

Socio economic empowerment of women through micro enterprises (MFIS & SHGS): An inclusion perspective

Dr. M. Julius Ceasar

Dean of Arts & Asst. Professor / Commerce, St. Xavier's College (Autonomous) Palayamkottai. Tamilnadu., India.

Abstract

Micro-finance approach can be considered as an alternative solution to provide financial services to the under privileged sections of the society and more particularly the women. This attribute has encouraged them to be members of micro finance institutions which lead to the emergence of the concept called inclusion leading to inclusive growth. Thus a study on financial inclusion and economic empowerment of women through micro finance has become important and necessary. The most important one is women's empowerment through Self-help groups as the SHGs have undoubtedly begun to make a significant contribution in poverty alleviation and empowerment of poor, especially women in rural areas of our country. Investing in women's capabilities and empowering them to achieve their choices and opportunities is the definite way to contribute to the economic growth and the overall development of the family, village, state and nation as the empowerment of rural women leads to benefit not only individual women and women groups, but also the families and the community as a whole. The present study is a critical attempt to analyze the socio-economic development of the members and the performance of the SHGs in financial inclusion and economic empowerment of women through micro finance in Tiruchirappalli district.

Keywords: Financial inclusion, Financial Service, Empowerment, Micro finance.

Introduction

Achieving financial inclusion through formal banking system is a very difficult task and unavailability of adequate financial services like credit, insurances and remittances to majority population at an affordable cost is a major challenge to financial sectors as there is a corporate invasion and safe money dealing by these institutions focusing on rich and their capacity to repay the borrowings. In this context, Micro-finance approach can be considered as an alternative solution to provide financial services to the under privileged sections of the society. Micro-finance is the provision of thrift, credit and other financial services and products of very small amounts to the poor for enabling them to raise their income levels and improve their living standards. Micro-finance has profound implications not just from a finance perspective, but also from the perspective of economic development. Microfinance consisting of micro credit, micro savings and micro insurance is regarded as an important tool to reduce risk, poverty and vulnerability of common people more particularly the women flock. In the post economic reform, a large population of women has annexed to perform entrepreneurial traits on reasons of economic empowerment. This attribute has encouraged them to be members of micro finance institutions which lead to the emergence of the concept called financial inclusion. Thus a study on financial inclusion and economic empowerment of women through micro finance has become important and necessary.

Review of research and development in the subject

In the past decades there are innumerable studies undertaken relating to financial inclusion, inclusive growth, women empowerment, micro finance and SHGs. All these studies have been trying to bring to light the issues and remedies

related to the performance and functioning of the MFIs in economic empowerment of women which are reiterated for further better understanding of the topic of the study.

1. Shredevi and Sardagi (2012)^[1] have noted that women empowerment would be able to develop self-esteem, confidence, realize their potential and enhance their collective bargaining power. Self-help groups are potential source to empower and institutionalize participatory leadership among marginalized and to identify, plan and to initiate developmental activities.

2. Vikas Batra (2012)^[2] has noted that the study identifies various kinds of problems in SHGs at various levels. For example, these SHGs remained weak in their ability to assist members with access to better livelihood opportunities.

3. Amibiga et,al (2012)^[3] concluded that micro finance proves to be an effective mechanism in peverty reduction and in the empowerment of women. The major finding of the study is that in all aspects the empowerment of women has increased only after attaining membership in SHGs over a period of time. Micro finance can prove to be one of the best mechanisms in empowering women in various aspects and that, if steps are properly taken it could pave the way for not only income generation but also for grooming the personality development of women.

¹ Shredevi. S. and Sardagi. 2012. Women Empowerment through self-help groups. India stream research journal, Vol. 2, Issue. 3, Pp. 1-4.

² Vikas Bata. 2012. Management and Governance of Self-help groups in rural areas: A study of microfinance programmes in Haryana. International journal of management sciences, Vol. 1, Issue. 1, Pp. 32-42.

³ Ambiga Devi. P. Gandhimathi. S & Mirsethbegum. 2012. Social inclusion through financial inclusion and empirical study on SHG women in India. International journal of multidisciplinary management studies, Pp. 59-63.

4. Jinn Winu Chong (2012) ^[4] has explained politics of the empowerment of women: Mapping, enabling environment within narratives of formality and power. Political participation has traditionally been regarded as one of the most significant areas of participation by women in the public sphere. Even wish is increased in women representation in leadership capacity and political areas.

5. Thanksy Francis Thekkekara (2012) ^[5] has noted that women have played a crucial role in the spread of microfinance. The predominance of women's participation in the programme has shaped its outcomes, especially in regard to higher repayment of loans. However, the small size of loan disbursed has led to microfinance, smoothing consumption but not having a visible impact on poverty alleviation. This has in turn also fuelled women's participation in local self-government.

6. Rajan Gautam (2012) ^[6] has suggested that empowerment project has produced many tangible and intangible benefits. All (SHG) members have learned the power of united action and the basics of group management. Training has helped selected participants to identify their potential and take leadership roles in their groups.

The review of literature of the related studies carried by different authors on the different dimensions of the research in line with the topic of the study has helped the researcher to have thorough knowledge about financial inclusion, women empowerment, micro finance and growth of SHG in India as well as in the world in general.

Statement of the Problem

Indian economy continues to suffer from the problems of poverty, sectoral divergences in growth and employment opportunities and a poor progress of various socio-economic indicators, despite of higher economic growth in recent past. Attaining the objective of hundred percent financial inclusion is one of the biggest challenges for Indian formal banking system. On the one hand, higher the financial inclusion, higher will be economic development and on the other greater infrastructural development and economic development facilitate higher financial inclusion. Financial inclusion also facilitates inefficient allocation of resources and enables the economy to maximize welfare by reducing the spread of informal source of revenues. In the light of these aspects it is considered to be more relevant to make a focused study on the financial inclusion and economic empowerment of women through Micro Financial Institutions.

Objectives

- 1) To identify the role of micro finance institutions in financial inclusion and economic empowerment of women.
- 2) To find-out and measure the impact of financial inclusion through micro finance institutions on women.
- 3) To evaluate various dimensions of financial inclusion that creates a basis for economic empowerment.

- 4) To offer suggestions for effective implementation of micro finance activities to support the women empowerment and their inclusive growth.
- 5) To identify the pitfalls and to evolve new strategies that addresses the issues of exclusion that act as a hurdle to the growth of women.

Methodology

Tiruchirappalli is one of the most important districts of Tamilnadu state with a long history. Presently the district has eight Taluks with more than five hundred villages. A sample of three Taluks in the district based on the performance in the study aspect has been identified for the purpose of the study. The primary data were collected with the use of questionnaire administered to all respondents. The secondary data were collected through Books, Journals, Magazines, Periodicals, Government and Research Publications, Planning commission documents, Newspapers and Internet sources.

Sampling Design

Two stage cluster sampling is used to derive the sample from the members of the SHGs in the study area viz a viz Tiruchirappalli District. There are eight Taluks with 14 blocks in Tiruchirappalli District and these eight Taluks are considered as the clusters. Three Taluks have been selected using simple random sampling method. From each selected Taluks five per cent of groups (25+18+22 = 65 groups) were selected in the second stage using simple random sampling and from each selected group, four members (4 * 65 = 260 respondent members) were selected as the sample using the simple random sampling method.

Data Collection

Two hundred and sixty members have been met for extracting response and among the responded questionnaires ten were incomplete and were considered to be invalid. Finally two hundred and fifty questionnaires were selected for the study and the results are based on these two hundred and fifty responses. The observation method is also adopted by the researcher to know more about the SHGs, their functioning and the impact of micro finance.

Statistical tools used

The collected primary data were analyzed using appropriate statistical tools like simple percentage, ANOVA, Correlation, Regression, t-test, Chi square test, and Factor analysis.

Results and Discussions

The role of Micro Financial Institutions (MFIs) in women empowerment is conceptualized in terms of personal assessment, self-esteem, level of confidence and ability to protect themselves as women in attaining social & political participation, economic independence and ownership of productive assets.

1. Role of MFIs in financial inclusion and economic empowerment

The concept of SHG is the brain child of Grameen Bank of Bangladesh which was formed by Prof. Mohamed Yunus of Chittagong University in the year 1975. In 1986, the APRACA devised on a coordinated a programme for the promotion of linkage between banks and SHGs for mobilizing savings and credit delivery to the rural poor. In 1993, a step

⁴ Jinn Winu Chong. 2012. The politics of the empowerment of the empowerment of women: mapping enabling environment wish in narratives of feminists and power. The Journal of women and law, Pp. 523-564.

⁵ Thanksy Francis. 2012. The role of women in microfinance. Maharashtra Economic development council, Pp. 8-12.

⁶ Rajan Goutam. 2012. Empowering Dalit Women and Enhancing Livelihoods. Integrated Development foundation, Pp. 1-4.

was taken in Thailand by opening a bank for agriculture and agricultural Co-operative concepts to provide loans for farm related activities. By the year 2002, more number of banks and finance companies were formed to help micro finance concept as a programme for poverty alleviation. In the year 2003, Tanzania one of the African countries made a pilot test for providing access of micro credit to the economically disadvantaged groups of the society by using the village banking model.

a. In Tiruchirappalli District the total number of the SHGs is about 20,000, the number of women enrolled is 3,50,000 (approximate) and total savings of the SHGs are Rs.7,500/- lakh. Nearly 65 per cent of the SHGs are formed in village panchayats. The SHGs sangha loan performance in rotation of savings is higher in rural panchayats. Women are educated towards micro saving, account opening and availing of micro finance. The credit rating of the SHGs reveals that the general groups in the urban areas are more eligible for credit linkage (94.4 per cent). Among the various schemes provided, the NABARD has provided more credit linkage to the groups. Lalgudi taluk has received the highest amount of loan and subsidy under various micro finance scheme and Pullambadi union has received the highest amount of credit linkage progress on the THADCO Economic Assistance Scheme. Further, the highest amount of loan with subsidy under the THADCO revolving Fund Scheme was in Manaparai Block.

2. Impact of financial inclusion through MFIs

In this segment an attempt is made to analyze the performance of the sample SHGs in Tiruchirappalli district. First, the profile of the sample SHGs is studied. Out of the total respondents 49 per cent of the respondents have 3 to 6 years of experience. 45.3 per cent of the respondents have educational qualifications up to fifth standard and 50 per cent of the SHGs have a maximum range of 15- 18 members. In order to measure the performance of the SHGs in Tiruchirappalli District, various factors such as homogeneity, regularity in conducting the meetings, regularity in attendance, role of the NGOs in meetings, repayment performance, decision on financial transactions, utilization of common fund, share of production loan to total loan, increased rate of saving, awareness of rules and regulations and maintenance of books of accounts have been taken into account.

a. In view of utilization of loan, more than 80 per cent to the total loan is utilized for productive purposes. It is evident that the SHGs encourage production activities so as to increase the earning capacity of the members. Of the total SHGs, it is evident that more than 80 per cent of the SHGs utilize the common fund effectively for the welfare and development of the group and its members and the saving performance of the SHGs are up to the mark. The members of the SHGs have availed themselves of training facilities provided by the Mahalir Thittam. It is reported that the training was more useful and more number of members have attended the training to enhance their capacity. 55 per cent of SHGs have reported that the awareness of rules and regulations is very clear to them. One hundred and nine SHGs have reported that the books of accounts maintenance are perfectly carried due to the training and the available guidance provided by the

NGOs. It is found that the utilization of common fund, regularity in attending the meeting, repayment of loan, regularity in conducting the meeting and adequate training were the major contributions to the better performance of the SHGs that ultimately lead to financial inclusion and micro savings. The main reason for forming the SHGs in the study area is to obtain the financial support from the Government that aims at improving the economic status of the members. It is found that the main problem faced by the SHGs is delay in sanctioning the loans by the Government authorities and the bank officials. Further, the SHGs are facing the problems of lack of administrative experience in managing the activities of the groups. All these financial inclusion efforts through micro finance are leading signals to members for their economic development and empowerment.

3. Social empowerment through FI & MFIs

The socio-economic factors that lead to the financial inclusion and micro finance of the members are studied along with the social issues like self-confidence, awareness of social evils, behavioural changes, changes in education level, access to amenities and political participation.

a. As far as the socio economic factors are concerned, 51 per cent of the members are below the age of 30 which is a justification for poor education of women and poverty situation. Among the sample members 48.1 per cent of the sample members belong to scheduled castes and 38.2 per cent of the sample members belong to backward classes. Among the sample, 61.41 percent of the members are labourers and farmers and 89.8 per cent of the members are married. The scheduled castes are mostly covered as they are socially and economically weak. It is found that only 6.1 per cent of the members have gained confidence before joining the SHGs but 88.1 per cent of the members have gained confidence only after joining the SHGs. Thus association with the SHGs encompasses a large section of people to enhance self-confidence which creates a drastic change in the attitudes of the members. The membership in the SHGs itself encourages them with some sort of confidence in the hearts of the members to face any challenging situation in life. It is interesting to find that 88.1 per cent of the members have gained self-worth after joining the SHGs. The membership in SHGs provides ample opportunities for women to save borrow and invest money on some income generating activities. It is observed that 95.8 per cent of the respondents face positive response to face financial crisis which is a real financial inclusion. Among the total 93.9 per cent of the members show positive response in helping neighbours after joining the group. The membership in SHGs give importance to women in the family decision making process. This is evident from the fact that 91.9 per cent of the respondents have shown positive response on decision on important matters taken by them. Further it is found that 90.36 per cent of the members have experienced a better treatment in terms of respect commanded after joining the group. The NGOs have created awareness among the members on the social evils such as harassment of wife by husband, gambling and drinking, encouragement of child labour, child marriage,

remarriage, female infanticide and divorce. It is found that 89.6 per cent members protested against harassment of husband after joining the SHGs. Of the total, 85.6 per cent of members' registered their strong protest against gambling and drinking and 84 per cent of the members protested against child labour after joining the SHGs. Among the sample, 81.6 per cent of the members protested against female infanticide and 85.4 per cent of the members protested against dowry after becoming members.

- b. In order to assess the social changes in the behaviour of the sample respondents due to the association with the SHGs, a set of different situations like verbal abuse, physical violence, neglect, psychological and emotional abuse are realized and the reactions of the sample respondents to such situations are obtained during the study. The study shows that there is a positive impact of the SHGs on members in resisting social evils. The association with the SHGs helps the members to be patient and to lodge complaint with the groups and also to warn culprits against adverse effects. The members of the SHGs are poverty stricken and illiterates. Regarding the literacy level, there is an important development in the educational status of the members after joining the SHGs. Of the total, 92.45 per cent of sample members are able to sign after joining the SHGs. In support of better social living amenities like health care, sanitation, drinking water, education, marketing and facilities of transport, and dispensary for livestock are quiet obligatory. In this study, it is found that the members of the SHGs have availed all the social living amenities to the fullest level possible. Generally women hesitate to take active part in politics. It is inferred that 96.1 per cent members have shown their interest in contesting elections after joining the SHGs. It is interesting to note that 100 per cent members show their willingness to assume leadership in the SHGs after joining the SHGs. Of the total, 98.1 per cent members said that they had voted in election after joining the SHGs.

4. Financial inclusion, Micro finance and the economic impact

The economic impact of the SHGs on the members has been analyzed in terms of their level of savings, amount of borrowings, creation of assets, employment generation, income generation, poverty level and expenditure pattern.

- a. It is found that after joining the SHGs, the average level of savings increased up to Rs. 4,000/-. The major agency in which the savings were deposited was banks (both cooperatives and commercial banks) before joining the SHGs. But after joining the SHGs, the savings were deposited mostly in the SHGs and bank linked programmes. After joining the SHGs, more members save and borrow money. But it is a welcoming sign that there is a shift from loans borrowed for consumption purposes to productive purpose after associating with the SHGs. It is found that the employment of the members, which works out to 550 man days has increased to 950 man days after becoming the members of the SHGs. Of the total, 92.1 per cent members have income above poverty level after joining the SHGs. This indicates that a large number of members have been elevated above poverty line after

joining the SHGs. One of the important objectives of the SHG programme is to alleviate the poverty of the members. To evaluate the success of the scheme in achieving this objective, Sen's index of poverty method was used to analyze the intensity of poverty among the target groups before and after joining the SHGs. It is learnt that before they became the members of the SHGs the poverty index was 0.104 and it had declined to 0.003 after they became the members of the SHGs. This indicates that the SHG programmes have positive effect on the alleviation of poverty. The consumption expenditure per year per member was Rs.5,500/- before becoming the members of the SHGs and it was Rs.10,000/- after becoming the members of the SHGs. The overall impact of micro credit encompassing economic as well as social aspects was measured by the aggregate measurement known as Composite Index of Standard of Living. The distribution of the members according to the value of composite index clearly brings out a lucid shift. It is found that the impact was relatively more pronounced on the social aspects than on the economic aspects.

5. General perception of members on various empowerment strata through MFIs

The perception of the sample respondents regarding the economic impact, social impact, psychological impact and political impact that has shaped the SHGs have been analyzed with the help of a scaling technique. For analyzing each category of impact, the opinion of the members has been extracted on a five-point scale.

- a. The perception of the sample members on the economic impact has been ascertained by taking into account the opinion of members on five economic variables like the capacity to spend more, increase in value of assets, rise in income, improvement in the savings habit and provision of employment opportunities. The perception of the members on the statement that, "the SHGs help to increase the capacity to spend more" gets the maximum scores.
- b. The perception on the social impact is measured with the help of five statements, namely social responsibility, capacity to protest against social evils, authority of decision-making on important matters, awareness about health and knowledge of banking operations. The perception of the statement, "induce social responsibility" occupies the first place.
- c. The perception of the members on the psychological impact has been studied with the help of five statements, namely the SHG creates confidence to face problems, creates awareness about self-reliance, gives societal status, creates awareness about cleanliness of surroundings and improves literacy and communication skills. The perception of sample members of the statement, "improves literacy level and communication skills" occupies the first place.
- d. The perception of members of political impact was measured with the help of the opinion of the sample members on five statements, namely the SHG induces participation in politics, induces to contest elections, creates awareness of the necessity of voting, helps to assume leadership to handle issues and improves

leadership skill. The perception of the sample members of the statement, “inducing to participate in politics” occupies the first place.

- e. In order to ascertain the significance of the four categories of impact the Average, standard deviation and co-efficient of variation have been calculated. The perception of the sample members on social impact occupies first place followed by psychological impact, economic impact and political impact. This indicates that positive motivation is required for political participation of the members of the SHGs in Tiruchirappalli District.

6. Hypotheses findings

Any research is complete only when it is supported by hypotheses which are framed with some anticipation of the results. It may be proved or disproved, but it is more important to the researcher to take a direction on research.

- b. The result of the Factor analysis shows that there is a significant difference in the performance scores among the different groups in the conduct of meetings, regularity in attendance, participation of the NGOs in meetings, repayment performance, decision on financial transactions, utilization of common fund and training. Further it shows that there is no significant difference in the performance scores among the different groups obtained from the indicators such as homogeneity, share of production loan to total loan, increased rate of savings, awareness of rules and regulations and maintenance of books of accounts.
- c. In order to test whether there is a significant difference in the relationship between the tenure of the existence of the SHGs, the literacy level of leaders and the size of membership, the co-relation was applied. The result shows that there is no influence of the tenure of existence of the SHGs on performance. But the literacy level of the leaders and the size of the membership of the SHGs influence the performance of SHGs.
- d. The statistical tool applied to test the hypothesis “there is no significant difference in self-worth among the sample members before and after joining the SHGs”. The co-relation test result shows that there is significant difference in self-worth among the sample members before and after joining the SHGs. The communication skills of the members have also strengthens the self-confidence of a member. It is found that there is a significant shift in the level of communication, which might be due to the association with the SHGs.
- e. Chi square test was used to test the hypothesis “there is no significant difference in the level of communication among members and number of officials met by members before and after joining the SHGs”. The test shows that there is a significant difference in the level of communication among the members and the number of officials met by members before and after joining the SHGs.
- f. The result of the statistical tool to test the hypothesis “There is no significant difference in the reaction to the social evils among the members before and after joining the SHGs”. Since the calculated value of Chi-Square test for all kinds of social evils before and after joining the SHGs is higher than the table value, the null hypothesis is rejected.

- g. The statistical tool used to test the null hypothesis “there is no significant difference in the availing of amenities by the members before and after joining the SHGs”. It is inferred that there is significant difference in the availing of the facilities by the members before and after joining the SHGs.
- h. In order to test whether there is any significant difference in the attitude of members to political participation before and after joining the SHGs, the ANOVA was used and the result shows that there is significant difference in the attitude of the members to political participation before and after joining the SHGs.
- i. ANOVA is used to test the hypothesis “there is no significant difference in behavioural changes of the members in problematic situations before and after joining the SHGs”. Since the calculated values for all these abuses are more than the table values, the null hypothesis is accepted and there is a significant difference in the behavioural change of the members in problematic situations.
- j. The required Statistical Tool is applied to test the null hypothesis that “There is no significant difference in economic conditions of members before and after becoming the members of the SHGs”. Since the calculated value of Z for all variables is more than the table value at five percent level, it is concluded that there is significant difference in the economic conditions of the members before and after joining the SHGs.
- k. The required Statistical Tool was used to test the null hypothesis that “there is no significant difference in the economic and the social impacts on the members before and after joining the SHGs. Since the calculated value of Z for social, economic and composite index is greater than the table value at five percent level, it is concluded that there is significant difference in the social and the economic impacts on the members before and after joining the SHGs.
- l. In order to explore the relationship between the personal variables like age, marital status, literacy level, social status and occupational pattern and the perception of impact, the Chi Square Test was used. The null hypothesis framed is “There is no significant difference in the perception of impact among the different groups of members classified according to age, marital status, literacy level, social status and occupational pattern”. The result of the Chi-Square Test shows that the age, occupational pattern, marital status and community influence the perception of the members on the nature of the impact. On the other hand, level of literacy had no influence on the perception of the members on the nature of the impact of the SHGs.

Suggestions

Based on the above findings, the following suggestions are made to all the stake holders which are to be addressed individually for the effective application of the programme and enhancing further improvement in the living standard of the members.

To the members

Members should voluntarily come forward to utilize the facilities available and to enhance the state of empowerment

on all spheres of development. There should be interest among the members to regularly participate in the activities and equip them in enhancing skills and talents to get identity in the society. Members should plan their lives to have great control over their circumstances and free them from the shackles imposed on them by customs, beliefs and practices. There should be more saving habit than borrowing habit. However, borrowing should be possible to members based on necessity. Financial benefit should not be the major focus of the members and SHGs, beyond the financial benefit the members and other agents must aim at empowerment in all spheres.

To the NGOs / MFIs

There should be 100 per cent membership in all the villages which may provide a strong empowerment state among the women flock. There should be rotation based leadership to encourage and develop the talents and skills of all the group members. Women are to be considered as participants in the welfare programme than beneficiaries. It important to help women to reflect on their achievements and in the light of that must be oriented towards further achievements. New models and methodologies should be introduced now and then to attract women to participate in the efforts of financial inclusion and micro finance activities. There should be more need based training regularly to develop the talents both individually and in groups. NGOs should be observers and not dictators more particularly on financial matters. It is suggested that suitable administrative training to all the members of the SHGs should be given or at least to the animators and representatives of the groups and the same may be extended to the other members. Extension participation programme may be arranged with extension agencies for the SHGs to visit their business houses to know the functions and its administration. This extension participation programme will create awareness and skills among the members to intend for entrepreneurial traits. NGOs involved in developing SHGs can help the members to start small scale industries / cottage industries to use the resources and to provide job opportunities.

To the Government

A financial literacy and credit counseling centre may be opened in every district with suitable financial experts, bank officials and other agencies. The state Government may consider giving preference to uncovered areas for promoting the SHGs which is a means for taking the concept of financial inclusion and micro finance to every segment of the people. The training was given only on the conventional or traditional business activities. It is suggested that training on innovative economic activities by using the resources in and around the district may be given to the members of the SHGs. The training in the areas such as cattle rearing, pickle making, embroidery, tailoring, handicrafts, small rural entrepreneurial traits, vermin composed, beautician training, training on bakery units and the like may also be given. Chances should be given to all the members by rotation to attend the training programmes. In this way the SHGs are able to know the innovative ideas for income generating activities and all the members can develop their skills. Incentives should be made available to the best performing groups to make other groups to function well. Motivational campaign may be conducted for inculcating saving habit in the minds of the members. The campaign should give exposure to savings, its future benefits,

how the savings of members are to be utilized on rotation among the members, how the amount of groups' savings form a base for getting government sponsored scheme for income generating activities and the benefits to the individual member. The adult education system may also be adapted to the members of the SHGs to upgrade their educational status. Government can think of making the group resources by accommodating them in some subsidiary schemes of business.

To the banks

It is suggested that the officials of bank should visit the SHGs and grade them based on their quality and performance. The grading system format is already approved by the NABARD and if needed, banks can outsource the task of grading the SHGs to third party to get better feedback. The loan applications of the SHGs should not be delayed beyond 15 days and the banks can fix a day for transactions of the SHGs. The formalities while opening the SHG accounts in banks and while advancing loan to them should be simplified. There should be uniform format for account opening and loan applications across banks. It is also suggested that necessary instructions may be given to the authorities and the bank officials to avoid the delay in sanctioning the loan and to respond to the queries of the SHG members. Loan amount is one of the basic components to start an activity and also women can be financially sound when loan amount is given sufficiently. Loan amount should be increased to the extent that they can take up an income generating activity.

Conclusion

The basic idea behind micro finance is to provide financial services to low income households at an affordable cost not only for financial sustainability but also for the series of virtuous spirals of economic empowerment. SHGs have undoubtedly begun to make a significant contribution in poverty alleviation and empowerment of poor, especially women in rural areas of our country. Investing in women's capabilities and empowering them to achieve their choices and opportunities is the definite way to contribute to the economic growth and the overall development of the family, village, state and nation as the empowerment of rural women leads to benefit not only individual women and women groups, but also the families and the community as a whole. The present study is a critical attempt to analyze the socio-economic development of the members and the performance of the SHGs in financial inclusion and economic empowerment of women through micro finance in Tiruchirappalli district. The greater percentage of women is influenced positively by being members of SHGs and effectively participating in the inclusive development process. Women's participation in the SHGs enabled them to discover their inner potentials and has given orientation to gain self-confidence, social, economic, political and psychological empowerment and capacity building. In this process of development the role of Micro Financial Institutions (MFIs) is praiseworthy and commendable as they aim at financial inclusion and development of women through various means with the effective functioning of Self Help Groups (SHGs) in villages by organizing the poorest of the poor to feel confident by participation in the economic and capacity building aspects. Let us all vow to reinvent the modern effort of inclusive

growth with new means and ideas to liberate women and bring them all to the state of empowerment and development.

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