihar 76%. southern eastern states dominate the list.

FINDINGS

- SHGs has emerged as the major source of borrowings with 91% of respondents having borrowed only from SHGs.
- In the absence of MFIs, SHGs loans from Sri Nidhi and banks were the alternative source of credit among the sample SHGs borrowers.
- Due to the saturation of SHG-BLP in the states, growth of savings linked SHGs has decreased. However, growth of savings outstanding increased notably in the states (31.60%) as compared to the national average of (31.10%), indicating people's trust and faith in such ecosystem.

Conclusion

As discussed above, it was found that SHGs have only operated to full-fill the individuals demand for funds. These demands vary from buying certain assets, buying livestock or to full-fill certain ceremonial requirements. Such as expenses for marriage etc.

Thus, SHGs can explore group lending options for setting up small scale business. The group of members can be asked their preferences for starting such activities.

As per review of literature, reduce the interest rate through bank lending to microfinance sector both through the SHGs-Bank linkage programmes and directly should be significantly increased.

THE EMPOWERMENT OF WOMEN THROUGH SHGs provides benefits not only to individual woman but also for the family and community.

A number of SHGs have taken part in the implementation of various welfare and development programmes of the government and are increasingly addressing various social issues.

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Status of microfinance womens economic empowerment in india.

