

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.)],
Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 2501 Cities in 155 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	PUBLIC POLICIES, BUSINESS ENVIRONMENT, AND ECONOMIC GROWTH IN DEVELOPING COUNTRIES <i>MINH QUANG DAO</i>	1
2.	NEED OF CORPORATE SOCIAL RESPONSIBILITY EMERGES FROM AN ANALYSIS OF GROSS DOMESTIC PRODUCT WITH RESPECT TO HUMAN DEVELOPMENT INDEX IN INDIA <i>DR. JAYRAJSINH JADEJA & DR. KEDAR SHUKLA</i>	5
3.	WOMEN ENTREPRENEURSHIP FROM A GLOBAL PERSPECTIVE <i>ANU PANDEY, A. VENKAT RAMAN & VIJAY KUMAR KAUL</i>	10
4.	AN EVALUATIVE STUDY OF THE CAUSES OF DIFFERENTIAL FDI INFLOWS IN ROADS & BRIDGES LEADING TO INEQUALITY IN REGIONAL ECONOMIC GROWTH IN INDIA <i>SESHANWITA DAS, TAPAS DAS & DR. RAJIV UPADHYAYA</i>	17
5.	AN ECONOMETRIC ANALYSIS OF ENERGY CONSUMPTION IN INDIA <i>P. MANI</i>	21
6.	BOARD MEMBERSHIP AND THE SOCIAL SECURITY BENEFITS: A COMPARATIVE STUDY OF KERALA AND TAMIL NADU <i>DR. ABDUL NASAR VP & DR. MUHAMMED BASHEER UMMATHUR</i>	24
7.	WORK LIFE BALANCE: A STUDY ON UNIVERSITY FACULTY OF SRI PADMAVATHI MAHILA VISVAVIDYALAYAM, TIRUPATI <i>DR. B. VIJAYALAKSHMI & G. LATHA</i>	37
8.	ELECTRONIC GOVERNMENT SERVICES AND BENEFITS IN THE PRIVATE AND PUBLIC CONTEXT: A JORDANIAN CASE STUDY <i>DR. MAHMOUD M. ABU ARA & DR. MUSTAFA S. AL-SHAIKH</i>	42
9.	EFFECT OF EMOTIONAL INTELLIGENCE ON SALESPERSON'S EMPLOYEE ENGAGEMENT AND INTENTION TO QUIT: AN EMPIRICAL STUDY <i>DR. RUPALI SHEKHAR KHANOLKAR</i>	50
10.	ANALYTICAL STUDY OF FARMER SUICIDE IN INDIAN AGRICULTURE SECTOR <i>DR. JASBIR SINGH</i>	58
11.	IMPACT OF FORGING DIRECT INVESTMENT ON INDIAN ECONOMY <i>DR. ADGAONKAR GANESH & DR. JOSHI V.N.</i>	66
12.	PROFILES OF KVI ARTISANS IN MANIPUR <i>DR. KH. DHIREN MEETEI & O. DEEPAKKUMAR SINGH</i>	69
13.	WORKPLACE VIOLENCE: AWARENESS, PREVENTION AND STRATEGIC ISSUES <i>DR. SUPRIYA CHOUDHARY</i>	72
14.	BUSINESS PRACTICES IN EMERGING ECONOMIES <i>DR. NITU SRIVASTAVA</i>	79
15.	THE IMPACT OF MONETARY POLICY OVER THE INTEREST RATE: AN EMPIRICAL STUDY <i>DR. TNR. KAVITHA & S.JAMUNA.</i>	83
16.	FDI POLICY AND RETAILING IN INDIA: PROS AND CONS <i>DR. G. NAGARAJA</i>	85
17.	MICROFINANCE: A SUSTAINABLE TOOL FOR ECONOMIC GROWTH <i>DR. T. VIJAYARAGAVAN</i>	89
18.	TEA INDUSTRY IN INDIA: REGION-WISE ANALYSIS <i>DR. R. SIVANESAN</i>	92
19.	IMPACT OF CO-OPERATIVE LOAN ON SMALL AND MARGINAL FARMERS OF E.G.DISTRICT OF ANDHRA PRADESH <i>DR. R. UMA DEVI</i>	96
20.	AN ECONOMIC ANALYSIS OF DISORDERS AND MENTAL HEALTH STATUS OF HIGH SCHOOL STUDENTS IN VISAKHAPATNAM DISTRICT <i>DR. V V S RAMA KRISHNA</i>	103
21.	SIMULATION BASED STUDY AND INVESTIGATING THE THROUGHPUT OF WSN BY GRID BASED PATH PLANNING <i>REECHA SOOD & SUMEET K.SEHRA</i>	108
22.	THE DETERMINANTS OF LEVERAGE OF THE LISTED COMPANIES IN SRI LANKA: AN EMPIRICAL STUDY <i>S. ANANDASAYANAN, V.A.SUBRAMANIAM, A.SIREERANHAN & M.RAVEESWARAN D</i>	111
23.	IMPACT ASSESSMENT OF AGE ON PROFESSIONAL STRESS OF ACTUARIAL AND INSURANCE EDUCATORS IN INDIA <i>SUBHRANSU SEKHAR JENA</i>	116
24.	THE EFFECTS OF ENTREPRENEURSHIP AND WORK ENVIRONMENT TO PERFORMANCE WITH INDIVIDUAL INNOVATION CAPABILITY AS INTERVENING VARIABLE AT PT. PAKERIN GROUP, INDONESIA <i>LILIANA DEWI, BUDIMAN CHRISTIANANTA & LENA ELLITAN</i>	122
25.	CORPORATE TAXATION, INVESTMENT DECISIONS AND ECONOMIC GROWTH: A STUDY OF SELECTED MANUFACTURING COMPANIES IN NIGERIA <i>ABDULSALAM S. ADEMOLA</i>	127
26.	BUSINESS PROCESS REENGINEERING IN HIGHER EDUCATION INSTITUTIONS: THE CASE OF ADDIS ABABA UNIVERSITY AND BAHIR DAR UNIVERSITY <i>ASCHALEW DEGOMA DURIE</i>	133
27.	EVALUATION OF MICRO FINANCE FINANCIAL AND OPERATIONAL PERFORMANCE: A CASE STUDY OF DCSI <i>Y. L. LAVANYA</i>	139
28.	LABOUR WELFARE PRACTICES AND SOCIAL SECURITY IN INDUSTRIES <i>K.B.RAVINDRA</i>	150
29.	AN ARDL BOUNDS TESTING APPROACH TO DETERMINANTS OF WETLAND FISH PRODUCTION: A CASE OF TEMPERATE VALLEY OF KASHMIR, INDIA <i>ISHFAQ AHMAD MANDLOO</i>	155
30.	PROBLEMS AND PROSPECT OF ENTREPRENEURS IN INDUSTRIAL ESTATES IN KERALA: A STUDY WITH REFERENCE TO KOTTAYAM DISTRICT <i>DEEPTHY L</i>	165
	REQUEST FOR FEEDBACK	167

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
Chancellor, K. R. Mangalam University, Gurgaon
Chancellor, Lingaya's University, Faridabad
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. BHAVET

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. SAMBHAV GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

DR. ANIL CHANDHOK

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P.J.L.N. Government College, Faridabad

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

Associate Professor, S.M.S. Khalsa Lubana Girls College, Barara, Ambala

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

DR. VIKAS CHOUDHARY

Asst. Professor, N.I.T. (University), Kurukshetra

TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Econometrics; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript anytime** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF.

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION**REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

MICROFINANCE: A SUSTAINABLE TOOL FOR ECONOMIC GROWTH

DR. T. VIJAYARAGAVAN
ASST. PROFESSOR
DEPARTMENT OF HUMANITIES
PSG COLLEGE OF TECHNOLOGY
COIMBATORE

ABSTRACT

India is the second most populous country in the world, whose rapidly developing economy, is widening the gap between rich and poor. Microfinance allows the poor to get the loans they need to save, invest, and create a sustainable lifestyle of financial independence and growth. These loans are used productively by the poor to create their own businesses, grow their assets, and get out of poverty once and for all. Microfinance is gathering momentum to become a significant force in India. In the last two decades, substantial progress has been made in developing techniques to deliver financial services to the poor on a sustainable basis. These loans are aimed at empowering the impoverished the people to start their own businesses and to grow their money so that they can achieve long-term financial independence. Microfinance is one of the effective ways for poverty alleviation, economic growth and development in emerging economies. This paper will focus the importance, challenges, obstacles, opportunities and outcome of microfinance in Indian context.

KEYWORDS

Microfinance, Sustainable, Challenges, Obstacles, Opportunities.

INTRODUCTION

Microfinance is one of the most visible innovations in anti-poverty policy in the last half-century, and in three decades it has grown dramatically. The most important benefit of microfinance in India is that it helps long-term financial independence in these poverty-stricken areas. Microfinance help sustained impact by educating recipients on how to create their own businesses and how to properly manage and grow their money. Microfinance in India and several other countries received a major boost. Undoubtedly it has been successful in bringing formal financial services to the poor. Many believe it has done much more and, by putting money into the hands of poor families and it has the potential to increase investments in health and education and empower women. Microfinance institutions have created a massive social infrastructure uniquely positioned to reach millions of clients on a regular basis. Microfinance social infrastructure is no more a financing channel but it has also emerged as a strong distribution channel with numerous credit products, repayable over a longer period of time, and solar lamps, fuel-efficient stoves, mobile phones and mobile banking devices are some of them. In the last two years, many companies are manufacturing solar products with microfinance distribution channel to sell their products. This paper will discuss microfinance a sustainable tool for economic growth in terms of its importance, challenges, obstacles, opportunities and outcome.

STATEMENT OF THE PROBLEM

Most of the world's poor lack access to basic financial services that would help them manage their assets and generate income. To overcome poverty, they need to be able to borrow, save and invest, and to protect their families against adversity. With little income or collateral, poor people are seldom able to obtain loans from banks and other formal financial institutions. Microfinance is one way of fighting poverty in rural areas, where most of the world's poorest people live. It puts credit, savings, insurance and other basic financial services within the reach of poor people. Through microfinance institutions such as credit unions, financial non-governmental organizations and even commercial banks, poor people can obtain small loans, receive money from relatives working abroad and safeguard their savings.

OBJECTIVES OF THE STUDY

1. To study the importance of microfinance in Indian economy
2. To analyze the challenges of microfinance
3. To identify the obstacles of microfinance
4. To know the opportunities with respect to microfinance
5. To realize the outcome of microfinance in Indian economy

METHODOLOGY

This study is mainly based on secondary data only. Secondary data is collected from various sources like journals, books, magazines and reports.

NEED FOR THE STUDY

India is the second most populous country in the world, whose rapidly developing economy is widening the gap between rich and poor. Although the amounts involved may be small the loans, savings and insurance options that microfinance offers can give millions of rural men and women an opportunity to find their own solutions. Micro finance has become very popular in the developing world and has shown to empower poor people to get out of their current economic situation and improve their status. There is an urgent need for microfinance institutions to improve the ability of poorest families and to satisfy their growing demand for a range of financial services and also safe and flexible savings services that poor people need and value.

SIGNIFICANCE OF THE STUDY

Microfinance is usually understood to entail the provision of financial services to micro- entrepreneurs and small businesses, which lack access to banking and related services due to the high transaction costs associated with serving these client categories. The two main mechanisms for the delivery of financial services to such clients are relationship-based banking for individual entrepreneurs and small businesses; and group-based models, where several entrepreneurs come together to apply for loans and other services as a group. Many of those who promote microfinance generally believe that such access will help poor people out of poverty. For others, microfinance is a way to promote economic development, employment and growth through the support of micro-entrepreneurs and small businesses. Microfinance is a broad category of services, which includes microcredit.

ROLE AND ACTIVITIES OF MICROFINANCE

1. **Microcredit** It is a small amount of money loaned to a client by a bank or other institution. Microcredit can be offered, often without collateral, to an individual or through group lending.
2. **Micro savings** These are deposit services that allow one to save small amounts of money for future use. Often without minimum balance requirements, these savings accounts allow households to save in order to meet unexpected expenses and plan for future expenses.

3. **Micro insurance** It is a system by which people, businesses and other organizations make a payment to share risk. Access to insurance enables entrepreneurs to concentrate more on developing their businesses while mitigating other risks affecting property, health or the ability to work.
4. **Remittances** These are transfer of funds from people in one place to people in another, usually across borders to family and friends. Compared with other sources of capital that can fluctuate depending on the political or economic climate, remittances are a relatively steady source of funds

IMPORTANCE OF MICROFINANCE

Microfinance is a vital tool for many important portfolios like SHG and other type of Small scale organization. The self-help group (SHG) avail lot of support from micro finance and they are using it for various purposes. SHG-based microfinance nurtured and aided by NGOs, have become an important alternative to traditional lending in terms of reaching the poor without incurring a fortune in operating and monitoring costs. The government and NABARD have recognized this and have emphasized the SHG approach and working along with NGOs in its initiatives. Micro finance in India is still presently too small to create a massive impact in poverty alleviation, nurtures the skill and opportunity development of the poor and it holds the promise to alter the socioeconomic face of the India's poor. One such form of microfinance has been the development of the self-help movement. Based on the concept of "self-help," small groups of women have formed into groups of ten to twenty and operate a savings-first business model whereby the member's savings are used to fund loans. The results from these self-help groups (SHGs) are promising and have become a focus of intense examination as it is proving to be an effective method of poverty reduction. Nevertheless micro finance is a sustainable tool which is helping to the community in various dimensions to the important portfolios. Microfinance grassroots initiatives are offering thousands of marginalized groups the training, financial resources, and job opportunities needed to rise out of poverty. Initiate and maintain of self-help groups that offer financial guidance and credit, promote savings, free members from unfair debt burdens, and create collective action opportunities that minimize exploitation of women and other marginalized groups.

FINANCIAL NEEDS OF POOR PEOPLE

In developing economies and particularly in the rural areas, many activities that would be classified according to the needs of the rural people. There are different circumstances often arise in their lives in which they need money or the things money can buy.

1. **Lifecycle Needs** such as weddings, childbirth, education, homebuilding, widowhood, old age.
2. **Personal Emergencies** such as sickness, injury, unemployment, harassment or death.
3. **Disasters** such as fires, floods, cyclones and man-made events like war or bulldozing of dwellings.
4. **Investment Opportunities** expanding a business, buying land or equipment, improving housing, securing a job (which often requires paying a large bribe), etc.

Poor people find creative and often collaborative ways to meet these needs, primarily through creating and exchanging different forms of non-cash value. Common substitutes for cash vary from country to country but typically include livestock, grains, jewellery and precious metals. The microfinance industry's objective is to satisfy the unmet demand on a much larger scale and to play a role in reducing poverty. While much progress has been made in developing a viable, commercial microfinance sector in the last few decades, several issues remain that need to be addressed before the industry will be able to satisfy massive worldwide demand.

CHALLENGES OF MICROFINANCE

In most countries, banks and moneylenders have not often favored the poor when it comes to lending money in times of need. Microfinance refers to the provision of financial services to poor or low-income clients, including consumers and the self-employed. More broadly, it refers to a movement that envisions "a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance, and fund transfers." Those who promote microfinance generally believe that such access will help poor people out of poverty. The new financial systems approach pragmatically acknowledges the richness of centuries of microfinance history and the immense diversity of institutions serving poor people in developing world today. It is also rooted in an increasing awareness of diversity of the financial service needs of the world's poorest people, and the diverse settings in which they live and work.

The challenges to building a sound commercial microfinance industry include:

- Inappropriate donor subsidies
- Poor regulation and supervision of deposit-taking MFIs
- Few MFIs that meet the needs for savings, remittances or insurance
- Limited management capacity in MFIs
- Institutional inefficiencies
- Need for more dissemination and adoption of rural, agricultural microfinance methodologies

OBSTACLES OF MICROFINANCE

Despite good intentions, microfinance still has several hurdles to face:

- Perceived high risk of lending to the poor (the loan may be misused easily)
- Technology-related hurdles, such as the high costs involved in small loan transactions for microfinance providers
- The poor's inability to offer marketable collateral for loans to MFIs
- Difficulty in measuring the social performance of MFIs
- Lack of customized solutions/ microfinance models for the poor
- Inappropriate targeting of poor households by microfinance programs
- Lack of microfinance training for MFIs
- Poor distribution system of MFIs, i.e. a need to spread out loan facilities into rural areas
- Lack of information about microfinance investment opportunities
- Poor institutional viability of microfinance ventures
- Dual mission of MFIs to be financially sustainable as well as development oriented

OPPORTUNITIES OF MICROFINANCE

Offer skills training and capacity-building workshops to increase economic independence, empowerment, and local employability of women and other underserved groups. The entrepreneurial skills training programme should be arranged in required areas such as conducting the feasibility studies, perform cost/benefit analysis, write business plans, acquire financing, and initiate start-ups, marketing, distribution, pricing, and management training to local microenterprises. Moreover the research and analyze to be done in numerous topics and these must bring about the local economic conditions, migration patterns, obstructions to economic growth, and efficacy of microfinance programs and further the expand and increase the exposure of microfinance programs to outlying the villages.

OUTCOME OF MICROFINANCE

Micro finance plays an important role in economic growth and it should be done more to encourage similar models in the economic system. The microfinance sector across the globe, over the past few years, has shown tremendous growth in terms of its efficiency and outreach which was made possible due to various experiments done by diverse stakeholders in different parts of the world. The various successful models/experiments need to be widely disseminated amongst all the stakeholders in order to provide suitable options, particularly to those practitioners who are concentrating in regions where microfinance has not yet penetrated. The debate over how the microfinance sector will react to the credit crunch and global economic crisis, as well as microcredit's importance in stimulating economic growth is still alive.

Microfinance projects now seek to achieve improvement in environmental quality in addition to poverty alleviation. Achievement of these goals may depend upon the economic and environmental impact of microfinance business. The impact of micro finance in our economy is that loan amount does not affect the economic outcome, special skills have best performance, and skills cause less pressure on forest resources. These results suggest the need for development of knowledge-intensive skills, involvement of institutions in the operations of business and inclusive policies for protected area management. Microfinance is that it will be much easier for micro entrepreneurs to recover from the economic crisis because their businesses are small and hence it would be flexible.

CONCLUSION

The biggest strength of micro finance is bringing financial services to poor people and making it financially sustainable by the economies of scale effect. Micro finance helps in the development of an economy by giving everyday people the chance to establish a sustainable means of income. Eventual increases in disposable income will lead to economic development and growth. It is the provision of financial services such as loans, savings, insurance, and training to people living in poverty. Moreover it is one of the great success stories in the developing world in the last 30 years and is widely recognized as a just and sustainable solution in alleviating global poverty. While Opportunity gladly extends loans to the people, the organization believes the greatest opportunity for interrupting cycles of extreme poverty come from microfinance programs that target the entrepreneur role. Opportunity has committed to building scalable, sustainable and accessible banks throughout the developing world to provide loans, training, savings and insurance products tailored to the specific needs of each region. Microfinance can help to create a world in which the underserved have fair access to economic opportunities and the hope to move beyond poverty. Nevertheless microfinance can sustain the economic development of the people in terms of making various chances for their life in different role.

REFERENCES

1. Amit.K.Srivatsava and Gyan Prakash Upadyay., (2010), "Role of Micro finance in Developing of Indian Economy", Samiksha, 11(2):36.
2. Das S.K. Nanda B.P and Rath J., (2009), ""Micro Finance and Rural Development in Indi", New Century Publications, New Delhi.
3. Nagesha and Sriramappa.K.E (2013), "Financial Inclusion and its impact on Rural Development through Micro Finance", Southern Economist, 51(18):39-43.
4. Rajendran.K and Dr.Priya.R.P., (2010), "Micro Finance for Rural Women", Kisan World, 37(1): 43-46.
5. Sathya pal Sharma N.K and Krishna B.S., (2013), "Role of Micro Finance in Development of Indian Economy", Southern Economist, 51(22): 5-7.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail info@ijrcm.org.in for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

