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CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	SITUATION ANALYSIS OF DOCTORS WORKING IN HEALTH DEPARTMENT OF ODISHA: A DESCRIPTIVE STUDY <i>RAMA CHANDRA ROUT, BHUPUTRA PANDA & ABHIMANYU SINGH CHAUHAN</i>	1
2.	QUALITY OF EDUCATION AND TEACHERS IN ETHIOPIAN SECONDARY SCHOOLS (THE CASE OF EASTERN ZONE OF TIGRAI REGION, ETHIOPIA) <i>DR. HAILAY GEBRETINSAE BEYENE & MRUTS DESTA YEEBIYO</i>	4
3.	AN ANALYSIS OF THE IMPACT OF FISCAL DECENTRALIZATION (FD) ON BUDGET DEFICIT IN PAKISTAN <i>ABDUR RAUF, DR. ABDUL QAYYUM KHAN & DR. KHAIR-UZ ZAMAN</i>	11
4.	DETERMINANTS OF MILITARY EXPENDITURE IN DEVELOPING COUNTRIES AND THEIR EFFECTS ON THE ECONOMY <i>A. K. M. SAIFUR RASHID, MD. ZAHIR UDDIN ARIF & M. NURUL HOQUE</i>	16
5.	A CRITICAL EVALUATION OF THE GOVERNMENT EXTENSION SERVICES: THE CASE FOR LAND REFORM FARMS, IN THE WEST COAST DISTRICT, WESTERN CAPE <i>MOGALE PETER SEBOPETSA & DR. MOHAMED SAYEED BAYAT</i>	21
6.	LABOUR MIGRATION AND IMPACT OF REMITTANCES ON LIVELIHOOD PATTERN IN SOME AREAS OF TANGAIL DISTRICT IN BANGLADESH <i>RAZIA SULTANA, DR. M. A. SATTAR MANDAL & MD. SAIDUR RAHMAN</i>	29
7.	ARE OLDER LEARNERS SATISFIED WITH THEIR INVOLVEMENT IN LEARNING COURSES'? <i>JUI-YING HUNG, FENG-LI LIN & WEN-GOANG, YANG</i>	33
8.	ECONOMIC GROWTH, INCOME INEQUALITY, AND POVERTY: EVIDENCE FROM BANGLADESH, 1981-82 TO 2009-10 <i>MD. MAIN UDDIN</i>	37
9.	IMPACT OF ABSENCE OF ANTI-COUNTERFEITING LAWS AND PRESENCE OF LOW PRICE ON CONSUMERS' ATTITUDES TOWARD THE NON-DECEPTIVE COUNTERFEITS IN A DEVELOPING CONTEXT <i>IMRAN ANWAR MIR</i>	41
10.	MOBILITY AND MIGRATION OF FEMALE SEX WORKERS: NEED FOR STRATEGIC INTERVENTIONS <i>GOVERDAN KUMMARIKUNTA & DR. CHANNAVEER R.M.</i>	46
11.	BUSINESS DEVELOPMENT & GREEN MARKETING <i>DR. R. KARUPPASAMY & C. ARUL VENKADESH</i>	50
12.	IMPACT OF SOCIO-ECONOMIC PROFILE ON SATISFACTION OF BANK OFFICIALS OVER TRAINING AND DEVELOPMENT PROGRAMMES IN BANKS <i>JASPREET KAUR & DR. R. JAYARAMAN</i>	55
13.	ECONOMIC GLOBILIZATION CATASTROPHE AND ITS UPSHOT ON INDIAN ECONOMIC MARKETS <i>K. LOGESHWARI</i>	61
14.	FOREIGN EXCHANGE DERIVATIVES TRADING SCENARIO: A NEW PARADIGM IN THE ERA OF CURRENCY <i>DR. P. S. RAVINDRA & E.V.P.A.S.PALLAVI</i>	65
15.	REGIONAL DIVERGENCE IN PER CAPITA INCOME IN DISTRICTS OF RAJASTHAN <i>DR. REKHA MEHTA</i>	71
16.	CONTRIBUTION OF INFORMATION TECHNOLOGY INDUSTRY IN PROMOTING INDIA AS BRAND INDIA <i>DR. DEEPAKSHI GUPTA & DR. NEENA MALHOTRA</i>	75
17.	AN EMPIRICAL STUDY ON SOCIO-ECONOMIC EMPOWERMENT OF WOMEN THROUGH SELF HELP GROUPS <i>ANURADHA.PS</i>	84
18.	OPERATIONAL ADEQUACY OF WORKING CAPITAL MANAGEMENT OF SELECTED INDIAN AUTOMOBILE INDUSTRY - A BIVARIATE DISCRIMINANT ANALYSIS <i>DR. N. PASUPATHI</i>	87
19.	DEFORESTATION AND ENVIRONMENTAL SUSTAINABILITY: A STUDY OF INTERDEPENDENCE <i>DR. MD. TARIQUE</i>	93
20.	PATTERN OF GROWTH AND INSTABILITY OF INDIA'S EXPORTS (1991-2006) <i>DR. KULWINDER SINGH & DR. SURINDER KUMAR SINGLA</i>	100
21.	CHANGE IN RETAIL SHOPPING BEHAVIOUR: WHY AND FOR WHOM? <i>PRAMOD PANDURANGRAO LONARKAR & PARMESHWAR GORE</i>	108
22.	LIVESTOCK A WAY TOWARDS RURAL INDUSTRIALIZATION-A CASE STUDY OF POULTRY BUSINESS <i>SUNIL SUBHASH PATIL</i>	112
23.	THE ECONOMETRIC ESTIMATION OF ELASTICITIES OF DEMAND FOR INDIA'S EXPORTS AND IMPORTS <i>P. SUHAIL & V.R. REMA JYOTHIRMAYI</i>	117
24.	SOCIAL IMPACT OF MICRO FINANCE ON RURAL POOR IN ANDHRA PRADESH <i>DR. NANU LUNAVATH</i>	122
25.	MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA): ISSUES AND CHALLENGES <i>HARSIMRAN SINGH</i>	136
	REQUEST FOR FEEDBACK	141

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STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

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SOCIAL IMPACT OF MICRO FINANCE ON RURAL POOR IN ANDHRA PRADESH

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ABSTRACT

This paper outlines social impact of microfinance. Micro finance treated as a key strategy in addressing development issues across nations since the last three decades. This study attempts to explore on the much debated question impact of microfinance? The studies suggest that microfinance has a profound influence on the economic status, decision making power, and knowledge and self-worthiness. The microfinance related loan and its productive utilization found to be causing significant differences empowerment levels, measured empowerment of the loan availed participants. Impact assessment is kind of structured study, which measures the impact on employment, income generation, education, health, consumption, business development. Impact assessment refers to the assessment of "how financial products and services affected of the poor". Impact assessment is the measurement of the income growth, assets growth and vulnerability. The indicators for impact assessment are not limited to economic development but extended to development growth like health, education, empowerment etc., Moreover, impact assessment help MFIs to better understand their organization and improving the products and services and accountability to clients. The indicators of economic empowerment included here are the variables like economic self-sufficiency. The positive changes in these indicators reflect economic empowerment. The study interprets and discussed impact of microfinance on social conditions of rural poor in Andhra Pradesh. An attempt has been made to analyse the social impact of micro finance respondent. In this regard an analysis has been made with the help of the following parameters i.e age, education, religions, marital status, social status, type of the family, size and family and how the family spends the family income etc.,

KEYWORDS

Micro Finance, Rural Poor, Andhra Pradesh.

INTRODUCTION

The biggest challenge to any civilized society is the economic deprivation of a major population. The most potent tool against human deprivation could be building human capital among the deprived, through sustainable development, initiative which is taken up by the deprived themselves "Self-realization and self-initiative" are the two most powerful weapons to eradicate poverty from the world map.

India has the biggest micro finance market of the world. Micro finance is powerful instrument for enhancing production and productivity and also for alleviating poverty. In order to build the capacities of poor and facilitate the process of empowering them many organization are working in India Micro finance play a vital role to bridge the gap between demand and supply of financial services among the rural poor.

Micro finance covers a wide range of financial services that include savings, credit, insurance and remittance. Micro finance target those people who are denied credit from formal financial and banking institutions because of lack of awareness as well as formal rules which they have to follow to get a credit from these institutions. Micro finance can be considered as a tool for empowerment as well as for social protection (saving, Insurance and remittances). Microfinance can also be used to develop new generation entrepreneurs among the rural poor by providing other necessary skills required.

The Indian Microfinance Sector is a museum of several approaches found across the world. Indian microfinance has lapped up the Grameen blueprint; it has replicated some aspects of the Indonesian and the Bolivian model. In addition to the imported artefacts of microfinance, we also have the home-grown model of self-help groups (SHGs).

DEFINITIONS

Micro finance may be defined by the as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards" — NABARD.

A definition of microfinance as provided by Robinson is, 'Microfinance refers to small-scale financial services for both credits and deposits- that are provided to people who farm or fish or herd; operate small or micro enterprises where goods are produced, recycled, repaired, or traded; provide services; work for wages or commissions; gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools; and to other individuals and local groups in developing countries, in both rural and urban areas'.—Robinson (2001)

In the International Years of Micro-credit 2005, "Microfinance was referred to as loan, savings, insurance, transfer services and other financial product targeted at low-income clients".

Poor section of people living in poverty, like everyone else, need a diverse range of financial products and services to sustain their livelihood, productive finance to run their business, build assets positions for both production and consumption, and to protect themselves against risks and uncertainties. Financial services needed by the poor include working capital loan, consumption credit, and savings, pension, insurance, provident funds, money transfer services etc.,

Microfinance products include micro savings, micro credit, micro insurance, remittance and other products like pension, provident fund etc., Microfinance refers to providing a gamut of high quality financial products and service to the poor section of the society.

NEED FOR THE STUDY

It is true that the concept of micro financing was in existence for more than a century. However the micro financing, which has been introduced recently is different, free from exploitation, based on the principle of co-operation and group approach. As ahead mentioned even in the 1980s several micro credit programmes including Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA), Training of Rural Youth for Self-Employment (TRYSEM) etc., were prevalent, but the approach and methodology followed were entirely different. Further it is observed that the formal sector credit was very limited and hardly available for small borrowers. MFIs have broken this trend and it has seen that only small borrowers are members of MFIs. The question that remains still to be answered is that how these MFIs could succeed in capturing the bulk of population, which were hitherto denied access to credit? How could they succeed in attracting the bankers to volunteer in their doorsteps to extend credit, which was a Herculean task prior to MFI? How could the MFIs handle the micro financing, which resulted in good recovery rate, which was a dream for formal sector? Would this success sustain or would it vanish after a temporary existence? What needs to be done to sustain in future? Given the merits of MFIs, all these questions necessitated this study to emerge in the present form. Development experience has shown that the policies favouring government have failed and market was supported to rule with minimum intervention of the state. In both these policy frameworks, poor had continued to be neglected as their focus was on the rich and believed that the benefit would trickle down. But in the later period the market also failed due to various reasons. It was observed that the poor had failed to benefit through any intervention, as the access to formal Credit was absent. As a result, the informal credit continued to dominant and exploits the poor. The failure of formal credit reaching the poor, due to high risk involved owing to the imperfect knowledge of other borrowers and the associated transaction costs for the banks, informal sector with the virtue of perfect information on the poor borrowers, established a good credit market. It is felt that the poor cannot be helped by formal credit

for the paper work, asymmetry of information and the transaction cost associated. On the other hand the informal credit sources should not be allowed to exploit the poor. It is good if the former as the first best reaches the poor. In the absence of this occurring, the second best alternative has been conceived, incorporating certain features of both the characteristics of formal and informal credit in the name of micro financing through MFIs with organized efforts of the participants. This micro financing has the characteristics of group lending, peer monitoring, peer pressure etc., through which it is able to get the full information about that borrowers and extend credit with minimum transaction cost with less paper work, but greater recovery performance. This has been widely recognized as the alternative form of credit and resource mobilization for the poor, credit and thrift management etc., but there are certain issues, which may be research questions to be analysed by future researchers in addition to this study. The MFIs associated micro financing is targeted to mostly women. The experience has shown that the economic activities have not been crossed beyond the micro scale. The women who have been taken up economic activities, hardly promoted to produce products of global importance.

In the above back drop an attempt is made in this study to examine the role and impact of microfinance in empowering rural poor and problem encountered by respondents/ beneficiaries and suggest remedial measures to overcome these problem in order to encourage and promote empowerment which has got great potential in Indian environment in general and the state of Andhra Pradesh particular. The specific objectives of the study are as follows:

OBJECTIVE OF THE STUDY

Micro finance is currently growing at a very fast rate. Micro finance is no doubt providing facilities for the rural poor but to what extent is not clearly mentioned anywhere. Hence that is a for an in-depth impact studies with the following objective:-

To Examine the Impact of microfinance on social conditions of rural poor in Andhra Pradesh.

METHODOLOGY

The present study has been conducted in Andhra Pradesh with the objective of studying the impact of microfinance on rural poor. The sample constituted 100 beneficiaries selected across the state of Andhra Pradesh. The study was based on primary data collected through structured questionnaire schedule as well as secondary data. The following parameter was broadly studies to promoted microfinance beneficiaries. The information was also collected through discussion with development functionaries. Impacts on socio-economic conditions,

SAMPLING METHODOLOGY

Microfinance has been recognized and accepted as one of the new development paradigms for alleviating poverty through social and economic empowerment of the poor, with special emphasis on empowering rural poor. Before explaining the methodology employed for this impact study, it is worth reviewing the different methodologies for assessing impact within the world of microfinance today.

PERIOD OF THE STUDY

The present study cover a period of five years from 2002-2007 (Tenth Five year plan) in order to draw trend to empowering rural poor through microfinance in the state of A.P.

DATA ANALYSIS

The data collected from the field was processed using two software package viz. excel and SPSS (Statistical package for Social Science) quantitative information was cross tabulated to know social and economic dimension of each variable and its association with other factors a qualitative information was used in the interpretation of the quantitative data. The Study provides analysis of data and results of the study area. The study interprets and discussed the results of the investigation focused on the impact of microfinance on rural poor in Andhra Pradesh state the results pertaining to the hypotheses and their detailed discussions were presented in this study. Finally the comprehensive discussion is presented.

LIMITATION & PROBLEM OF DATA COLLECTIONS

During the research several problems faced several problems were related to lack of availability of data and of persons concerned such as these include:- Non availability of official is other serious problems. Secondary data up to date was not available and hence no cross checking could be done comparing the primary and secondary data

The books of accounts mention were not up to date. Some of the microfinance did not have even basic records. Many MFI had written their accounts in rough books, rather than prescribed books.

The microfinance stakeholder / MFI who misused funds were not willing to show their records with the excuse that their leaders was not in the village or that the books were in a relative's house and the key were not available etc.,

The study interprets and discusses the results of the investigation focused on the impact of micro-finance on rural poor in A.P and the results pertaining to the hypotheses were presented in this study.

REVIEW OF RELATED STUDIES

Having defined the concepts used in the study and brings the theoretical base the following section reviews the related studies. It is well known that the finance is essential for all walks of life such as to procure basic needs including food, house, dresses, and medical facilities. The micro finance is playing vital role in the third world countries like India. Now days the micro finance is very familiar among the poor particularly among the rural poor. Historically the women are considered as an inferior section of the population assigning secondary status.

They have traditionally not had access to resources and also they are facing several problems in this world. The provision of micro finance for women is now regarded not only as an instrument for poverty alleviation but also for women's empowerment. A study conducted by NABARD [2002] covering 560 households from 223 SHGs in 11 States of India elucidated that there has been a positive result in enhancing the standard of living of SHG members in case of asset ownership. The average value of asset including livestock and consumer durable has increased considerably. The housing condition of the people is improved, from the mud walls to thatched roofs to brick walls and tiled roofs. Almost all members developed saving habit in the post SHG. The trend of consumption loans come down in contrast the loan for income generating purpose has increased considerably during the pre-SHG period. Similarly the overall repayment of loans improved and the average net income per household has increased about 33%. The employment increased by 18% between the pre and the post SHG conditions. It should be noted that after association with the SHGs, they have improved their self-confidence, self-worth and communication. In addition to this, they involved in addressing various social evils and problems of the society.

Yaron (1994), Besley, (1994)¹¹, underlined that the micro finance institutions remain most successful ones in terms of outreach and performance in delivering credit services to the poorest of the poor women, and small artisans in the rural and urban areas, reduction in adverse selection of borrowers, development of collateral substitutions, offering cost effective approaches to formal institutions.

Abdul Hayes, Ruhul Amin and Stan Becker [1998]¹² analysed the relationship between poor women's participation in micro credit programmes and their empowerment by taking both SHG and non-SHG members in rural Bangladesh. They have split the concept of Women Empowerment into three components and measured separately in order to arrive at a better understanding of their underlying factors and their relationship to women's empowerment. These separate indices are interspersed consultation index, individual autonomy index and authority index. The three options were given different weights- "generally", was assigned a value of 1, "never" a value of 0 and "occasionally", a value of 0.5. The results have shown that the SHG members are ahead of non-members in all the three indices of empowerment. Moreover, the non-members within NGO programme areas show a higher level of empowerment on the autonomy and authority indices than do the non-member within the comparison areas. Over all, it was found that part of the higher autonomy and authority indices in the NGO programme areas in contrast to the comparison areas is accounted for by the contribution of both NGO credit members and non-members in the NGO programme areas. Being empowered by their new sources of financial income and related credit group supports, female recipients of NGO credits may have asserted their autonomy and authority vis-a vis their husbands' restrictions and dominance in related household affairs. It was further found that

education, house type, annual income etc., tend to be positively associated with autonomy and authority indices. Also positively associated is duration of NGO membership and non-agricultural occupation. The implications of these findings are that NGO credit programmes in rural Bangladesh are not only likely to bring about rapid economic improvement in the situation of women but also hasten their empowerment. The NGO credit member is reported to be more confident, assertive, intelligent, self-reliant and conscious of their rights. It was suggested that the NGO role alone would not be sufficient. The government has to have a large network of credit programme for the rural poor women to increase their economic solvency and enhance their empowerment. The complementary role of NGOs and Government can take care of the problem. The authors suggested that by providing independent sources of income outside home, micro credit tends to reduce economic dependency of the women on husbands and thus help enhance autonomy. Second, the same independent sources of income together with their exposure to new sets of ideas, values and social support could make these women more assertive of their rights. And finally, micro credit programmes-by providing control over material resources should raise women's prestige and status in the eyes of husbands and thereby promote intersperse consultation.

MuhammeHussainBhatti [1999]³ found that the improvement of women's economic situation is the basic determinant of their empowerment. Women are being extended extension, advice and the financial assistance to generate income in farm and off farm sectors. These efforts of women are being responded significantly, resulting in a start of women's recognition not only as income earning hands but as responsible business partners in joint families as well.

\T.S.Ragavendra [2000]³⁷ Studied three SHGs run by forward, SC/ST and backward communities in Karnataka to assess the performance. He found the SHG member no longer borrow for moneylenders. It was suggested that with vision, participation and motivation, forward community SHGs could sustain in changing farm based activities into market based for the other two groups, the major constraint is the resource, which must be met by local banks. The group approach generating activities in the credit delivery system must be encouraged.

Suman Jain [2000], noted that women are assisted for income generating in number of ways by NGOs. They are given financial assistance directly or as facilitated by NGO functionaries to have access to finance from banks, financial institutions donors, corporate sector and government schemes etc., NGOs also help women for skill development by conducting training programmes through various resource agencies. Many NGO have special entrepreneurial development programmes to help women entrepreneurial motivation and business acumen which include having informal meetings identify group members, facilitate group formation and setting up group norms, coordinates the process of saving mobilization, trade selection, the initial preparation, mobilizing resources, help in maintaining records etc., The kind of income generating activities in which women get employment are agriculture and agro based activities, forest based activities, small enterprises, trade crafts and occupation based processing and marketing units. He noted that the two major financial problems faced by self-employed women are lack of working capital as collateral for credit. It was concluded that the success of the SEWA Bank experience has shown that active participation of the members and the board are crucial to the impact created by a bank such as the SEWA bank. From women's point, their involvement in and ownership of a successful institution enhance their collective strength and the empowerment that comes with organization. It was suggested that from a wider perspective, members owned or controlled micro credit institutions can help to strengthen our democratic system.

R.K.Mishra [2002]¹ examined the success of micro credit intervention in India and compared it with Orissa. It is found that the repayment by the members to SHGs was around 98% and SHGs to banks was over 95%. SHGs in several categories including women, joint farmers groups, social forestry groups etc., were formed. Underling the strengths and weaknesses, the challenges to be faced have been brought out by the author as follows. "The attitude of other banks needs to be changed, government should encourage and support NGOs to attempt group approach and create a favourable policy environment, needs to adopt flexibility by banks in providing money to groups through SHPIs. These ought to be done as it is observed that the micro finance does not address issues like reorganization of ownership of land and long-term sustainability of any activity. Further, it is observed that micro finance activities are oriented towards lending to individuals, using groups as a risk reduction mechanism. In the long run it may lead to establishment of another set of informal banking institutions which are in competition with money lenders, traders, commission agents etc., there is a possibility of loss of resources of the poor if not protected adequately against any possible crisis".

Dwarakanath H.D [2002]² analysed the characteristics and growth of self-help groups in Andhra Pradesh and found that the SHGs using the loan facilities from the cooperative credit banks, commercial banks, mahila bank and Maheswaran banks, have produced more than 50 varieties of products. Among them, the brass items, hosiery, candles, carpets, coir items and pickles are important products. In addition to, the author says, that the women groups started to educate their own group members and also they realized the importance and significance of literacy whereas a lot of enthusiasm has been generated and the SHGs had a greater vision in empowerment of rural women and for overall human development. Moreover, the SHG members proved the way to the power of decision making to the women in their family, and also create a mass on socioeconomic and political condition in this district.

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RajaramDasgupta [2001]¹⁰ observed that the informal credit in the form of group approach has effected few benefits such as savings mobilized by the poor, access to the required amount of credit, matching the demand and supply of credit structure and opening of new market for Financial Institutions, reduction in transaction cost for both the lenders and borrowers, tremendous improvement recovery, heralding a new realization of subsidy-less and corruption less credit and remarkable empowerment of the women. But the government poverty alleviation programme in the name of SGSY with the component of target completion, subsidy, bureaucratic and political involvement, insistence on entrepreneurial activities etc., may end up with same old results of IRDP. He recommended that the government promoting NGOs as SHPIs and directing banks to do business with SHGs must be given up and NGO lacking regions may be promoted with SHPIs and banks must be given freedom to evaluate SHPIs and SHGs for conducting business with them. He added that the subsidy component may be used for infrastructure, training, backward and forward linkages and other requirements of the poor, not the poor borrowers alone. This is expected to improve the opportunity of investment by the poor and accordingly their savings, credit-handling capacity, access to financial institution, inculcate entrepreneurial skill, develop an attitude towards investment and increase the risk taking ability of the SHGs.

The authors suggested that by providing independent sources of income outside home, micro credit tends to reduce economic dependency of the women on husbands and thus help enhance autonomy. Second, the same independent sources of income together with their exposure to new sets of ideas, values and social support could make these women more assertive of their rights. And finally, micro credit programmes-by providing control over material resources should raise women's prestige and status in the eyes of husbands and thereby promote intersperse consultation.

K.C Sharma [2001]²⁶ The SHGs have contributed to increase the outreach with gender orientation as 85% of the SHGs linked with banks formed by women. These groups enabled women to engage in economic activities and decision-making at the household and the society level. It makes the process of development participatory, democratic, and independent of subsidy and sustainability. Significant changes realized in terms of increase in, income, assets, savings, borrowing capacity and income generating activities must be sustained by safeguarding the healthy growth of SHG movement in India. It should not end like the programmes with subsidy orientation.

RekhaR.Baonkar [2001]³¹ studied the impact of SHGs on women in Goa and observed that individual loans were mostly for productive purposes with 100% recovery. Monthly interest rate charged was high with 24% to 36% but it goes to group fund. SHGs made a lasting impact on the lives of the poor and the quality of life is improved on the family in terms of increase in income, savings, consumption expenditure, gaining self-confidence, productive use of free time, getting

opportunity to improve hidden talents. It has contributed to address poverty and unemployment and able to bring social transformation through economic development and social change.

S.N.Mishra, and M.M Hossain [2001]⁴² in their study to assess the impact of mahilamandals a rural SHGs in Orissa in terms of empowerment of rural women through participation and employment generation in the pre and post SHG periods, arrived at the fact that there is a considerable increase in the revolving fund, loan extended, grant availed, savings done etc., The loans were given both for consumption and social obligations. There is a considerable improvement in the socio-economic status in terms of literacy, housing conditions, food security to manage the lean season, nutritious level of food etc., in the post SHGs situation compared to pre-SHG period. The trained members intervened in improving the health status of the SHG women, the net income increased by more 60% through scientific cotton cultivation, livestock, maintenance and small business like retail shop, dry fish trading etc., The group was maintaining successfully the fair price shop and additional employment generated worked out to be 185 person days per member and it was suggested that these mahilamandals could be a model for other SHGs

V.K.Singh, R.K.Khatkar and S.K.Sharma [2001]⁴⁴ in their study on the impact of SHGs in Hisar district of Haryana collecting data from seven SHGs underlined that the micro financing through SHGs is a better system for inculcating the habit of self-help among the rural poor. Loan is given for all purposes simply by producing a three rupee stamped affidavit with the surety of other members. The recovery was 100%. The loan is used for purchase of animals, start small business, to solemnize the marriage of their dependents, to meet out the emergency needs, educational expenses, social obligations etc., These groups have also freed the members from moneylenders and saved from exploitation. The members did not mind paying higher interest as it goes to the group fund.

A study by Y.IndiraKumari and B.SambasivaRao [2001]⁴⁶ on the emergence of women SHGs and its impact on Andhra Pradesh found that the SHG women of this study found to be engaged in petty trades and business including tuff-making, candle making, purse making, leaf plates and basket making, internal lending, etc., which belong to DWCRA groups. Only 34 groups were provided with assistance and the rest of the groups functioned with their own savings. It was suggested that the government must provide more assistance to SHGs so that income, savings, and their expenditure would increase. It was concluded that despite the bottlenecks the DWCRA groups could cross the poverty line.

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Jothy K and Sundar J [2002]⁴ in their study of evaluating the programme of Tamil Nadu MahalirThittam found that SHG women are currently involved in economic activities such as production and marketing of agarbathis, candle and soap, readymade garments, pickles, appalam, vathal, fur toys, bags, palm leaf products, dhotis, herbal products, fancy sea shell, ornaments, eatables, coir mats and other coir products, mattress, chapels, leather good etc., In addition, the SHG women monitor the normal functioning of the ration shops, maintain vigil to prevent brewing of illicit group, help the aged, deserted and windows to obtain loan.

Rajasekar D [2003]⁵ analysed the impact of the economic programmes of SHARE, a NGO in Tamil Nadu on poverty reduction with the help of data collected from the households of 84 women members. The economic programmes have contributed to saving and income increase for the women. However, the member group was not found to be significantly different from the comparison group in terms of control over income and decision-making. The growing amount of saving provides confidence and security to women. They borrow mainly for consumption and crop production. Not much credit is provided to initiate income-generating activities. Women's income constitutes a large proportion of household income. Women and minimum contribution by male members head majority of such households. It may result in a situation in which the male members withdrawing themselves from labour market. It seems to be putting more pressure on women. It was however emphasised that the men should also be brought within the purview of development intervention if women are to be empowered. It was further found that the women who earn do not convert income to meet their personal needs. Their mobility is restricted to visiting husband's parent's home and that is done after the permission granted from husband. SHG members possess knowledge of various government programmes, aware of reservation provided to women in panchayats, aware of mandating of Gramashaba meeting etc.,

The present chapter provides analysis of data and results of the study area. The chapter interprets and discusses the results of the investigation focused on the impact of micro-finance on rural poor in Andhra Pradesh State and the results pertaining to the hypotheses were presented in this study.

IMPACT ASSESSMENT

Impact assessment is a kind of structured study, which measures the impact on employment, income generation, nutrition, education, health, consumption, business development (micro entrepreneurship) and gender equity of MFIs clients. Impact assessment refers to the assessment of "how financial products and services affect the lives of the poor". Impact assessment is the measurement of the income growth, assets growth and vulnerability reduction of the poor by the micro-finance programmes. The indicators for impact assessment are not limited to economic development but extended to development and growth like health, education, empowerment etc.,

Broadly there are three categories of impact due to micro-finance, and these categories are (i) Economic (ii) Socio-cultural and (iii) psychological / political. The economic category includes accumulation of wealth, changes in income, reducing vulnerability, income level of enterprises etc., The socio-cultural category include change in power, relationship (status position) shift of economic decision making from men to women, social and cultural diversity etc., and the psychological category include the women empowerment, psychological strength due to financial strength, political empower etc.,

Specific indicators are developed to explain the impact within each domain. The indicators of economic empowerment included here are the variables like economic self-sufficiency, consumption of nutrition foods, purchase of consumer durables and awareness regarding the use of utensils. The positive changes in these indicators reflect economic empowerment of the poor.

Similarly, social empowerment is explained here through the variables like importance in the family, awareness regarding education and health, positive change in these indicators explain the social empowerment of the members.

The third domain, i.e., political empowerment is presented here through participation in gramasabha and political awareness. A positive change in these variables explains political empowerment of the poor.

SOCIAL EMPOWERMENT

The following variables for social impact of micro-finance on rural poor have been examined. They are:

1. AGE

Age is an important element in the personality of individual and plays an important role to opt for membership in MFIs. It has been observed that youngest are generally more energetic, change prone, progressive, innovative and career oriented. Therefore, an analysis is made to examine the age-wise distribution of members of micro-finance institutions. The relevant data is presented in the table 1 and 2 and Null hypothesis – I (H_0) is formulated and results pertaining to it are presented in the table

H_0 : "There is no significant difference in age-wise distribution of micro-finance respondents in all three regions of A.P."

TABLE NO. 1: AGE-WISE DISTRIBUTION OF SAMPLE MICRO-FINANCE RESPONDENTS

Sl.No	Age(in years)	Telangana	Andhra	Rayalaseema	Total
1	< 20	2 (100.00) [4.44]	0	0	2 (2.00)
2	20-30	14 (40.00) [31.11]	14 (40.00) [40.00]	7 (20.00) [35.00]	35 (35.00)
3	30-40	24 (47.00) [53.33]	17 (33.33) [48.57]	10 (19.67) [50.00]	51 (51.00)
4	>40	5 (41.67) [11.11]	4 (33.33) [11.42]	3 (25.00) [15.00]	12 (12.00)
Total		45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)

Note: Figure parenthesis indicates percentage Source: Compiled from questionnaire data

Chi-square Value	20.553
Table Value	12.59
D.F	6
P-Value	<0.01
Result	Significant

The data in Table shows that largest proportion of the respondents to the extent of 51 per cent was in the age group of 30-40 years followed by 35 per cent in the age group of 20-30 years. An interesting observation is that the proportion of micro-finance stakeholders in the age group above 40 years was reported only 12 per cent which shows that with advancing age, old age respondents.

The chi – square test has been applied to find the differences in the age-wise distribution of the respondents among the selected regions - Telangana, Andhra and Rayalaseema of Andhra Pradesh. The Hypothesis – I is rejected as the obtained Chi – square value 20.553 was more than critical value of 12.59 at 5% level of significance. Thus it can be concluded that there is a significant difference in Age-wise profile of the respondents among the three regions Telangana, Andhra and Rayalaseema of Andhra Pradesh.

TABLE 2: ANOVA - ONE-FACTOR ANALYSIS

SUMMARY	Count	Sum	Mean	Variance	SD
< 20	3	2	0.67	1.33	1.15
20-30	3	35	11.67	16.33	4.04
30-40	3	51	17.00	49.00	7.00
>40	3	12	4.00	1.00	1.00

Telangana	4	45	11.25	98.25	9.91
Andhra	4	35	8.75	64.92	8.06
Rayalaseema	4	20	5.00	19.33	4.40

Source of Variation	SS	df	MS	F	P-value	F crit
Age	491.33	3	163.78	17.50	<0.001	4.76
Error	56.17	8	9.36			
Total	547.50	11				

The ANOVA value is calculated to observe the differences in the distribution of age wise profile of the respondents among the selected regions of Andhra Pradesh. . As the obtained F- value 17.50, is more than the critical value of 4.76 which is significant at 1% level of significance. Thus it can be inferred that there is significant difference in Age-wise distribution of the respondents among regions of Andhra Pradesh.

2. EDUCATION

Education is an important determinant of social class. It is an important instrument of increasing and betterment of the change on the rural poor employability. It enables them to think for themselves making confident and also to develop the capacity of recognizing. Education has been reported as crucial factor for developing rural poor and also empowers them. Table 3 and 4 shows the distribution of respondents on educational qualification. Most of the beneficiaries were found poor in terms of education and literacy development. An analysis of the educational status of the respondents is presented in the Table 3 and 4 and Null hypothesis – II (H_0) is formulated and results pertaining to it are placed in the table.

H_0 : "There is no significant difference in Education-wise distribution of micro-finance respondents in all three regions of A.P."

TABLE NO. 3.3: EDUCATION PROFILE OF THE MICRO-FINANCE RESPONDENTS IN A.P.

Sl. No	Education	Telangana	Andhra	Rayalaseema	Total
1	Illiterate	16 (53.33) [35.56]	11 (31.43) [31.43]	3 (15.00) [15.00]	30 (30.00)
2	Primary	20 (45.45) [44.44]	13 (29.54) [37.14]	11 (25.00) [55.00]	44 (44.00)
3	Secondary	6 (28.57) [13.33]	10 (47.60) [28.57]	5 (23.80) [25.00]	21 (21.00)
4	Intermediate	3 (75.00) [6.67]	1 (25.00) [2.86]	0	4 (4.00)
5	Graduation & above	0	0	1 (100.00) [5.00]	1 (1.00)
Total		45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)

Note: Figure parenthesis indicates percentage

Source: Compiled from questionnaire data

Chi-square Value	10.994
Table Value	15.51
D.F	8
P-Value	>0.05
Result	Not Significant

Education is one of the means for empowerment. The data Table 3 reveals the educational qualification of the respondents. There are 44 per cent of respondents who have studied up to primary level including those who can only sign. (just sign./ Literate in the sense that they can read and write but not having formal education) 21 per cent who have completed their high school. 30 per cent of the respondents were illiterate and only 4 per cent of respondent have completed +2 level. Only one respondent completed graduation. This indicates educational qualifications are very important to take an activity. Though on the whole, there has been a change with regard to educational background of members, it is not up to the expected level.

The chi – square test has been applied to know the differences in the Education-wise distribution of the respondents among the selected regions - Telangana, Andhra and Rayalaseema of Andhra Pradesh. There is no significant difference at 5% level of significance as the obtained Chi – square value 10.994, is less than critical value 15.51 Hence, Hypothesis – II is accepted. It can be concluded that there is no significant difference in Education-wise profile of the respondents among all the regions of Andhra Pradesh.

TABLE 4: ANOVA - ONE-FACTOR ANALYSIS

SUMMARY	Count	Sum	Average	Variance	SD
Illiterate	3	30	10.00	43.00	6.56
Primary	3	44	14.67	22.33	4.73
Secondary	3	21	7.00	7.00	2.65
Intermediate	3	4	1.33	2.33	1.53
Graduation & above	3	1	0.33	0.33	0.58

Telangana	5	45	9.00	74.00	8.60
Andhra	5	35	7.00	36.50	6.04
Rayalaseema	5	20	4.00	19.00	4.36

Source of Variation	SS	df	MS	F	P-value	F crit
Education profile	431.33	4	107.83	9.95	<0.001	3.84
Error	86.67	10	10.83			
Total	518.00	14				

Table 4 shows the ANOVA F-observed and critical value, d.f and showing the distribution of educational profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema. There is significant difference since the obtained F-value 9.95 is greater than the critical value 3.84 at 1% level of significance. Hence, the null Hypothesis (H₀) is rejected and it can be concluded that there is significant difference in education profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema of Andhra Pradesh.

3. RELIGION AND COMMUNITY

Even though India is secular in its character, religion and community determine the extent to which men and women take path to develop to their lives. It is prominent in case of rural poor in general and women in particular. In some religions and community women are not allowed to participating in any kind of social activities. The social composition of the MFI respondents is shown in Table 5 and 6. An analysis of the religion-wise status of the respondents is presented in the Table and Null hypothesis – III (H₀) is formulated and results pertaining to it are presented in the Table.

H₀: "There is no significant difference in Religion-wise distribution of micro-finance respondents in all the regions of A.P."

TABLE NO. 5: RELIGION-WISE DISTRIBUTION OF SAMPLE MICRO-FINANCE RESPONDENTS

Sl.No	Religion	Telangana	Andhra	Rayalaseema	Total
1	Hindu	34 (44.16) [75.56]	29 (37.66) [82.86]	14 (18.18) [70.00]	77 (77.00)
2	Muslim	8 (61.54) [17.78]	2 (15.38) [5.71]	3 (23.08) [15.00]	13 (13.00)
3	Christian	3 (33.33) [6.67]	3 (33.33) [8.57]	3 (33.33) [15.00]	9 (9.00)
4	Others	0	1 (100.00) [2.86]	0	01 (1.00)
Total		45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)

Note: Figure parenthesis indicates percentage

Source: Compiled from questionnaire data

Chi-square Value	5.513
Table Value	12.59
D.F	6
P-Value	>0.05
Result	Not Significant

The Table explain the religious status of micro-finance respondents and it reveals that majority of respondents were Hindu with 77 per cent, followed by Muslims and Christian with 13 per cent and 09 per cent respectively and only one per cent with other religions. It is concluded that respondents, therefore largely comprised (77 per cent) of Hindus in all three regions of Andhra Pradesh.

Further Table 3.5 shows the chi – square value of the Religion-wise distribution of the respondents among the selected regions - Telangana, Andhra and Rayalaseema of Andhra Pradesh. There is no significant difference in religion-wise distribution of the respondents since the obtained Chi – square value 5.513, less than critical value 12. at 5% level of significance. Hence, Hypothesis – III is accepted and concluded that there is no significant difference in religion-wise profile of the respondents among all the regions of Andhra Pradesh.

TABLE 6: ANOVA - ONE-FACTOR ANALYSIS

SUMMARY	Count	Sum	Average	Variance	SD
Hindu	3	77	25.67	108.33	10.41
Muslim	3	13	4.33	10.33	3.21
Christian	3	9	3.00	0.00	0.00
Others	3	1	0.33	0.33	0.58

Telangana	4	45	11.25	240.92	15.52
Andhra	4	35	8.75	182.92	13.52
Rayalaseema	4	20	5.00	38.00	6.16

Source of Variation	SS	df	MS	F	P-value	F crit
Religion	1226.67	3	408.89	15.45	<0.001	4.76
Error	158.83	8	26.47			
Total	1385.50	11				

Table 6 shows the ANOVA F-observed and critical value, d.f of the distribution of Religious profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema. There is significance since the calculated F- value 15.45 is greater than table value 4.76 at 1% level of significance. Hence, Hypothesis – III is rejected and it is concluded that there is significant difference in religious profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema of Andhra Pradesh.

4. MARITAL STATUS

Marriage has a role to play in deciding the social status and living conditions of poor in India particularly the rural women. As the society is by and large, patriarchal the husband's social status defined the social status of women. Marital status wise distribution of the MFI respondents is placed in Table 7. An analysis of the marital status-wise of the respondents is presented in the Table7 &8 and Null hypothesis – IV (H_0) is formulated below and results pertaining to it are presented in the table.

H_0 : "There is no significant difference in marital status-wise distribution of micro-finance respondents in all the regions of A.P."

TABLE 7: MARITAL STATUS WISE DISTRIBUTION OF SAMPLE MICRO-FINANCE RESPONDENTS

Sl.No	Marital Status	Telangana	Andhra	Rayalaseema	Total
1	Married	45 (46.39) [100.00]	32 (32.98) [91.43]	20 (20.61) [100.00]	97 (97.00)
2	Unmarried	-	3 (100.00) [8.57]	-	3 (3.00)
Total		45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)

Note: Figure parenthesis indicates percentageSource: Compiled from questionnaire data

Chi-square Value	5.744
Table Value	3.841
D.F	1
P-Value	<0.05
Result	Significant

The data in Table shows that the married MFI members were large in majority 97percent and only 3 per cent are of respondents were un-married. The chi-square value relating to the Marital Status -wise distribution of the respondents among the regions - Telangana, Andhra and Rayalaseema of Andhra Pradesh is depicted in 3.7. There is significant difference in Marital Status -wise distribution of the respondents since as the obtained Chi – square value 5.744 is more than critical value 3.841 at 5% level of significance. Hence, Hypothesis – IV is rejected and concluded that there is significant difference in Marital Status of the respondents among the selected regions Telangana, Andhra and Rayalaseema.

5. SOCIAL STATUS / COMMUNITY

One of the most crucial aspects in the formation and sustenance of the micro-finance groups is the commonality of interests, which the members share, and their keenness to work together with commitment and optimum participation. The members of the micro-finance stakeholder studied. The detail of social status wise distribution of the MFI respondents is placed in Table 8. An analysis of the social status-wise of the respondents is presented in the Table and Null hypothesis – V (H_0) is formulated below and results pertaining to it are presented in the table.

H_0 : “There is no significant difference in social status-wise distribution of micro-finance respondents in all the regions of A.P.”

TABLE 8: SOCIAL CATEGORY-WISE DISTRIBUTION OF SAMPLE MICRO-FINANCE RESPONDENTS

Sl. No	Social Category	Telangana	Andhra	Rayalaseema	Row Total
1	Schedule Tribe	7 (77.78) [15.56]	1 (11.11) [2.86]	1 (11.11) [5.00]	9 (9.00)
2	Schedule Caste	11 (47.83) [24.44]	6 (26.09) [17.14]	6 (26.09) [30.00]	23 (23.00)
3	Backward Community	15 (34.88) [33.33]	21 (48.83) [60.00]	7 (16.28) [35.00]	43 (43.00)
4	Forward Community	3 (27.27) [6.67]	4 (36.37) [11.44]	4 (36.37) [20.00]	11 (11.00)
5	Minorities	9 (64.29) [20.00]	3 (21.43) [8.56]	2 (14.29) [10.00]	14 (14.00)
Column Total		45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)

Note: Figure parenthesis indicates percentage

Source: Compiled from questionnaire data

Chi-square Value	15.958
Table Value	15.51
D.F	8
P-Value	<0.05
Result	Significant

The table 8 explains the community wise details of the respondents. It is observed from the table that majority of the respondents 43 per cent belongs to Backward community /other backward community numerically dominant followed by scheduled caste with 23 per cent and forward community with 11 per cent, very negligible one digits with schedule tribe community respondents and other forward community, none of the them directly joined in micro-finance activity. It is interesting to note that the rural poor who belonged to B.C were interested in undertaking micro-finance activity as they want become economically independent and contribute to the family income.

Table 9 shows the chi – square value relating to the social category -wise distribution of the respondents among the regions - Telangana, Andhra and Rayalaseema of Andhra Pradesh. There is significant difference in social category -wise distribution of the respondents as the obtained Chi – square value 15.958 is greater than the critical value 15.51 5% level of significance. Hence, Hypothesis – V is rejected and concluded that there is significant difference in Social Category profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema.

TABLE 9: ANOVA - ONE-FACTOR ANALYSIS

SUMMARY	Count	Sum	Average	Variance	SD
Schedule Tribe	3	9	3	12	3.46
Schedule Caste	3	23	7.67	8.33	2.89
Backward Community	3	43	14.33	49.33	7.02
Forward Community	3	11	3.67	0.33	0.58
Minorities	3	14	4.67	14.33	3.79
Telangana	5	45	9	20	4.47
Andhra	5	35	7	64.5	8.03
Rayalaseema	5	20	4	6.5	2.55

Source of Variation	SS	df	MS	F	P-value	F crit
Social category	258.67	4	64.67	4.91	<0.05	3.84
Error	105.33	10	13.17			
Total	364.00	14				

Table 9 shows the ANOVA F-observed and critical value, d.f and the distribution of Social category profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema. There is significant difference since the obtained F- value 4.91 is greater than the critical value 3.84 at 5 % level of significance. Hence, Hypothesis – IV is rejected and concluded that there is significant difference in Social category profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema of Andhra Pradesh.

6. TYPE OF FAMILY

The type of the family is classified into two categories viz, joint family and nuclear family and the details of the respondents shown in the table 10. An analysis of the type of family-wise distribution of respondents is presented in the table and Null hypothesis – VI (H_0) is formulated below and results pertaining to it are presented in the table.

H_0 : "There is no significant difference in type of family-wise distribution of micro-finance respondents in all the regions of A.P."

TABLE- 10: TYPE OF FAMILY-WISE DISTRIBUTION OF SAMPLE MICRO-FINANCE RESPONDENTS

Sl.No	Type of family	Telangana	Andhra	Rayalaseema	Total
1	Nuclear family	31 (41.33) [68.89]	28 (37.33) [80.00]	16 (21.33) [80.00]	75 (75.00)
2	Joint family	14 (56.00) [31.11]	7 (28.00) [20.00]	4 (16.00) [20.00]	25 (25.00)
Total		45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)

Note: Figure parenthesis indicates percentageSource: Compiled from questionnaire data

Chi-square Value	25.6
Table Value	5.991
D.F	2
P-Value	<0.01
Result	Significant

The type of the family is classified into two categories viz., joint family and nuclear families and given in Table that majority of the respondents stake holders live in nuclear families with 75 per cent and 25 per cent of them were living in joint families. It is true that the tendency to move to nuclear families in rural areas has been in practice which is true in this study. Mostly in rural areas nuclear families are formed as economically poor families. In rural areas it is true that once the couple are married, the parents tend to put them in nuclear families or the couple themselves decide to leave the joint families. Joint families are in way a contribution when respondents are doubly burdened with both household activities and responsibilities.

Table 10 shows the chi – square value of the type of family -wise distribution of the respondents among the regions - Telangana, Andhra and Rayalaseema of Andhra Pradesh. There is significant difference as the obtained Chi – square value 25.6, is more than the critical value 5.991 at 5% level of significance. Hence, Hypothesis – VI is rejected and concluded that there is significant difference with regard type of family- wise distribution of the respondents among the selected regions of Andhra Pradesh.

TABLE 11: ANOVA - ONE-FACTOR ANALYSIS

SUMMARY	Count	Sum	Average	Variance	SD
2	3	10	3.33	5.33	2.31
3	3	17	5.67	17.33	4.16
4	3	20	6.67	14.33	3.79
5	3	10	3.33	0.33	0.58
6	3	11	3.67	0.33	0.58
7	3	8	2.67	5.33	2.31
8	3	22	7.33	26.33	5.13
10	3	2	0.67	1.33	1.15

Telangana	8	45	5.63	22.27	4.72
Andhra	8	35	4.38	2.55	1.60
Rayalaseema	8	20	2.50	4.57	2.14

Source of Variation	SS	df	MS	F	P-value	F crit
Total family members	104	7	14.86	2.04	>0.05	2.76
Error	101.75	16	7.27			

Table 11 shows the ANOVA F-observed and critical value, d.f and the distribution of Total family members profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema. There is no significant difference the obtained F-value value 2.04 is less critical value 2.76 at 5% level of significance. Hence, Hypothesis –V is accepted and concluded that there is no significant difference in Social category profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema of Andhra Pradesh.

7. SIZE OF THE FAMILY

Size of the family or total of the family members also influences an individual to become the member of micro-finance group. An analysis of the size of family-wise distribution of respondents is presented in the table 12 (A and B) and Null hypothesis – VII (H_0) is formulated below and results pertaining to it are presented in the table. H_0 : "There is no significant difference in size of family-wise distribution of micro-finance respondents in all the regions of A.P."

TABLE-12 (A): TOTAL FAMILY MEMBERS-WISE DISTRIBUTION OF SAMPLE MICRO-FINANCE RESPONDENTS

Sl.No	Total family members	Telangana	Andhra	Rayalaseema	Total
1	Small family	22 (46.80) [48.89]	18 (38.30) [51.42]	7 (14.59) [35.00]	47 (47.00)
2	Medium family	23 (45.10) [51.11]	15 (29.41) [42.83]	13 (25.49) [65.00]	51 (51.00)
3	Large family	0	2 (100.00) [5.74]	0	2 (2.00)
Total		45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)

Note: Figure parenthesis indicates percentageSource: Compiled from questionnaire data

TABLE 12 (B): TOTAL FAMILY MEMBERS-WISE DISTRIBUTION OF SAMPLE MICRO-FINANCE RESPONDENTS

Sl.No	Total family members	Telangana	Andhra	Rayalaseema	Total
1	2	2 (4.44)	6 (17.14)	2 (10.00)	10 (10.00)
2	3	9 (20.00)	7 (20.00)	1 (5.00)	17 (17.00)
3	4	11 (24.44)	5 (14.28)	4 (20.00)	20 (20.00)
4	5	3 (6.67)	4 (11.43)	3 (15.00)	10 (10.00)
6	6	3 (6.67)	4 (11.43)	4 (20.00)	11 (11.00)
7	7	4 (4.44)	4 (11.43)	-	8 (8.00)
8	8	13 (28.89)	3 (8.57)	6 (30.00)	22 (22.00)
9	10	-	2 (5.71)	-	2 (2.00)
Total	45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)	

Source: Compiled from questionnaire data Note: Figure parenthesis indicates percentage

Chi-square Value	19.921
Table Value	26.30
D.F	16
P-Value	>0.05
Result	Not Significant

Overwhelming majority of respondents reported that their family size is large one, comprising of more than 4 members. Importantly, only less than 50 per cent respondents accepted that they were living with their in laws. However, the majority of the respondents reported that in laws were not living with them. It is general tendency that in rural poor families live independent, concentrating own family members (Table 12.b).

The Table reveals that the Family size of respondents 57 per cent from nuclear family and 43 per cent respondents from joint family. In nuclear family 10 per cent respondents belong family size member of 2 numbers. 17 per cent of respondents fall under the family size 3 number. It is understood that a majority respondents 35 per cent belongs family size 6-10 number. Moderate family size is four in nuclear family and six numbers in joint family. Table details the size of the members of family of the micro-finance respondent's household. The size of the household of the respondents ranges from 2 to 10 members. Family size is three to four in nuclear family followed by six to eight member which is very true very rare to find in the present age.

However, there may be joint families and more elders may be found the size of the household had both positive and negative implications. In the positive side, the larger the size with more elder and earning member present may contribute more for the saving and thrift and hence sustainability of the group. On the negative side it may be held that the larger the size of family lower would be the economic freedom to save by the member.

Table 12(b) shows the chi – square value of the size of family -wise distribution of the respondents among the regions - Telangana, Andhra and Rayalaseema of Andhra Pradesh. There is no significant difference since the obtained Chi – square value 19.921 is less than critical value 26.30 at 5% level of significance. Hence, Hypothesis – VII is accepted and concluded that there is no significant difference in size of family of the respondents among regions of Andhra Pradesh.

TABLE 3.13: ANOVA - ONE-FACTOR ANALYSIS

SUMMARY	Count	Sum	Average	Variance	SD
Self	3	31	10.33	8.33	2.89
Husband/Wife	3	46	15.33	22.33	4.73
Father	3	2	0.67	0.33	0.58
Mother	3	1	0.33	0.33	0.58
In-Law	3	20	6.67	32.33	5.69

Telangana	5	45	9	67.5	8.22
Andhra	5	35	7	53.5	7.31
Rayalaseema	5	20	4	18.5	4.30

Source of Variation	SS	df	MS	F	P-value	F crit
Head of the family	494	4	123.50	15.44	<0.001	3.84
Error	64	10	8			
Total	558	14				

Table 13 shows The ANOVA F-observed and critical value, d.f and the distribution of head of the family profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema. There is significant difference as the obtained F- value 15.44, is greater than the critical value 3.84 at 1% level of significance. Hence, Hypothesis –VI is rejected and concluded that there is significant difference in head of the family profile of the respondents among the selected regions Telangana, Andhra and Rayalaseema of Andhra Pradesh.

8. HEAD OF THE FAMILY

The head of the family takes the decision regarding joining in a MF group. The head of the family may be self, husband, wife, father, mother and In-law. The head of the family, who spends income of the family-wise distribution of respondents, is presented in the table 3.14 and Null hypothesis – VIII (H_0) is formulated below and results pertaining to it are presented in the table.

H_0 : "There is no significant difference in head of family-wise distribution of micro-finance respondents in all the regions of A.P."

TABLE - 14: DISTRIBUTION OF HEAD OF THE FAMILY WHO SPENDS FAMILY INCOME-WISE RESPONDENTS

Sl. No	Head of the family	Telangana	Andhra	Rayalaseema	Total
1	Self	12 (38.71) [26.67]	12 (38.71) [34.29]	7 (22.58) [35.00]	31 (31.00)
2	Husband/Wife	19 (41.30) [42.22]	17 (36.96) [48.57]	10 (27.94) [50.00]	46 (46.00)
3	Father	1 (50.00) [2.22]	0	1 (50.00) [5.00]	02 (02.00)
4	Mother	0	1 (100.00) [2.86]	0	1 (1.00)
5	In-Law	13 (65.00) [28.86]	5 (25.00) [14.28]	2 (10.00) [10.00]	20 (20.00)
Total		45 (100.00)	35 (100.00)	20 (100.00)	100 (100.00)

Note: Figure parenthesis indicates percentageSource: Compiled from questionnaire data

Chi-square Value	7.575
Table Value	15.51
D.F	8
P-Value	>0.05
Result	Not Significant

More than half of the respondents reported that their husbands spend family income while about 31 per cent respondents accepted that they themselves spend it. Interestingly, an overwhelming majority of the respondents who were women reported that the head of the family were their husbands (46 per cent). Table 14 shows the chi – square value of the Head of the family who spends family income-wise respondents among the regions - Telangana, Andhra and Rayalaseema of Andhra Pradesh. There is no significant difference since the obtained Chi – square value 7.575 is less than critical value 15.51 at 5% level of significance. Hence, Hypothesis – VIII is accepted and concluded that there is no significant difference in Head of the family who spends family income-wise distribution of the respondents among the selected regions of Andhra Pradesh.

CONCLUSIONS

Age: The largest proportion of the respondents (51 per cent) was in the age group of 30-40 years followed by 35 per cent in the age group of 20-30 years. An interesting observation is that the proportion of microfinance stakeholders in the age group of above 40 years was reported to be only 12 per cent. By and large the sample is dominated by 20-40 years age group.

Education: There are 44 per cent of respondents who have studied up to primary level including those who can only sign and 21 per cent completed their high school. 30 per cent of the respondents were illiterate and only 4 per cent of respondent have completed +2 level. Only one respondent completed graduation. This indicates that educational qualifications are very important to take an activity, but is not up to the expected level.

Religion: The sample is covered with 77 per cent Hindu, followed by Muslims and Christian with 13 per cent and 09 per cent respectively and only one per cent with other religions. The sample is largely comprised of Hindus (77 per cent) in all three regions of Andhra Pradesh.

Marital status: The marital status of the respondents indicates that 97 per cent were married. And only 3 per cent respondents were unmarried and become members of MFI.

Community: It is observed that majority of the respondents (43 per cent) belong to Backward community /other backward community followed by scheduled caste with 23 per cent and forward community with 11 per cent. Very negligible per cent of schedule tribe community respondents joined in microfinance activity. It is interesting to note that the rural poor who belonged to B.C were interested in undertaking microfinance activity as they to become economically independent and contribute to the family income.

Family: Majority of the respondents stakeholders live in nuclear families with 75 per cent and 25 per cent of them were living in joint families. It is true that the tendency to move to nuclear families in rural areas has been in practice which is true in this study. Mostly in rural areas nuclear families are formed as economically poor families. In rural areas it is true that once the couple are married, the parents tend to put them in nuclear families or the couple themselves decide to leave the joint families. Joint families are in way a contribution when respondents are doubly burdened with both household activities and responsibilities. It is observed that 57 per cent of respondents from nuclear family and 43 per cent respondents belong to joint family. In nuclear family 75 per cent respondents have a family size of 2 members and 17 per cent of respondents have a family size 3 numbers. It is understood that a majority respondents of large families have a family size 6-10 members. Moderate family size is four in nuclear family and six members in joint family. More than half of the respondents reported that their husbands spend family income while about 31 per cent respondents accepted that they themselves spend it. Interestingly, the overwhelming majority of the respondents who were women reported that the head of the family were their husbands (46 per cent).

Size of the membership: Accordingly in this study it is analyzed to find out what is the range of members in each group among the sample respondents. It is observed from the data that the members range from 11-15 in each group. In majority of cases group the size 11-15, followed by 15-20. It is only one in above 20 is found.

Participation: The respondents were further asked about their participation in the decisions of the meetings. The majority of the respondents i.e. 53 per cent reported that all members participate in the decisions of the group meetings. Importantly, in the decision making process, NGO's facilitators also participate to enable the group members in choosing the best alternative

Decision Making: Major decision are taken by group representative 47 per cent and 29 per cent respondents decision taken by facilitator with consultation with members. Decision been taken on consensus basis by the group member 15 per cent.

SUGGESTIONS

Some important parameters for betterment of the working of microfinance institutions as given as below:

1. Working MFI should be made transparent will proper legislations.
2. There is a need to have proper regulating authority at each level saving, depositing, lending of money, which will help in long term sustainability of the sector and in avoiding any misuse of money.
3. The basic problem with the government schemes is that they have no accountability in terms of the number of populations they have served or in terms of the benefits one has received. This gives rise to the problem of duplication i.e. same person enjoying double benefits whereas quantum of people doesn't even receive support.

4. Strong marketing network is essential for effective and proper marketing of product and services of micro enterprises linked SHGs. They need marketing support and institutional capacity to handle marketing activities independently.
5. Minimal or zero balance saving bank accounts should be initiated for all the poor individual and not only for the MFI/SHGs. The government can play a major role in this. This step would not only create a safe window for them but also help them to multiply their money.
6. All in all the government should keep an eye on the MFIs and facilitate their working through making a structured regulatory framework for NGOs/SHGs and other microfinance institutions.
7. Government can waive income tax at least 10 to 15 years so that the MFI will not have the pressure of making will the outgoing and such policy will also help improve the sustainability of MFIs through better internal accruals.
8. Government can consider fixing low interest rates on lending by the banks to MFIs both as the primary sector / weaker section and special interest subvention so that the MFIs can balance their high cost of operation and lend to the poor clients at reasonable rate of interest.
9. Special recovery process and customer grievance redressal measures may be introduced so as minimize the hardships faced by the poor.
10. The market-driven business model will have to be replaced with legitimate, more sustainable model with social objectives.
11. A strong and effective regulation of the sector is therefore imperative to put an end to undesirable practices and put the sector on the path of providing inclusive growth.
12. Emphasis should be given to SHGs formation and group lending rather than individual lending.
13. There is need to evolve new products by the banks commensurate with the requirements of women.
14. It is suggested to increase the ceiling limit of the loan to Rs 25,000. The interest rate on the loan amount should be brought down to minimum extent.
15. The members of all the self-help groups need to undergo training programmes related to accounting, motivation etc. It helps them in better understanding of need of relation between micro financing and members for smooth functioning.
16. It is recommended that all sanctioning and disbursement of loans should be done only at a central location and more than one individual should be involved in this function. In addition, there should be close supervision of the disbursement function.
17. It is recommend that the government should take initiative for publishing a Client Protection Code for MFIs and mandate its acceptance and observance by MFIs.
18. It is there must be a minimum period of moratorium between the grant of the loan and the commencement of its repayment.
19. It is recovery of loan given in violation of the regulations should be deferred till all prior existing loans are fully repaid.
20. Government should promote microfinance systems only when they are linked to social mobilization and community empowerment.
21. Discriminations by the official shall be stoped
22. Politicall interference seems to be block for effective functioning.
23. Regular training programs shall be conducted.
24. MFI are not political pressue to manitor and write off loans provide lover against unexpected losses.
25. Monitoring on utilization of loan for income generat achiving. Suffient information about the income generating projects, Incentives for clients and Recovery exmption in guanine cases especially in death, illheath.
26. MFI help more people become economically self sufficeint, Confidence building, social awarness of the people, Increased literacy and education.
27. The groups develop their own management system and accountability for handling the resources generated. The interaction among the members based on participatory mechanism in terms of decision-making.
28. MFI's can create a unique, alternative need based credit delivery mechanism by pooling their meager resources for catering to their consumption and production requirements.
29. There is need to accept that rural poor needs are not only for self-employment. The programmes should be designed on the basis of the needs of rural poor at the micro level. Planning for self-employment for rural poor needs a multipronged strategy.

Microfinance through has reached the un-reached rural poor. There is need to evolve an informal micro financing through formal financial institutions. The massive growth of microfinance has paved the way for immediate financial accessibility for the poor who are too far away from this accessibility and microfinance. Microfinance is an alternative system of credit delivery for the poorest of the poor. It would help in improving the quality of life in rural India. The government of India can play vital role in encouraging. MFI should come forward and extend facilities especially in empowering rural poor by providing education (training), motivation, and financial help and so on. MFI bring unity and integrity among the members. It improves general welfare of family and community. MFI assist the rural poor to perform traditional roles better and to take up micro entrepreneurship.

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