

The role of Micro Finance in the Empowerment of Women - An Empirical study with Special reference to Krishna District, Andhra Pradesh

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ABSTRACT

As the aim of the present study is to understand the impact microfinance in the empowerment of women in terms of socio-economic dimensions in Krishna District, Andhra Pradesh it requires thorough conceptual clarity regarding various issues relating to the subject under study. The microfinance sector in Krishna District, Andhra Pradesh has become the epicenter for several issues and forced government to formulate new policies with regard to regulatory issues. The study uses Probability Proportionate to Size (PPS) sampling for data collection. The researchers have collected sample from 50 villages in 10 selected mandals of Krishna District, Andhra Pradesh.

Introduction

According to the Human Development Report, 2009 of the UNDP, 41.6% of India's population, or 490 million people, live on less than the poverty benchmark of \$1.25 a day (at PPP). The proportion of population below the \$2 a day benchmark is 75.6% or (over 890 million people). Besides, while accurate information on this is not available, at least 60% of the population is said to be unbanked. The World Bank's Financial Access Survey in two states of India in 2003 found that 59% of rural households in Uttar Pradesh and Andhra Pradesh do not have accounts with the formal financial sector and 79% do not have

access to credit from a formal source. It is not surprising, therefore, that over the past few years the Indian microfinance industry, both the bank-financed self help group programme and the microfinance sector served by NBFCs and NGO MFIs engaged in providing micro-credit services, has grown very substantially with a total of some 70 million credit accounts by March 2010. As a result, India today is said to be the world's largest microfinance market having surpassed Bangladesh's total of around 30 million accounts around 2006.

India's microfinance sector is fragmented with more than 3000 microfinance companies (MFIs),

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NGOs and NGO-MFIs. The top 10 microfinance companies in India are estimated to account for almost 74 per cent of the total loans outstanding. It all began in the country with small informal hard work to provide savings and credit services through self –Help Groups(SHG). From there, the sector has evolved through two main channels – SHG and Grameen Bank replicator model followed by most microfinance institutions (MFI), tiny loans to poor and small entrepreneurs. The industry, hailed as a silver bullet to uplift the poor, has grown into a \$7bn and has expand at an average 62 percent over the past five years in terms of customers and 88 per cent in terms of credit. The industry has around \$6.7 bn in outstanding loans to 30 million borrowers and has thus turned into a global business that links global finance with some of the world's poorest communities. The micro lending business in India is bigger than Bangladesh and most of it is financed by banks and is not through savings. Microfinance has grown rapidly over the past decade both in terms of outreach and also in the terms of number of service providers. Usually many service providers go unnoticed because of their geographical locations and limited outreach. Today financial services by MFIs have a market share of close to 12%.

India — until recently, India's \$6.7 billion microfinance sector was hailed as the poor man's answer to banking. Millions of impoverished Indians shunned by mainstream banks were able to obtain small loans, and with them the hope that they would finally be able to bolster their earning potential. But as the events of the past months have shown, that was only half the story. Lenders made swelling profits off increasingly high interest rates. Their aggressive lending-cum-loan recovery tactics are said to have contributed to a spate of 77 recent suicides. These days in

the world's largest microfinance, it is a downward spiral. On the one hand, companies are battling a backlash from the poor who are refusing to pay. On the other hand, the government is tightening controls.

A macro view of Microfinance

Micro Finance sector's growth rate in recent times has been mindboggling; most Micro Finance Institutions (MFIs) have been growing at a compounded annual growth rate of 100% to 300% over the last five years. The top 10 private MFIs have 17.4 million customers, 90% of whom were added after 2005. More than 50 percent of low income households are covered by some form of microfinance product. India's Microfinance institutions reached 76.6 million in 2009 against 59 million in 2008, according to Report on Microfinance India Summit 2009. Some of the highlights of the report are:

1. MFI sector's growth rate in recent times has been mindboggling; most MFIs have been growing at a compounded annual growth rate of 100% to 300% over the last five years.
2. There are about 2,500 MFIs in the country, out of which only 20 are large. MFIs are flourishing under the regulatory deficit – were more than 80% are under no one's regulation.
3. More than 50 percent of low income households are covered by some form of microfinance product.
4. The total outstanding microfinance loans posted a growth rate of 30% or 359.39 billion over the last year's level of ₹ 229.54 billion.
5. The microfinance penetration index shows especially in Bihar, Madhya Pradesh,

Rajasthan and Uttar Pradesh compared to extraordinary levels reached in Andhra Pradesh, Karnataka and Tamil Nadu

The growth of the MF industry has been phenomenal in terms of number of MFIs, borrowers, size of the portfolio. At the same time, there has not been much innovation in terms of loan products to meet the diverse needs of the clients. Rigid loan products with weekly payments are not suitable to 80% of the rural borrowers except for traders, petty businesses and dairy. And, when they are unable to cope up with the pressure of weekly repayments to the multiple MFIs, crisis like this blows up.

The size of portfolio has increased manifold, but the methodology for targeting the right clients to meet appropriate credit needs has not evolved over a period of time proportionate to the size of portfolio. Hence, field staff are forced disburse left, right and centre and many times in competition with other multiple MFIs in the area. This led to inappropriate targeting and multiple lending. The situation in Coastal Andhra is worse. According to the regional coordinators of some MFIs, some of the households are managing 8-10 different loans including bank linkage and size of the loan is in between ₹.200,000 to ₹.250,000. Thus, multiple lending is becoming bane of the micro-finance movement, and it is rampant as MFIs are disbursing the credit, without weighing the opportunities available to the clients that too beyond the capacity. MFIs need to gauge the client's absorption capacity and their ability to manage the portfolio. A majority of the MFIs have effective interest rates in range of 32-40%, including charges levied on compulsory insurance etc and one is not sure whether the borrowers can afford this interest, especially for multiple loans.

More disturbing are the recent reports alleging that some poor women have committed suicide due to the burden of over-indebtedness caused by MFIs. Due to this the Government of Andhra Pradesh Issued The Andhra Pradesh Microfinance Institutions (Regulation of Moneylending) Act, 2010. And the RBI has set up a sub-committee to study issues and concerns in the microfinance sector. The sub-committee, headed by Mr Y.H. Malegam, a senior member of the Reserve Bank's Central Board of Directors, will review the definition of 'microfinance' and 'microfinance institutions' for the purpose of regulation of NBFCs undertaking microfinance and examine the prevalent practices of MFIs in regard to interest rates, lending, and recovery practices. This paper analyzes the performance of MFIs in Andhra Pradesh and identifies the reasons for MFI ordinance in Andhra Pradesh. It also studies the impact of the recent The Andhra Pradesh Microfinance Institutions (Regulation of Moneylending) Act, 2010 on Microfinance.

Penetration of Microfinance in India

According to APMAS Study there is a high geographic concentration with 75% of MFIs in two states only: Andhra Pradesh 62% and Tamil Nadu 13%, while the remaining 25% are scattered over 11 states. Incidentally the states with a high concentration of MFIs also have a high concentration of SHGs and substantial credit linkages of these SHGs to the banks. The southern states are also states with a high banking density. Bihar with 44 MFIs is third in the states with large presence of MFIs. Andhra Pradesh, nearly 30,000 cooperative organizations are engaged in MF activities. However, the companies MFIs are major players accounting for over 80% of the microfinance loan portfolio (Chart -1).

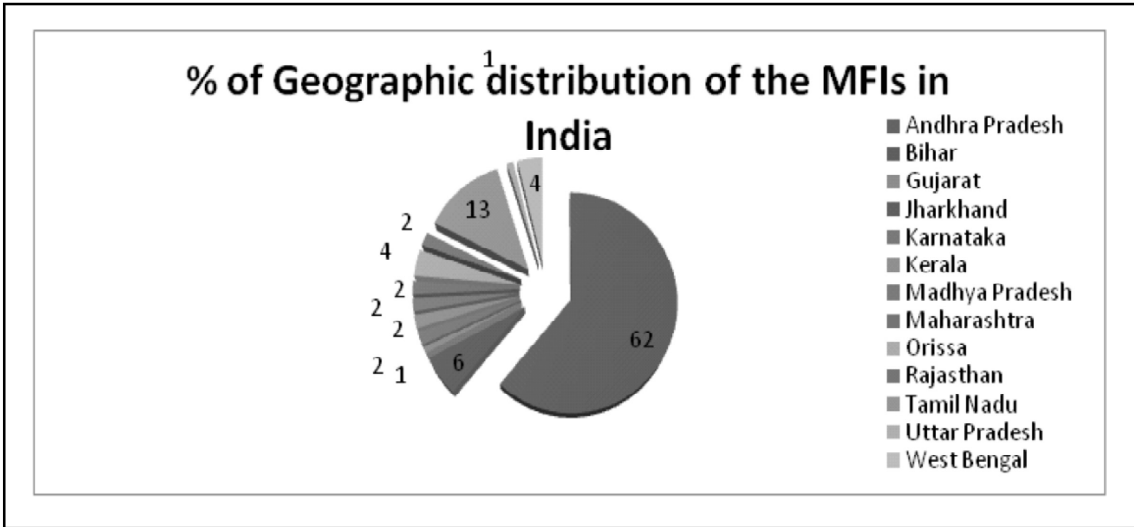


Chart – 1

MFI loan distribution in India

According to Ghalla Bhansali Stock Brokers Pvt. Ltd (November, 2010), Study state wise outstanding loan of MFIs in India Andhra Pradesh is having more shares when compared to other states. Andhra Pradesh accounts Rs.5210.8 crore loans which are more than 28 % of total loans in India distributed in India. Karnataka has in place with Rs. 2551.4 crore (13.90% in total loan) ahead of Tamil Nadu’s outstanding loan of Rs.2387.1 (13.01 % in total loan) in terms of outstanding portfolio (Chart – 2).

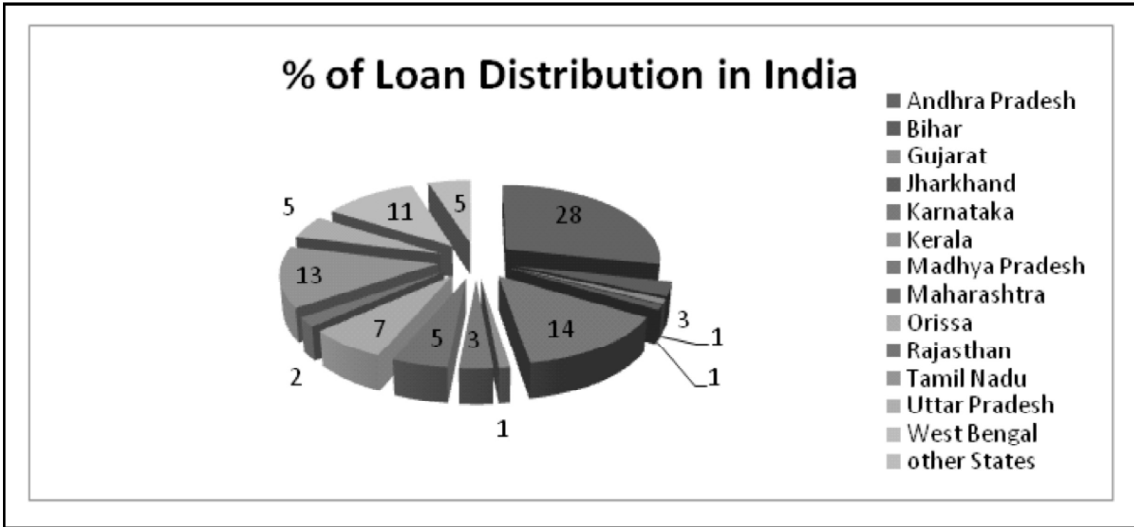


Chart – 2

Review of literature

The following studies have been reviewed to understand the ground situation of microfinance sector. Different viewpoints have been examined in terms of impact of microfinance on socio economic development of women, and the role played by MFIs and other governmental agencies in uplifting the women from the shackles of poverty. However, the recent turmoil in the microfinance sector due to the unethical practices adopted by MFIs created lot of agony to the public in general and in specific to those who are involved with this sector. Hence there is a need for thorough investigation to examine the status, progress, trends, qualitative and quantitative performance of microfinance sector comprehensively from time to time. Some of the recent studies and their major finding were presented below:

According to study conducted by APMAS (2010), titled 'The study of SHG moment in Adilabad, Cuddapah and Visakhapatnam districts of Andhra Pradesh, India, the flow of micro credit has not triggered substantial growth of micro enterprises. The movement is at the phase where the SHGs require effective bank linkages and training on developing micro enterprises and business development services. 22% of the SHGs covered expressed specific support in micro enterprise development, apart from SHG concept building.

NABARD report on 'Status of Micro Finance in India 2008-09' states that Microfinance has made tremendous strides in India over the years and it has become a household name in view of the multi-pronged benefits reaped/ receivable from microfinance services by the poor in our country. Self Help Groups (SHGs) have become the common vehicle of development process, converging all development programmes.

CRISIL (2009) in its inaugural issue on India's top 50 microfinance institutions presents an overview of leading players in India' microfinance institutions (MFIs) space. The first issue includes expert commentary about Micro finance issues, and analysis on the key strengths and challenges of players in the sector.

H S Shylendra (2006) in his article on 'Microfinance Institutions in Andhra Pradesh - Crisis and Diagnosis' opined that future the future path for MFIs is bound be crisis ridden, similar to the one faced recently, unless they are enabled to come out of their structural constraints and from the influence of neoliberal agenda.

According to Namrata Acharya (2010), the MFI sector will surely face some bottlenecks in the coming days and fund flows might suffer, as cost of operations will also increase because of the new ordinance of the Andhra Pradesh government. MFIs claim high interest rates are justified because of high cost of operations involved in doorstep banking.

The Andhra Pradesh Micro Finance Institutions (Regulation of Money Lending) Ordinance, 2010, which came into effect on October 15, stipulates that MFIs should register with the project director of the district rural development agency. With none of the MFIs complying with the provisions of the ordinance so far, Krishna district collector Piyush Kumar on directed the MFIs to stop their activities, particularly recovery of loans, till they registered themselves. Andhra Pradesh's share, which is about 33 per cent of the total MFI funding of Rs 30,000 crore in the country, is now likely to be hit. Kumar warned the MFIs of strict action if they were found carrying out their activities without being registered. According to the district administration, the MFIs had advanced over Rs 290 crore to as many as 200,000 people in the district (Business Standard, 2010).

Many people in rural India don't have access to loans from formal banks. In any case, procedures are cumbersome, paperwork intimidating. That explains why people go to moneylenders, who charge them upwards of 50% for loans. Microfinance, based on a model borrowed from Bangladesh, was supposed to change all that. (Abheek Barman, 2010).

According to Mr. G. Naga Sridhar (2010), there are about 2,500 MFIs in the country, out of which only 20 are large. The average interest rate in the industry still remains upward of 28 per cent while there are allegations that it goes over 36 per cent in some cases.

M. Swaminatha (2007) in his article on "The Microcredit Alternative?" opined that the Indian banking system has many weaknesses, and in many ways, has failed to fulfill the objectives of social and development banking in rural India. The present reversal of policy in the era of financial liberalisation is a further setback to the expansion of rural credit. The banking system can and must improve its functioning by working with local governments and local voluntary organizations. Some of the transaction costs of loans, for banks as well as for the borrowers can be lowered when banks work in an innovative way with panchayat and SHGs.

Micro finance has proved to be an effective tool for women empowerment. Microfinance includes micro credit, micro insurance and micro pension, etc. Micro credit is an extension of small loans to the poor to enable them to take up income generating activities. Microfinance addresses the shortage of fiscal capital amongst the poor and thus directly effects the creation of human capital for the poor.

Micro finance actually provides many services to women. From these services, women get more

monetary benefits. But monetary benefits alone may not lead to empowerment of women. Some times the beneficiaries are indirectly men and relatives and women lose direct control over their loans. Offlate, there is a crisis situation prevailing in some states like Andhra Pradesh where the borrowers are committing suicide due to the 'usurious interest rate' and 'forced loan recovery' practices of the micro finance institutions (MFIs).

Hence, there is a need for thorough investigation whether microfinance has really resulted in the empowerment of women in terms of economic, social and political dimensions. So the researcher would like to examine the role of micro finance in the development of women. The findings of the study may be useful to the policymakers to formulate best practices in terms of regulation and development of microfinance in our country.

Research Objectives

1. To study the impact of micro finance in poverty eradication of the poorest of the poor women of Krishna District, Andhra Pradesh.
2. To know the performance of microfinance programme in selected study area
3. To study the issues relating to microfinance programme in Krishna district, Andhra Pradesh;
4. To know the empowerment of SHG members after joining the group;
5. To analyze the changes, if any, in the socio-economic conditions of the members after joining SHG.

Research Methodology

The broad methodology to be followed

encompasses both qualitative & quantitative variables to enable an in-depth understanding of the impact of Microfinance on women empowerment in Krishna District, Andhra Pradesh.

Coverage

The study intended to cover the role of microfinance on empowerment of women in Krishna District, Andhra Pradesh. The coverage of microfinance in the district is mainly in the form of Self Help Groups promoted by DRDA. Krishna District is in the forefront in formation of SHGs and at present there are 69741 groups consisting of 668789 members. The district consists of Four Revenue divisions including Machilipatnam, Gudivada, Vijayawada, and Nuzvid. The total number of Mandals in the Krishna District is Fifty and the number of municipalities are Five.

The researcher has chosen Krishna District mainly due to the high level of prevalence of microfinance practices through large Self Help Groups and increased activity in the recent times. The Mandals were chosen in consultation with the officials of DRDA, NABARD, and the Indian Bank which is the lead bank of Krishna District. The selection was such, to cover the Mandals in all the Four Revenue Divisions. The size of the sample is 750 members of SHGs in the Ten select Mandals of Krishna District, Andhra Pradesh.

The sampling was done keeping in mind that the problems associated with the SHGs might run across similar lines, therefore it was felt that a sample size of 10 Mandals out of 50 would be sufficient to develop a perspective of the problems associated with the groups. The mandals and villages were selected through the Probability

Proportionate to Size (PPS) Sampling, which implies that the sampling is based on the population and thus enables coverage of all types of mandals: small, medium and large both in rural and urban. In each mandal, 5 villages were selected through PPS again and 15 SHG members in each village were selected through random sampling.

Data Collection

In general, the collection of data will be done through questionnaires, personal interviews, focus group discussions, review of records / books and by interacting with people outside the Self Help Groups (SHGs) like Opinion Leaders in the villages. Specifically, the primary data will be collected with the help of specially prepared interview schedule (questionnaires). The schedule will include the questions related to the general information about SHG members income, expenditure, savings and employment details and standard of living, access to banking and financial services, decision making power, and social activities participation, etc.

The main sources of secondary data includes study reports, records, annual action plans, bulletins and documents prepared by District Rural Development Agency (DRDA) Krishna District. The secondary data will also be collected from the administrative guidelines of Ministry of Rural Development, Government of India web sites, apart from the books, journals, and seminar papers also formed the main sources.

Data Analysis

For the analysis of the data - mean, standard deviation and paired t-test will be used. A paired t-test is useful to evaluate the difference in the economic status of the respondents, before and

after joining the SHG. Apart from these, Z test and ANOVA are to be used for testing the significance relationships between variables. For the analysis of data statistical packages like SPSS and Ms-Excel will be used.

Presentation of the paper

This paper analyses The Role of Micro Finance in the Empowerment of Women - An Empirical Study with special reference to Krishna District, Andhra Pradesh, India. This paper also identifies various issues Microfinance in India, its penetrations and loan distribution. This paper divided in to six sections. First section presents the introduction of the paper, penetration of Microfinance, Loan distribution of Microfinance sector in India. Various researches finds presented as review of literature in section two. Objectives of the study presented in section three. Section four presents the brief methodology of the paper. Analysis of the study presented in section five. Final section presents the conclusions of the study.

Descriptive statistics of the study

1. Size of the group is between 10 and 20, average is 12.27
2. Age of the groups is 1 to 22 years (average 3.12 years).
3. Primary occupation- More than half (53%) of the members are self employed followed by housewife's (24%).
4. Need for the joining in the groups is Business development, Loan and savings.
5. Loan amount is in between Rs. 5000 to Rs.100000 and average is Rs.32500.
6. Loan repayment is in between Rs.500 to Rs. 2500 and average is Rs. 1291

7. Loan from other sources is in between Rs.5000 to Rs. 150000 and average Rs. 9618.
8. The monthly savings ranged from Rs.50 to Rs. 100.
9. Factors to join the group were including, to gain social prestige, success of other groups and to do social service.

Results and Discussion

Findings of the study are presented in following section;

Area wise empowerment of SHG Members

The study was considered 750 selected SHG members in Krishna District. Table – 1 shows the area wise psychological empowerment in selected sample. From analysis of the day, there is a significant difference has been observed in the psychological empowerment of urban and rural members after joining the SHGs. at 0.05 level of significance. Urban members have more empowerment than that of rural members.

Table 1:
Area wise psychological empowerment

Area	N	Mean	Std. Deviation
Urban	375	20.06	1.739
Rural	375	18.94	2.539
Total	750	19.50	2.245
	t	df	Sig. (2-tailed)
Equal variances assumed	7.014	748	.000

Psychological empowerment

Self confidence, awareness on children education and awareness on health are the highly improved aspects of psychological empowerment. A significant correlation has been observed in all the factor of psychological empowerment. It is observed that no significant differences in the psychological empowerment due to differences in family size and years of member ship.

A significant difference has been observed after joining the SHGs in the psychological empowerment of SHG members based on their area, age, community, amount of loan at 0.05level

of significance. Urban members have more empowerment than that of rural members. Members having the age of thirties have more psychological empowerment than that of the members of other age groups. OC, SC, other minority community members have more psychological empowerment than that of the members of other communities. Members taking more amount of loan have more psychological empowerment than that of the members having less amount of loan from SHGs. Table 2 & 3 shows the Level of empowerment in various psychological aspects and the correlation among psychological empowerment.

Table 2 : Level of empowerment in various psychological aspects

Psychological Empowerment	N	Mean	Std. Deviation	t	df	Sig. (2-tailed)
Self confidence	750	2.84	.378	3.646	749	.000
Skill development	750	2.69	.464	-5.377	749	.000
freedom of expression	750	2.79	.413	.417	749	.677
Awareness on children Education	750	2.82	.389	2.601	749	.009
Awareness on health and sanitation	750	2.80	.417	.939	749	.348
Happiness and peace in the family	750	2.77	.434	-.698	749	.486
Opportunities for learning	750	2.78	.414	-.290	749	.772

Table 3 : Correlation among psychological empowerment

Pearson Correlation							
		Self confidence	Skill development	freedom of expression	Awareness on children Education	Awareness on health and sanitation	Happiness and peace in the family
Skill development	Correlation	.468**					
	Sig.	.000					
freedom of expression	Correlation	.432**	.637**				
	Sig.	.000	.000				
Awareness on children Education	Correlation	.356**	.499**	.610**			
	Sig.	.000	.000	.000			
Awareness on health and sanitation	Correlation	.326**	.485**	.565**	.654**		
	Sig.	.000	.000	.000	.000		
Happiness and peace in the family	Correlation	.369**	.514**	.566**	.538**	.644**	
	Sig.	.000	.000	.000	.000	.000	
Opportunities for learning	Correlation	.360**	.584**	.601**	.580**	.575**	.663**
	Sig.	.000	.000	.000	.000	.000	.000

** . Correlation is significant at the 0.01 level (2-tailed).

Area wise economic empowerment

Table – 4 shows the area wise economic empowerment of SHG members in selected district. It is observed that the area and economic empowerment are independent of each other and no significant difference is observed among empowerments of members from different areas.

Table 4 : Economic empowerment of SHG members

Area	N	Mean	Std. Deviation
Urban	375	19.32	2.120
Rural	375	19.43	1.767
Total	19.37	1.951	

	t	df	Sig. (2-tailed)
Equal variances assumed	-.804	748	.421

Economic Empowerment

Access to formal institutions, income generating activity and increasing the level of consumption are the highly improved economic factors of empowerment. A significant correlation has been observed in all the aspects of economic empowerment.

Difference in economic empowerment is not influenced by the differences in age, area, years of membership, amount of loan and family size of the respondents. Community wise difference in the empowerment has been observed after joining the SHG members based. OC, SC, other minority community members have more psychological empowerment than that of the members of other communities. Table 5 & 6 presents the Level of empowerment in various economical aspects and correlation among different factors in economic empowerment of SHG members in Krishna District, Andhra Pradesh.

Table 5 : Level of empowerment in various economical aspects

Economic Empowerment	N	Mean	Std. Deviation
Income generating activity	750	2.71	.481
Employment opportunities	750	2.58	.530
Creation of assets	750	2.39	.514
Credit Availability	750	2.65	.487
Level of Consumption	750	2.71	.487
Freedom from money lenders	750	2.69	.522
Access to Formal Institutions	750	2.80	.424

Table 6 : Pearson Correlation

		Income generating activity	Employment opportunities	Creation of assets	Credit Availability	Level of Consumption	Freedom from money lenders
Employment opportunities	Correlation	.632'					
	Sig	.000					
Creation of assets	Correlation	.367**	.369**				
	Sig	.000	.000				
Credit Availability	Correlation	.375**	.322**	.341**			
	Sig	.000	.000	.000			
Level of Consumption	Correlation	.321**	.304**	.213**	.438**		
	Sig	.000	.000	.000	.000		
Freedom from money lenders	Correlation	.302**	.323**	.264**	.317**	.404**	
	Sig	.000	.000	.000	.000	.000	
Access to Formal Institutions	Correlation	.325**	.306**	.210**	.329**	.367**	.413**
	Sig	.000	.000	.000	.000	.000	.000

** . Correlation is significant at the 0.01 level (2-tailed).

Area wise social empowerment

Table – 7 shows the Relationship between area and social empowerment of SHG members. From the data analysis a significant difference has been observed in the social empowerment of urban and rural members after joining the SHGs at 0.05 level of significance. Urban members have more social empowerment than that of rural members.

Table 7: Area wise social empowerment.

Area	N	Mean	Std. Deviation
Urban	375	19.70	2.061
Rural	375	19.32	2.013
Total	750	19.51	2.045
	t	df	Sig. (2-tailed)
Equal variances assumed	2.545	748	.011

Social Empowerment

Table 8 & 9 presents the levels of empowerment is in varies selected parameters of social empowerment and correlation among selected parameters. It is observed that moving independently and respect from family and respect from the neighbors are the highly improved aspects of social empowerment. A significant correlation has been observed in all the factor of social empowerment. No significant difference in social empowerment of the respondent based on the differences in the age, family size, years of membership and amount of loan taken.

A significant difference has been observed due to area and community of the respondent in the social empowerment after joining the SHGs. Urban members have more social empowerment than that of the rural members. OC, SC, other minority community members have more economic empowerment than that of the members of other communities.

Table 8 : Level of empowerment in various social empowerments aspects

Social Empowerment	N	Mean	Std. Deviation
Moving independently	750	2.84	.383
Respect from family	750	2.83	.395
Respect from neighborhood	750	2.85	.364
Expressing opinions freely in Family	750	2.80	.425
Bargaining and Negotiating power out side	750	2.71	.467
Involvement in community development	750	2.69	.466
make the group to work together	750	2.78	.425

Table 9 : Pearson Correlation

		Moving independently	respect from family	respect neighborhood	Expressing opinions freely in Family	Bargaining and Negotiating power outside	Involvement in community development
Respect from family	Correlation	.490**	1	.772**	.615**	.459**	.391**
	Sig	.000		.000	.000	.000	.000
Respect from neighborhood	Correlation	.466**	.772**	1	.639**	.506**	.443**
	Sig	.000	.000		.000	.000	.000
Expressing opinions freely in Family	Correlation	.478**	.615**	.639**	1	.622**	.423**
	Sig	.000	.000	.000		.000	.000
Bargaining and Negotiating power out side	Correlation	.427**	.459**	.506**	.622**	1	.614**
	Sig	.000	.000	.000	.000		.000
Involvement in community development	Correlation	.292**	.391**	.443**	.423**	.614**	1
	Sig	.000	.000	.000	.000	.000	
make the group to work together	Correlation	.330**	.399**	.450**	.479**	.436**	.511**
	Sig	.000	.000	.000	.000	.000	.000
**. Correlation is significant at the 0.01 level (2-tailed).							

Overall empowerment of SHG members

The Tables 10, 11 show the overall empowerment of selected SHG members in Social, Economical and Psychological aspects. The maximum possible total positive score possible is twenty one. The score for no change in empowerment is fourteen. Negative empowerment is indicated with the score less than fourteen. It is observed that the all the scores have shown positive change in the empowerment in the group members after joining of the SHGs. The change in social and psychological empowerment is more than that of the change empowerment in economical and group aspects. The difference in the economic and social empowerment is significant at 0.05 level of significance, and the differences among the empowerment factors is insignificant.

Table 10 : Overall empower of SHG members in Krishna District, Andhra Pradesh

Descriptive Statistics	Mean	Std. Deviation	N
Psychological empowerment	19.50	2.245	750
Economic empowerment	19.37	1.951	750
Social empowerment	19.51	2.045	750

Table 11 : 't' Test Statistics

	T	df	Sig. (2-tailed)
Psychological Empowerment Vs Economic Empowerment	1.742	749	.082
Economic Empowerment Vs Social Empowerment	-.121	749	.903
Social empowerment Vs Psychological Empowerment	-2.183	749	.029

Correlation among various empowerments

Table -12 shows, the correlation among Psychological, Economic and Social empowerment. From the analysis, a positive change in empowerment is observed in the social, psychological and economic aspects in the group members after joining of the SHGs. The change in social and psychological empowerment is more than that of the change empowerment in economical and group aspects. Among the social, economic and psychological empowerments, the difference in the economic and social empowerment is significant at 0.05 level of significance, and the differences among the empowerment factors are insignificant. Correlations among all the social, economic and psychological empowerments are significant. The correlation between psychological and social empowerments is high when compared to that of other correlations.

Table 12 : Correlation among Psychological, Economic and Social empowerment

		Psychological empowerment	Economic empowerment	Social empowerment
Psychological empowerment	Pearson Correlation	1	.557**	.649**
	Sig. (2-tailed)		.000	.000
	N	750	750	750
Economic empowerment	Pearson Correlation	.557**	1	.643**
	Sig. (2-tailed)	.000		.000
	N	750	750	750
Social empowerment	Pearson Correlation	.649**	.643**	1
	Sig. (2-tailed)	.000	.000	
	N	750	750	750
**Significant at 0.05 level of significance				

Conclusion

Empowering women is also an indispensable tool for advancing development and reducing poverty. Empowered women contribute to the health and productivity of whole families and communities and to improved prospects for the next generation. To conclude, the SHGs have made a significant impact on the lives of the women particularly in the rural areas of Krishna District, Andhra Pradesh. Their quality of life has improved a lot. There is an increase in their income, savings and consumption expenditure. This shows an improvement in their standard of living. The women have gained self-confidence. They got an opportunity to improve their hidden talents after joining the SHGs. They can speak freely in front of large groups of people. They got recognition in the family and society. SHGs have also given

women a greater role in household decision making. Besides, the SHGs have created better understanding between the members of the different religious and area groups as the members of SHGs belong to different religions and area. It was also found that, after joining the SHGs the members are developed physically, socially and economically.

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