

**“WOMEN EMPOWERMENT THROUGH MICROFINANCE:  
A STUDY IN KRISHNA DISTRICT, ANDHRA PRADESH”**

**Dr.M.Srinivasanarayana – Professor - KLU Business School – Vijayawada.**

**J.Venkata Kalyani – Research Scholar - Acharya Nagarjuna University – Guntur.**

**ABSTRACT:**

The study focuses on two dimensions of empowerment access to microfinance. Social Empowerment and Economic Empowerment among women in Krishna District of Andhra Pradesh. Ability to gain entrance to micro finance Bank’s (MFB) product mirrored access to the institutions; economic empowerment is mirrored by Increase in Income and Savings. Social empowerment is mirrored by confidence, mobility and Social status.. Thus the result supported the Hypothesis Economic Empowerment (H1) and Social Empowerment (H2). The study covers all the Four Revenue Divisions in Krishna District namely Vijayawada, Nuzvid, Machilipatnam, and Gudivada. The study is conducted selecting only Regional Rural Bank (RRB-SAPTAGIRI GRAMIN BANK) Bank linkage SHGs only. The planned sample size for the study is 325 respondents are women SHG members taken from 9 mandal in Krishna District of Andhra Pradesh. Further data analysis and interpretation is also planned to cover Percentage Method and ANOVA statistical tool. Overall SHGs should empower women in economical and social empowerment. Hence microfinance is expected to play a vital role in women empowerment. The present study diagnose the problem and concluded the fact that there is a gradual change in the economical and social status of women. When compared to what it was in the past, her role in the family and society, she is now either primary or secondary bread earner. . The present microfinance programs have induced self confidence in women. Even women outside the fold of SHG are coming forward to form groups to become the beneficiaries of the Bank loans.

**Keywords:** Microfinance, Women Empowerment, Self Help Group, Economic and Social.

## **1.0 INTRODUCTION:**

The Indian microfinance sector has several approaches found across the world. Majority of the development programmes started in the past were gender biased. However, the prominence of the microfinance programme is precise because in most of the developing countries women have a low socio-economic status. They are the most disadvantaged, poverty struck and vulnerable segment of the society characterized by the need of access to resources and education. As a consequence, women remained less participative in the development process of the country. Therefore, empowerment is the process of enabling or authorizing an individual or group to think, behave, and taken action in an independent way.

Empowerment in its broadest sense is the “increase of freedom of choice and action”. The United Nations defines empowerment as the process by which women take control and possession of their lives through expansion of their choices. The essentials of empowerment have been defined as agency (the ability to define one’s goals and act upon those), awareness of gender power structures, self- esteem, self-confidence and points out that a distinction has to be made about the type of choices and focus necessarily has to be on planned life choices i.e, choices that shape livelihoods or are ‘critical for people to live the lives they want’.

Microfinance is the provision of small loan amounts to the willing poor to make investment in income generating activities without insisting on collateral security, along with other financial services to promote and sustain activities. Group liability is insisted upon members, for which women form into homogeneous group to undertake group activities like savings and credit, meetings, book keeping etc for the collective benefit of the group members. The groups are called Self Help Groups (SHG), Joint liability Groups (JLG) etc. These self help groups are informal groups without any registration, their membership being limited to a maximum of 20. The high recovery rate of loans to women prompted many nations to adopt SHG model of micro finance. The idea of SHGs has its origin from Olson’s theory of group behavior. According to which human beings have an intrinsic propensity to form and work in groups if they are organized to further their common interest (NABARD 1995).

Since independence India has been striving for the economic upliftment of rural poor through its five year plans. Time and again priority sectors have been identified and schemes

framed. After nationalizing banks in 1969 and 1980, the vast network of banks in public sector, have been involved in the process of microfinance. The efforts of RBI and NABARD to strengthen and supplement the rural credit delivery system resulted in organization of National Level Consultants on 'Rural Credit' in September 1994 and the SHG program me launched in 1996. This step introduced a shift in rural lending of banks form mere distribution of credit to encouraging people's initiative by participation in development process through self help by promoting thrift and self employment. The number of SHG increased from 3,841 in 1997 to 66, 13,817 in 2020 covering about 97 million families. SHG are promoted in 362 districts of the Indian states and union territories' of the SHGs more than 75% are women groups.

12 Public Sector Commercial Banks, 22 Private Banks and 45 Foreign Banks, 43 Regional Rural Banks. In India at present there are 53 Scheduled Co-operative Banks and 31 State Co-operative Banks. Since the financial reforms in 1991 the banks are using the following distinct linkage models to finance SHGs.

**Model I:** Intermediate of NGOs is sought for on lending to SHGs.

**Model II:** Direct finance to SHGs to lend to members for income generating activities.

**Model III:** Lending directly to SHGs for on lending to members with intervention of NGOs as social mobilizes and facilitators.

**Model IV:** Bank loans directly to individual members upon the recommendation of the SHGs and NGOs.

Two models of microfinance in vogue are

**SHG – Bank Linkage model:** where direct finance is provided to SHGs by banks.

**MFI – Bank linkage model:** where banks finance micro finance institutions for on lending to SHGs.

Andhra Pradesh has been in the forefront in implementing welfare programs for the poor. It is ranked first in the country in mobilizing poor women into groups for their social, political and economic development. The formation and nurturing of SHGs is undertaken by the Government through Society for Elimination of Rural Poverty an independent Organization

under the Ministry of Rural Development. The Central and State sponsored poverty alleviation schemes are implemented through this well structured and full- fledged organization. At the District level District Rural Development Agency (DRDA), District collector, Banks and other Non Government Organizations (NGOs) are involved in the implementation process. The massive literacy campaign in 1980's and the success of women groups in Nellore district in implementing prohibition of arrack paved way for the adoption of women empowerment as one of the strategies by the State Government. The Development of women and children in rural areas (DWACRA) program me has been successful in mobilizing women Self Help Groups throughout the length and breadth of the state. This program me has been renamed an Velugu and later changed to INDIRA KRANTHI PATHAM funded by World Bank, There are about 8.78 lakh women SHGs in the state of this, 6.95 lakh SHGs are in rural areas, while 1.83 lakh are in urban areas covering nearly 71.59 lakh rural poor women. The SHGs in rural areas would receive benefits to the extent of Rs 975 crore, while those in urban areas would get Rs 425 crore.

During 2019-2020 about 76% of the total SHGs in the state were provided with repeat finance by banks. The recovery of loans is around 95% in the state. It is found that there aren't enough empirical studies to find out the impact of these programmes on the socio-economic empowerment of women in the state. The present study is an earnest attempt to fill the gap.

## **1.1 REVIEW OF LITERATURE:**

The significance of women empowerment through microfinance has been the focus of a number of studies carried out in recent times. A brief review of some of these studies has been done here.

**Jumane Mng 'ang'a, Wakara Ibrahimu Nyabakora, Robert Laurent Nyagali (2020)**<sup>1</sup> In Tanzania the position of women in terms of economic and social status has been low compared to men. Majority of women are poorer, have low education and suffer from traditions and customary beliefs. Thus, empowering women is one of the main issues in Tanzania and sub-Saharan Africa context. Microfinance services are considered that Microfinance Institutions are extorting money from poor women through high interest rates, causing higher social pressure and domestic violence. The study use quantitative and qualitative data from Serengeti District council at Mara region of Tanzania. The data obtained was analyzed by using Statistical Package for Social Sciences (SPSS). The study found that, the impact of Microfinance Institution have

more control over savings and income generated from the business, greater role in decision making, and greater contribution in household income. However, the women do not participative in decisions regarding inheritance of household assets. With this regard, microfinance institutions have more contribution in women empowerment.

**D R Ananda; B Shivaraj (2019)<sup>2</sup>** Since the advent of Self Help Groups (SHG) and Microfinance in the 90s, they have come to play a major role in many gender and development strategies because of their direct relationship to financial inclusion, poverty alleviation and the empowerment of women. Women are the most crucial elements of the social fabric and are playing a pivotal role in the socio-economic scenario of Karnataka. Microfinance programs for Self Help Groups in India have been promoted for their positive economic impact and the belief that the empower women. The survey was conducted on around 50 respondents from various SHGs of Mysore and Chamarajanagar districts of Karnataka and the analysis was done for identifying the empowerment of women through microfinance. The result strongly demonstrates that on average, there is a significant increase in women empowerment of the Self Help Groups members.

## **1.2 OBJECTIVES OF THE STUDY**

The objective of the present study is to analyse the socio- economic empowerment of women in Krishna District. However its specific objectives include:

- To analyze the different components of Empowerment of Women through Microfinance.
- To examine the level of Economic Empowerment of women through microfinance among all the Four Revenue Divisions in Krishna district.
- To examine the level of Social Empowerment of women through microfinance among all the Four Revenue Divisions in Krishna district.

## **1.3 HYPOTHESIS OF STUDY:**

### **Based on Objective 2:**

**H<sub>0</sub>:** There is no significant difference in Social Empowerment of women and microfinance among all the Four Revenue Divisions in Krishna District.

**H1** There is a significant difference in Social Empowerment of Women and microfinance among all the Four Revenue Divisions in Krishna District.

**Based on Objective 3:**

**H<sub>0</sub>:** There is no significant difference in Economic Empowerment of Women and microfinance among all the Four Revenue Divisions in Krishna District.

**H2:** There is a significant difference in Economic Empowerment of women and microfinance among all the Four Revenue Divisions in Krishna District.

**1.4 METHODOLOGY OF THE STUDY**

Krishna district is one of the nine districts in the Coastal Andhra region of the Indian state of Andhra Pradesh. Machilipatnam is the administrative headquarters and Vijayawada is the most populated city in the district. It has an area of 8,727 km<sup>2</sup> and had a population of 45.2 lakhs. The district has four revenue divisions, namely Vijayawada, Nuzvid, Machilipatnam and Gudivada, each headed by a sub collector. These revenue divisions are divided into 50 mandals in the district. Owing to its vast geographical stretch, constrained by time and power the present study covered 9 mandals selected randomly SHGs linked to Regional Rural Banks are Saptagiri Gramin Bank were surveyed in eighteen villages. The primary data is collected during the months of January and February 2020. Interview schedules are specially prepared for this purpose, incorporating questions relating to the general information of members, groups, occupation, income and expenditure, loan and savings, utilization of loan by SHG members. Totally 325 members were selected randomly from 150 groups (1542 members).

**1.4.1 Tools of Analysis:** The first phase of descriptive analysis is used for computation of statistical is done by using percentage method for categorized data.

The second phase of analysis is carried out for Inferential analysis was applied to check the population from which the sample was selected by ANNOVA is used to ascertain the relationship between the variables.

## **2.0 DATA ANALYSIS AND INTERPRETATION**

To understand the demographic and social characteristics of the respondents in the study area indicators like age, caste, educational status, occupation, income and expenditure before and after joining SHGs utilization of loans from banks are focused on.

### **2.1 Profile of the respondents**

#### **2.1.1 Table -1 Age**

<b>AGE</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>20-30</b>	<b>70</b>	<b>21.5</b>
<b>30-40</b>	<b>102</b>	<b>31.38</b>
<b>40-50</b>	<b>103</b>	<b>31.69</b>
<b>Above 50</b>	<b>50</b>	<b>15.38</b>
<b>TOTAL</b>	<b>325</b>	<b>100</b>

**Source: Primary Data**

Age marks the potential that is capacity to acquire work related skills, propensity to participate in socio-economic activities and capability to overcome hurdles confronted. Both too young and too aged are dependent segments of the population. As can be seen from the age distribution of the respondents in the proceeding table 84.57% of them fall in the age group of 20 to 50 years. The high proportion of SHG members being youth is a favourable demographic feature. The energies can be harnessed for improving their economic status.

#### **2.1.2 Table -2 Caste Wise Categorization**

<b>CASTE</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
<b>SC</b>	<b>55</b>	<b>16.9</b>
<b>ST</b>	<b>9</b>	<b>2.76</b>
<b>OBC</b>	<b>180</b>	<b>55.38</b>
<b>GENERAL</b>	<b>81</b>	<b>24.9</b>
<b>TOTAL</b>	<b>325</b>	<b>100</b>

**Source: Primary Data**

**Note: BCs include 8% minority population.**

In the sample of respondents, 55.38% are backward class, 24.9% belong to other caste, and 16.9% are scheduled caste and 2.76% Scheduled tribes. BCs, SCs and STs Put together constitute as high as 75% of total SHG membership. Since these caste groups are economically and socially downtrodden, their inclusions in SHG fold improves chances of their well-being and improved socio-economic status.

### **2.1.3 Table – 3 Levels of Education**

<b>EDUCATIONAL STAUTS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
ILLETRATE	<b>88</b>	<b>27.0</b>
LITERATE	<b>50</b>	<b>15.3</b>
<b>UP TO 7<sup>TH</sup> STANDARD</b>	<b>99</b>	<b>45.84</b>
<b>8<sup>TH</sup> to 10<sup>TH</sup> STANDARD</b>	<b>63</b>	<b>19.38</b>
<b>INTERMEDIATE</b>	<b>11</b>	<b>3.38</b>
<b>GRADUATION &amp; ABOVE</b>	<b>14</b>	<b>4.30</b>
<b>TOTAL</b>	<b>325</b>	<b>99.90</b>

**Source: Primary Data**

The literacy level of the sample respondents indicates that 27% are Illiterates. 73% of them are literates. 15.3% have no formal education. They were educated through literacy campaigns to read and write.. High literacy rate of the members is distinctive demographic feature, which is a positive sign in their socio economic development process. About 60% of them have reached elementary education level. 7% of them have higher education that is intermediate and beyond. Thus sample respondents represents wide spectrum of education.



**2.1.4 Table – 4 Occupational Structure**

Source	No of Respondents	Percentage
Agriculture	45	13.8
Agriculture labour	50	15.3
Animal Husbandry	15	4.6
Salaried Employment	62	19
Non Agricultural Daily Wage Labour	65	20
Shopkeeper	32	9.8
Others (tailoring, Dhobi, Saloon, Driver, Cook, Carpenter)	56	17.2
<b>Total</b>	<b>325</b>	<b>99.7</b>

**Source: Primary Data**

13.8 percent of the sample SHG members depend on agriculture, 15.3% depends on agriculture labour, 4.6% on animal husbandry for their livelihood. Another 19% members depend on salaried Employment. 20% members are Non-agricultural Daily Wage Labour and others 17.2% depend on tailoring, Dhobi, Saloon, Driving, Cooking, Carpentry etc. Business is the main occupation of 9.8% respondents.

**2.2 Table 5 - ECONOMIC EMPOWERMENT**

SL.No	Items	SDA	DA	N	AG	SAG
1	Increase in Income	16	16	65	195	33
2	Increase in savings	10	16	39	195	65
3	I have made some assets after joining of SHG	10	10	45	190	70
4	Poverty alleviation	5	20	35	185	60

**Source: Primary Data**

**2.2.1 Table – 5.1 ANNOVA TABLE OF ECONOMIC EMPOWERMENT**

Sources of Variations	Degrees of freedom	Sum of Squares	Mean Sum of Squares	F-Ratio
Treatments	$k-1 = 5-1 = 4$	$SST=0$	$St^2 = SST/k-1$ $= 0/4=0$	$F1 = St^2/Se^2$ $= 0/5625.1$ $= 0$
Variations	$h-1 = 4-1 = 3$	$SSV= 16,576.25$	$SV^2 = SSV/h-1$ $= 16,576.25/4-1$ $= 5525.41$	
Errors	$(k-1) (h-1) = 4*3=12$	$SSE= 67501.75$	$Se2 = SSE/(k-1) (h-1)$ $= 67501.75/12$ $= 5625.1$	$F2 = SV2/SE2$ $=5525.41/ 5625.1$ $= 0.98$

**2.2.3 Table 5.2 F- Ratio Table on Economic Empowerment.**

F-Ratio	TABLE VALUE	CALCULATED VALUE	HYPOTHESIS
F1	3.26	0	HYPOTHESIS ACCEPTED
F2	3.49	0.98	HYPOTHESIS ACCEPTED

As it is clear from the table gives a information about Economic Empowerment of women related to increase in income, savings, assets and poverty alleviation. Maximum Beneficiaries are responding to agree. It is also concluded and find out through ANNOVA is Tabulated value for f1 is 3.26 and f2 is 3.49 is more than Calculated value for f1 is 0 and f2 is 0.98 @ 5% level of significance, hence null hypothesis is accepted in both the cases of f1 ratio and f2 ratio.

**2.3 TABLE – 6 SOCIAL EMPOWERMENT**

SL.No	Items	SDA	DA	N	AG	SAG
1	I move freely without requiring consent	16	16	17	195	81
2	I attend public meetings	8	12	15	100	190
3	I Confidently talk to public officials	25	40	30	180	50
4	Social status	20	30	20	215	40
5	Mutual Help and Support	15	40	30	150	90

Source: Primary Data

**2.3.1 TABLE – 6.1 ANNOVA TABLE OF SOCIAL EMPOWERMENT**

Sources of Variations	Degrees of freedom	Sum of Squares	Mean Sum of Squares	F-Ratio
Treatments	$k-1 = 5-1 = 4$	SST= -158437.25	$St^2 = SST/k-1$ = -158437.25/4 = - 39609.31	$F1 = St^2/Se^2$ =- 39609.31/11356.43
Variations	$h-1 = 5-1 = 4$	SSV= -74533.5	$SV^2 = SSV/h-1$ = -74533.5/5-1 = -18633.3	$F2 = SV^2/SE^2$ =-18633.3/ 11356.43
Errors	$(k-1) (h-1) = 4*4=16$	SSE= 18633.375	$Se^2 = SSE/(k-1) (h-1)$ = 18633.375/16 = 11356.43	= -1.64

**2.3.2 TABLE- 6.2 F-Ratio on Social Empowerment**

<b>F-Ratio</b>	<b>TABLE VALUE</b>	<b>CALCULATED VALUE</b>	<b>HYPOTHESIS</b>
<b>F1</b>	3.01	-3.48	<b>HYPOTHESIS ACCEPTED</b>
<b>F2</b>	3.01	-1.64	<b>HYPOTHESIS ACCEPTED</b>

As it is clear from the table gives a information about Social Empowerment of women related to mobility, confidently talk to public officials and others. Maximum Beneficiaries are responding to agree. It is also concluded and find out through ANNOVA is Tabulated value for f1 is 3.01 and f2 is 3.01 is more than Calculated value for f1 is -3.48(consider it as 0) and f2 is -1.64 (consider it as 0) @ 5% level of significance, hence null hypothesis is accepted in both the cases of f1 ratio and f2 ratio.

**3.0 MAJOR FINDINGS OF THE STUDY**

1. It has been found from the study of age can be seen from the age distribution of the respondents in the proceeding table 84.57% of them fall in the age group of 20 to 50 years. The high proportion of SHG members being youth is a favourable demographic feature. The energies can be harnessed for improving their economic status.
2. Through survey we analyzed and found out that BCs, SCs and STs Put together constitute as high as 75% of total SHG membership. Since these caste groups are economically and socially downtrodden, their inclusions in SHG fold improves chances of their well- being and improved socio-economic status.
3. The literacy level of the sample respondents indicates that 27% are Illiterates. 73% of them are literates. 15.3% have no formal education. They were educated through literacy campaigns to read and write.. High literacy rate of the members is distinctive demographic feature, which is a positive sign in their socio economic development process.
4. It is analyzed and found that occupational status of respondents that 66% are non agricultural related to occupation. 34% of them are belongs to agricultural occupation, the energies can be harnessed for improving their economic status.

5. It has been found from the study of economic empowerment of women related to increase in income, savings, assets and poverty alleviation. Maximum Beneficiaries are responding to agree. It is also concluded and find out through ANNOVA is Tabulated value for f1 is 3.26 and f2 is 3.49 is more than Calculated value for f1 is 0 and f2 is 0.98 @ 5% level of significance, hence null hypothesis is accepted in both the cases of f1 ratio and f2 ratio.
6. It has been found from the study of economic empowerment of women related to increase in income, savings, assets and poverty alleviation. Maximum Beneficiaries are responding to agree. It is also concluded and find out through ANNOVA is Tabulated value for f1 is 3.26 and f2 is 3.49 is more than Calculated value for f1 is 0 and f2 is 0.98 @ 5% level of significance, hence null hypothesis is accepted in both the cases of f1 ratio and f2 ratio.
7. It has been found out that Maximum Beneficiaries are responding to agree. The hypothesis of the study tested on Economic empowerment of women, there is no significant difference in Social Empowerment of women and microfinance among all the Four Revenue Divisions in Krishna District.
8. The statistical data analyzed and revealed that Maximum Beneficiaries are responding to agree. The hypothesis of the study tested on Economic empowerment of women, there is no significant difference in Economic Empowerment of women and microfinance among all the Four Revenue Divisions in Krishna District.

#### **4.0 CONCLUSION**

The present study brings forth the fact that there is a gradual change in the economical and social status of women. When compared to what it was in the past, her role in the family and society, she is now either primary or secondary bread earner. The dependency on local money lenders is reduced to great extent after joining SHGs. The present microfinance programs have induced self confidence in women. Even women outside the fold of SHG are coming forward to form groups to become the beneficiaries of the Bank loans. Thus it is evident that there is transformation going on around under SHGs through microfinance. Yet there is a lot to be done to make this transformation visible. Well designed and executed microfinance program will ensure women empowerment in its true sense.

## **5.0 REFERENCES**

### **5.1 Books and Websites:**

- A Hand book on SHG-Bank Linkage.
- NABARD Report
- [www.krishna.ap.gov.in](http://www.krishna.ap.gov.in)
- [www.saptagirigrameenabank.in](http://www.saptagirigrameenabank.in).
- [www.jgateplus.com](http://www.jgateplus.com)

### **5.2 References for Review of Literature**

- manne Mng 'ang'a, Wakara Ibrahimu Nyabakora, Robert Laurent Nyagali (2020) Contribution of Microfinance Institutions in Empowering Women in Tanzania (A Case of Serengeti District Council) ISSN 2409-6938 An International Peer-reviewed Journal International Journal of African and Asian Studies [www.iiste.org](http://www.iiste.org)
- D R Ananda; B Shivaraj (2019) Women Empowerment under Microfinance: An Empirical Study in Mysore and Chamarajanagar District, Vol 13, No 1, Jun 2019; PP: 180-187 [Asian Journal of Development Matters](http://Asian Journal of Development Matters)