

A Study on Microfinance and Other Schemes for Reducing Poverty in TELANGANA State

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Abstract

Microfinance became an effective tool for poverty discount. Many research showing that the microfinance performs a critical function beyond society improvement in supporting the livelihoods of the poor. Micro financing through Self assist organizations has transferred the actual monetary strength inside the arms of poor people. Micro finance now not most effective affords economic advantage it is also offer social benefit like poverty reduction and ladies empowerment. Micro finance presents self-employment, earnings technology, residing requirements, economic increase and purchasing strength. State government of Telangana also assist the poor people by using implementing specific sort of Micro finance schemes. Banks, NGO's, social workers, Central and State governments are concentrating to control the poverty by giving unfastened hand to bring up the poor people. This paper tried to observe the poverty situation, how the microfinance assisting the poor people, how the Telangana government taking the initiation by way of presenting unique schemes and encouraging the SHG's. This paper collected the information on secondary facts to acquire the records.

Key word(s): *Microfinance, SHG's, poverty, Schemes*

1. INTRODUCTION:

In 1947 while colonial British left India, they left 70 percentage Indians in deep poverty and a tiny elite class that managed everything. Over six a long time later in 2011-2012, poverty is all the way down to 21 percent no matter the multifold increase in populace. But, no matter the considerable progress, even 21 percentage poverty approach a massive headcount in a rustic of 1.3 billion people.

India has 269 million (21 percent of general populace) people underneath the poverty line, as in step with the ultra-modern respectable headcount of the terrible in India. World financial institution these days envisioned Indian poverty to be 172 million (12.4 percent), based totally on its new poverty line of \$1.90 in step with individual in keeping with day using the new 2011 Purchasing power parity (PPP) facts. This is a degree of excessive poverty. [The World Bank revised its poverty line in October in 2015 to \$1.90 a day from the earlier \$1.25 a day.]

Indian government, in any respect levels, broadcast Welfare Schemes for a go section of the society from time to time. These schemes may be both central, state particular and a joint collaboration between the Centre and the States. In this paper, I have tried to offer you an easy and most popular, fulfillment complete finance programme to the poor people to lessen their poverty and which scheme is implemented and getting fruitful results with the aid of different nations at the name Microfinance and additionally trying a number of state government schemes and their numerous factors inclusive of eligible beneficiaries, kinds of benefits, scheme info and many others. Compare with other schemes most of the growing countries usual the remarkable performance of micro finance to convey new sparks inside the eyes of terrible people.

Microfinance has proven to be a powerful and effective device for poverty reduction. Like many other development gear, however, it has insufficiently penetrated the poorer strata of society. The poorest shape the good sized majority of these without get admission to number one health care and basic education; similarly, they're most people of these without get admission to microfinance. Whilst there's absolute confidence that the poorest can advantage from primary fitness care and from fundamental training, it isn't as intuitive that they also can gain from microfinance, or that microfinance is the perfect device via which to attain the Millennium dreams. Microfinance has been substantially examined during the last 10 to 15 years, and the ensuing literature is now very big. Microfinance has introduced tremendous effect to the lifestyles of clients, improve the capability of negative people to improve their conditions and others have indicated that bad people have taken benefit of extended earnings to improve their consumption level, health and construct property. These days, increasingly more microfinance is turning into a critical investment opportunity, especially in developing areas inclusive of Latin the USA and African, and all primary international group like the European Union, the United countries, the world financial institution, the Asian financial institution, and the yank development financial institution commit investment and research to microfinance.

The basic objective of this paper, to study the information about the poverty in India, to study the origin and current position of Micro finance, to study the Self-help Groups role as a part of micro finance, to obtain the schemes which are proving by the state government of Telangana. To obtain these information author selected the Qualitative information from secondary data and gathered through books, publications, websites, and oral communication without questionnaire.

2. WHAT IS POVERTY?

“Poverty is humiliation, the experience of being depending on them, and of being compelled to simply accept rudeness, insults, and indifference when we are trying to find help.” within the handiest term, poverty can be defined as a social circumstance where individuals do not have monetary means to meet the maximum primary requirements of life that is proper by the society. Individuals experiencing poverty do no longer have the manner to pay for fundamental desires of day by day lifestyles like food, clothes and refuge.

Poverty additionally staves people off from accessing a good deal wished social tools of properly-being like training and health necessities. The direct outcomes stemming from this hassle are hunger, malnutrition and susceptibility to sicknesses that have been recognized as main problems the world over. It influences people in a socio-mental way with them now not being able to afford easy leisure activities and getting step by step marginalized inside the society.

The time period poverty is interconnected with the perception of the poverty line/ threshold that may be described as the minimal discern of earnings that is required in a selected usa for retaining the socially ideal pleasant of lifestyles in phrases of dietary, garb and sheltering desires. The world financial institution has up to date its international poverty line figures to 1.90 USD (Rs. 123.5) in line with day on October 2015 (primarily based on charges of commodities in yr 2011-2012), from 1.5 USD (Rs. Eighty one) as a response to the adjustments within the fee of residing across the world as in step with present day financial system. The company estimates that – “just over 900 million people globally lived underneath this line in 2012 (based totally on the present day to be had data), and we mission that during 2015, just over 700 million are living in extreme poverty.”

Poverty is a global motive of situation even in economically stable nations like the US. Modern-day information country that over 1/2 the populations in the international, approximately three billion human beings, are forced to live on much less than 2.5 greenbacks in keeping with day. In India, as according to 2014 Government reports, monthly per capita intake expenditure is Rs. 972 in keeping with person in rural regions and Rs. 1407 according to person in urban regions. This information is presently being regularly occurring because the poverty threshold of the US of a. As of 2015, 21.9% of the entire population lives underneath the countrywide poverty threshold, as per the information of Asian improvement bank, that’s a whopping 269.7 million people not having sufficient cash.

2.1. Poverty in India at a look

Poverty is an acute hassle in India The poverty line (\$1.25 an afternoon) as defined via global bank document, in India the variety of poor dwelling in poverty line has accelerated from 421 million in 1981 to 456 million in 2005. In step with Asian development financial institution (ADB), the brand new poverty line is more or less \$ 1.35 in keeping with day. If this measure is used to degree poverty, nearly -thirds of India's populace or about 740 million are in

poverty. In India, the motive for high rate of poverty ratio in rural regions is because of essential dependence of populace on agriculture.

To reap a higher charge of poverty discount, India found out the importance of poverty reduction programme of micro financing to attain out the poorest people. Micro-finance has turn out to be one of the most effective gear for financial empowerment of the bad girls. In India, banking gadget, NABARD has evolved the Self assist institution [SHG] - financial institution linkage programme as the progressive strategy for growing their reach out to the terrible in particular women. In step with the McKinsey India survey (April 2006) document, rural India has the ability to emerge as a US\$500 billion marketplace via the 12 months 2020. Consistent with 2011 poverty development goals record, as many as 320 million human beings in India and China are anticipated to pop out of excessive poverty within the next four years, at the same time as India's poverty price is projected to drop to 22% in 2015. The record additionally indicates that during Southern Asia, but, handiest India, where the poverty fee is projected to fall from 51% in 1990 to about 22% in 2015, is on target to cut poverty through half through the 2015 goal date.

3. MICRO FINANCE AND POVERTY REDUCTION

Bangladesh has been stated as a pioneer in the area of micro finance. Dr Mehmud Yunus, Professor of economics in chitgaon college of Bangladesh, became initiator of an action reseek undertaking Grameen bank. The undertaking started in 1976 and it was officially diagnosed as a bank thru an ordinance issued by means of the government in 1983. Even then it does not have a scheduled popularity from the central financial institution of the United States the Bangladesh financial institution. The Grameen bank offers loans to the landless poor, particularly ladies to sell self-employment.

Microfinance is the provision of economic offerings to low-income customers, along with customers and the self-hired, who traditionally lack get right of entry to to banking and related offerings. Microcredit, or microfinance, is banking the unbankables, bringing credit, savings and other crucial financial services within the attain of thousands and thousands of people who are too poor to be served with the aid of ordinary banks, in most instances due to the fact they're unable to provide enough collateral. In preferred, banks are for people with cash, not for people without." in the end, the aim of microfinance is to present low earnings human beings an possibility to become self-sufficient by way of providing a way of saving cash, borrowing cash and coverage. The main purpose of microfinance is to empower girls. Girls make up a big percentage of microfinance beneficiaries. Traditionally, ladies (in particular those in underdeveloped countries) were not able to effectively participate in economic hobby. Microfinance affords ladies with the economic backing they want to start business ventures and actively participate within the financial system. It gives them self-assurance, improves their popularity and makes them greater active in choice-making, as a result encouraging gender equality. According to CGAP, long-status MFIs even document a decline in violence towards girls since the inception of microfinance.

The most of the microcredit institutions and companies all over the globe focus on girls in growing countries. Observations and experience indicate that girls are a small credit score danger, repaying their loans and have a tendency more regularly to benefit the whole own family. In any other factor it's also regarded as a technique giving the ladies extra status in a socioeconomic manner and changing the current conservative dating among gender and class whilst ladies are capable of offer profits to the family. There are numerous reasons why ladies have emerge as the primary target of microfinance offerings.

Poverty is as a household with low intake tiers with recognize to the combination intake. That is a very robust measure of poverty. Microfinance contribute to poverty discount, especially for girls members as 90% of the SHGs comprised only women members, It facilitates general poverty reduction at the village stage, consequently supporting not handiest negative micro finance clients but additionally the neighborhood economy as a whole. Micro finance provides an possibility to negative micro finance customers to interact in an profits opportunity which has decreased the price of poverty via boom in income, facilitated the poor to construct assets and thereby decrease their vulnerability.

Sushil kumar Mehta, Harigovind Mishra (2011) of their have a look at recommended that SHG – bank Linkage software has notably stepped forward the get right of entry to to monetary offerings for the agricultural bad and has giant fantastic effect at the socioeconomic conditions and the discount of poverty of SHG participants and their families. Ghosh (2001) pointed out that preventing poverty cannot be controlled by means of the authorities by myself. There are numerous areas wherein authorities wishes collaboration and cooperation from NGOs specially in developing opportunity facilitating empowerment and presenting safety to the terrible. The pressure of the donor companies on the recipient government to work through NGOs in development programme is also a dominant aspect in growing the function of NGOs to fight in opposition to poverty.

Nedumaran et al. (2001) studied the overall performance and the socio financial impact of SHGs in Tamil Nadu, determined that there was an growth of 23 in step with cent inside the net earnings within the submit SHG state of affairs, compared to the pre-SHG situation. Social situations of the contributors also substantially progressed after becoming a member of the Self-help organization Many NGOs has given capacity constructing education to SHGs which has helped to pick income technology sports, purchasing raw substances and advertising of the produce to enhance their entrepreneurial ability. Micro credit score intervention programme provides an

possibility to rural terrible girls to meet their intake needs and invest the surplus money on any monetary activities like cottage industries, food processing gadgets vegetable vending, Tailoring and many others.

A latest international financial institution file confirms that societies that discriminate on the basis of gender pay the cost of greater poverty, slower monetary increase, weaker governance, and a lower residing wellknown for everybody. At a macro level, it's miles because 70 percent of the sector's negative are girls. Girls have a better unemployment price

than guys in definitely every usa and make up the general public of the informal zone of most economies. They represent the bulk of those who want microfinance services. Giving women access to microcredit loans consequently generates a multiplier effect that will increase the effect of a microfinance group's sports, benefiting a couple of generations.

Features of microfinance are: 1. Loan given without safety, 2. Loans to the ones folks that live underneath the poverty line, 3. Members of SHGs may advantage from micro finance, 4. Maximum restrict of mortgage underneath micro finance Rs.25,000/-, 5. Terms and situations offered to terrible people are determined by way of NGOs, 6. Microfinance isn't like Microcredit- under the latter, small loans are given to the borrower but underneath microfinance alongside many different financial offerings such as savings money owed and coverage. Consequently, microfinance has a wider concept than microcredit.

IV. MAJOR PROGRAMS UNDER MICROFINANCE IN INDIA

India's micro financing sector is one of the fast growing sectors in the world. More than 1000 MFIs are operating in India (as of march 2009). MFIs have reached 234/ 331 poorest districts of India identified by Indian government. At present only Rs 7,000 crores stand as outstanding balance with Indian banks in urban and rural areas both to the economically active poor whereas the demand of the money reaches Rs 200000 crores which is almost triple of the available one.

There are many microfinance companies running in India:-

- ShriKshetra Dharmasthala Rural Development Project (SKDRDP)
- Bhartiya Samruddhi Finance Limited (BSFL)
- Cashpor Micro Credit (CMC)
- Asmitha Microfin Ltd (AML)
- Spandana Sphoorty Financial Ltd (SSFL)

Swayam Krishi Sangam (SKS) is a microfinance institution based on Grameen Bank model operating in rural India. It was initiated in 1998 with the establishment of woman's banking centre in the Medak district in the state of Andhra Pradesh (before bifurcation), which is considered to be one of the poorest districts of India.

Here the success stories have been discussed to show the impact of micro finance in poverty eradication. Gangapur Beeramma, a blanket maker of Gangapur after losing her husband was the sole head of her household with no fix income sources except for a piece of infertile land. As a result, the family was forced to live under miserable conditions, depending upon the small amount of income generated from the blanket making from the wool of their five sheeps. Then the lady applied for a loan of rupees 2,000 from SKS and purchased extra sheeps to generate extra income from blanket making in order to meet their financial needs and repay loans. After some time she repaid the whole amount of the loan and went for a second loan of rupee 6,000 to purchase more sheeps.

Another example goes around an agricultural labor whose life was changed due to the loan taken under SKS. Raipally Siddamma, was earning only rupee 20 per day and he used borrowed funds from SKS to take on a range of activities that more than quadrupled her daily income. She bought a mango tree and a goat and by products of which increased her income to 100 rupee per day.

SKS mission is an initiative to provide small financial assistance to the poor to improve their income level. It is

“An opportunity not charity” (SKS website). More specifically, they provide credit that allows the poor to initiate income generating activities, rather than giving one-time grants that only ease their poverty in the short-term. They charge high-enough interest rates to cover their costs, in order to achieve a measure of financial sustainability that will allow them not to be overly dependent on donations. (SKS annual report 2000-2001, p11)

There are multiples of micro finance institution bodies providing short loans to the deprived one with high interest rates which is easy to repay.

One of the fastest growing institutions is SHARE (Society for Helping Awakening Rural Poor through Education). It was established by M. Udaia Kumar in 1989 with the motto of developing skills among the low-income entrepreneurs. After having knowledge from the model of Bangladesh grameen bank, he decided to start a microfinance institution that can be helpful in providing funding lack of which creates hindrance in skill development among deprived one. SHARE was providing microfinance services such as credit and savings to the rural population of Andhra Pradesh. By 1996, the four branches of SHARE were operating throughout the region. The major achievement of the SHARE was when a branch located in the Guntur District, attained financial self-sufficiency in 1997, covering all its expenses. As the rest of the branches strived for self-sufficiency, SHARE witnessed problems as it could not make profit because of its charitable institution nature and Indian law did not allow a charitable institution to earn profit and carry out microfinance operations. As a result of which, they decided to incorporate as a public limited company affiliated with the Reserve Bank of India in order to exempt from payment of tax. After this the institution grew faster as it had access to commercial funds as well. As of February 2002, the organization had 57 branches operating in 13 districts, with 105,969 members, all poor rural women. The institution has a capital base of \$US 3.3 million, of which \$US 1.2 million was paid in by 26,034 women clients. 99% of total equity was contributed by the organization's clients, with only 1% owned by external sources.

Two representatives from their client group sit on the Board of Directors, and so SHARE considers itself to be unique in being a “microfinance institution which is truly owned and managed by poor women.” In order for a woman to qualify for a loan, she must have a family income under \$7.50/month. The repayment rate for the institutions loans stands at 100%, and the institution's overall financial self-sufficiency is 96%. A study to assess SHARE's impact found that over 76% of its clients have achieved a remarkable improvement in their standard of living. Of the clients in this study, 64% had been labeled as Very Poor when they became members of the institution, with the other 36% considered Moderately Poor. After about four

years, only 7.2% of these clients were still considered Very Poor, with 56.8% having achieved the status of moderately poor, and 36% actually becoming Non-Poor. (SHARE website).

V.SELF HELP GROUPS

NABARD (2005) explains that the Self Help Group is a group with “an average size of about 15 people from a homogenous class. They come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use this pooled resource to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and conditions and accounts keeping. This gradually builds financial discipline in all of them. They also learn to handle resources of a size that is much beyond the individual capacities of any of them. The SHG members begin to appreciate that resources are limited and have a cost. Once the groups show this mature financial behavior, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates. The groups continue to decide the terms of loans to their own members. Since the groups’ own accumulated savings are part and parcel of the aggregate loans made by the groups to their members, peer pressure ensures timely repayments.” In this paper the role played by Microfinance in women’s empowerment are considered into three dimensions namely psychological, social and economical.

VI. SELF HELP GROUPS AND OTHER SCHEMES IN TELANGANA:

The new State of Telangana, with a geographical area of 1,14,840 sq. kilometres and having a population of 3,51,93,978 (2011 census), is the twelfth largest State in terms of both area and the size of population in the country. The population of the State is predominantly rural with 61.33% of people residing in rural areas and the remaining 38.67% of people residing in urban areas. Currently, SERP (Society for Elimination of Rural Poverty) noticed Nearly 90 percent of the poor households in the State are members of these community institutions. Currently 47,41,891 women have formed 4,16,811, Self Help Groups (SHGs) at the Village / Habitation levels. The SHGs have federated at the village level to form village organizations (VO) and VOs have federated at Mandal level to form Mandal Mahila Samakhya (MMS). Currently there are 17,811 VOs and 438 MMS. These Mandal Mahila Samakhyas federated at District Level to form 9 Zilla Samakhyas

MEPMA (Mission for elimination of poverty in Municipal Area) also stated that in urban level Around 12.66 lakh women members formed into 1.26 lakh Women Self Help Groups (SHGs). A total of 4177 Slum Level Federations (SLF) and 97 Town Level Federations (TLF) have been formed up to December 2014. Around 19,900 persons with disabilities are also organized into 3,980 exclusive SHGs. 57 Town Vikalangula Samakhyas (TVSSs) and 55 Parents Associations of Persons with Mental Rehabilitation were formed in the State. SHGs Bank Linkage worth Rs.517.00 crore have been provided to 18,193 Self Help

Groups for the year 2014-15. Further, under Vaddi Leni Runalu, an amount of Rs.75.02 crore is released to 6,448 Self Help Groups.

Through SHG Movement, savings has been taken up as a mass movement by women. The SHGs are not only resorting but are also taking small loans out of the corpus available with the group. SHGs have an accumulated Saving of Rs.1845.00 Crore cumulatively (Rs 378 Crore every year), Community Investment Fund- Total 435.00 Cr, Bank linkage /Cash credit limit – Rs.22657.00 Cr cumulative and potential of Rs.4000.00 Cr every year.

Other than this Telangana Minister for Panchayati Raj K. T. Rama Rao said in international work shop, the newly-formed State would soon become a role model for other States in motivating self-help groups, initiatives aimed at women's empowerment, early childhood education, health and nutrition for pregnant women and newly-born to improve quality of life.

State government Schemes are helpful to the poor:

Financial scarcity, credit loan awareness and lack collateral support major problem to poor people in Telangana state. Telangana Government, Commercial banks and NGO's are putting sleep less efforts to pull out rural and urban people those who are living under poverty line. By the support of Central Government, Banks and financial Institutions, Government introduced various Schemes to give financial and moral support to poor people. Under the Roof of Microfinance institutions, self help groups (SHG) are also playing a major role to promote the small entrepreneurs, skilled workers in to the national and internal markets with their innovative cultural talent.

Potential Schemes for poor people

Under District Rural Development Agency (DRDA) and Indira Kranthi Patham (IKP) Telangana government introduced and continuing various Schemes to poor people the basic objective of the Telangana Government, The disadvantaged communities shall be empowered to overcome all social, economic, cultural and psychological barriers through self-managed organizations. They will attain higher productivity with improved skills and asset base and utilize resources to full potential and gainful access to services. Our missions is to enable the disadvantaged communities perceive possibilities for change and bring about desired change by exercising informed choices through collective action. Fulfill the vision of Telangana Government some Potential schemes are serving effectively is as follows....

1. Sthree Nidhi: To address the issues of inadequate finance and to ensure timely availability of credit for meeting emergent and other needs, there is a need to supplement credit aside what is being accessed from banking sector. Stree Nidhi is specifically created to meet these needs of women with the following objectives. The above circumstances led to emergence of Stree Nidhi Credit Cooperative Federation Limited (Stree Nidhi). The Govt. of Telangana in association with Mandal Samakhyas (MS), and Town Level Federations (TLF) promoted Stree Nidhi by contributing Share Capital. Stree Nidhi was registered under Telangana Cooperative Societies Act 1964 on 7th September 2011 and commenced lending operations from 6th October 2011.

Objectives:

- ✓ To meet the credit needs of the SHG members through MS / VOs and TLF/SLF for income generating activities and emergent purposes like medical and educational purposes.
- ✓ To ensure timely credit availability to SHGs in 48 hours.
- ✓ To supplement credit to SHG members while ensuring that SHGs will give first priority for availing loans from Banks under SHG- Bank linkage programme.
- ✓ To ensure that the poorest of the poor (POP) get credit at least of 50% of the loan disbursement.

Stree Nidhi has earned a unique place in delivering of credit to poor, presiding timely and appropriate credit. Measure will be taken to portion the same as a livelihood promoting institutions to augment income of the poor. It is proposed to finance Rs 1100 crs. During the year 2015-16. There are 436 Mandal Mahila Samakhya (MMS) of SHGs in association with Government of Telangana have promoted "STREE NIDHI Credit Co-operative Federation Ltd." to address the issues of inadequate finance and to ensure timely availability of credit, preferably within 48 hours, for meeting emergency and other needs of the poorest of the poor. Rs.481.80 Crores were disbursed to 2, 24,902 members of 60,797 SHGs in 7,432 VOs in 423 mandals for the FY 2014-15 up to January'2014.

2. Institution Building: Promoting and strengthening member owned, member managed, self-reliant and financially sustainable institutions of the poor and the poorest in all the village of the villages of the state for enhancing the quality of life of the members and securing sustainable livelihoods.

Objectives:

- ✓ Promotion strengthening of self-managed and financially sustainable community based organizations that are owned and controlled by poorest of the poor and poor.
- ✓ Providing a wide range of micro-finance products and social developmental services to members on a timely basis for securing sustainable livelihoods and improving quality of life of poorest of the poor and poor.
- ✓ Ensuring timely provision of technical services to the members by developing social capital.

3. Bank Linkage/(Vaddi Leni Runalu):The broad vision of the program is to enable the poor households in accessing adequate formal credit at their doorsteps through their membership in SHGs.

Objectives:

- ✓ Consumption smoothening or even servicing previous high cost debts
- ✓ Support existing livelihoods
- ✓ Finally, to implement Microcredit Plan (MCP), when households reach a stage where they can assume a higher degree of risk.

4.VLR (Vaddi Leni Runalu-100% interest subsidy): The Government of Telangana was converted Pavala Vaddi scheme into Vaddi Leni runalu from 1st January, 2012 which total interest reimbursement is being made by the Government to further strengthen the viability of rural enterprises.

Objectives: with a view to incentivize prompt payment and to make the rural enterprises more remunerative, Government of A.P started the total interest subvention program is known as \ Vaddi Leni Runalu\ under which total interest reimbursement is being made by the Government to further strengthen the viability of rural enterprises under which SHGs have to pay only the principal portion called SHG portion of the EMI and the rest of the EMI is credited directly by the Government into loan accounts of SHGs. The SHG portion of the EMI is arrived at by dividing the loan amount by number of installments. The present administration of the scheme is \Vaddi Leni Runalu\ in its true sense.

5.Loan Insurance: In the light of bank linkage program with VADDILENI RUNNALU, a huge amount of money is transacted by the SHG members in the name of total financial inclusion covering even the swapping of old debts. It is proud to inform that Govt. of AP leads in SHG Bank Linkage Program with 40% of all bank loans given to SHGs in India. The bankers are comfortable and testifying that the recovery rate is 99%. In this back drop, SHG women evince great interest in insuring the loans taken by the members from the Commercial Banks or from their own federations as a safety net against financial risks in the event of natural and accidental mishaps, to protect their children, family members from debt traps. Hence, the scheme shall be scaled up to cover each and every SHG member. Increase the size of loans to SHG members, by creating confidence among the Bankers. The Insurance amount is Rs.0.40 paisa per hundred per Annum. This activity is being implemented through Zilla Mahila Samakhya of the concerned district.

6. Pension-cum-Insurance Scheme: This is a co-contributory pension cum insurance scheme visualized by the State Government for the benefit of SHG women over and above the age of 18 years in urban areas to provide social security after the age of 60 years. 56,276 women have been renewed during 2013-14, of which 5,852, who crossed the age of 60 years were given a pension of Rs.500 every month.

7. National Rural Livelihood Mission: National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MORD), Government of India in June 2011. It is a centrally sponsored ongoing scheme funded by the Government of India and the State Government in the ratio of 75:25. Aided in part through investment support by the World Bank, the Mission aims at creating efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services. In addition, the poor would be facilitated to achieve increased access to their rights, entitlements and public services, diversified risk and better social indicators of empowerment.

Objectives: The main objectives of NRLM are mobilizing all rural poor households into effective self-help groups(SHG) and SHG federation, enhancing access to credit and other financial, technical, and marketing services, building capacities and skills for gainful and sustainable livelihoods, improving the delivery of social and economic support services to poor through NRLM.

If Government create more awareness about these schemes and really hand weavers are utilize the financial support in proper way! We hope, as soon as the community of hand weaving shall be overcome all social, economic, cultural and psychological barriers. They have to attain higher productivity with improved skills, asset base and utilize resources. At the same time there is a need to evolve a systematic procedure for promoting micro enterprises to create employment opportunities among SHG members. Essential to conduct some workshops, awareness programs on authorized platform for improve financial skills and developing their risk taking abilities even in the handloom sector.

VII. CONCLUSION

Microfinance has generated mixed views. On the one hand, there are strong supporters, who think that microfinance can bring tremendous change in the lives of poor along with rise in their standard of living. On the other hand, are the sceptics who claim the concept of microfinance as exaggerated?

The analysis offered in this paper indicates that microfinance does have a significant impact, although it is difficult to quantify the precise impact of microfinance and get the immediate result. Before the presence of a Microfinance institution, it was very difficult for certain strata of the population to finance the skills and/or resources required to pull themselves out of an impoverished existence.

The influence of microfinance through SHG's is widespread to both actual income generation and social effects. In a nutshell, microfinance has proved to be significantly responsible for alleviating poverty within the rural areas where it has been established. Government schemes also giving supporting hand to develop the poor people in all aspects. While it still has a long way to go in gaining self-sufficiency and in enhancing its reach and impact, it has made a difference in the lives of many individuals.

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