A Study on the Impact of Microfinance Program on Rural Poor in India and Haryana

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The Abstract is of the Thesis "A Study on the Impact of Microfinance Programme on Rural Poor in Delhi and Haryana" submitted by Dr. Aarti Haswani for the award of Ph.D. degree from GGSIPU University, Delhi, India. The Supervisors were Prof. Sanjiv Mittal, Professor USMS, Delhi and Dr. Deepti Prakash, Associate Professor USMS, Delhi, India . The University awarded the Doctorate to the research scholar in the year 2023.

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RATIONALE FOR THE STUDY

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." - Franklin ***D. Roosevelt***

Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost (The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan).

Financial inclusion broadens the resource base of the financial system by developing a culture of savings among large segment of rural population.

Why Microfinance?

All economic activities are directed to serve the demand and supply function of scarce resources. One of the largest economic activities is the movement of funds from those who have excess (lenders) to those who have limited (borrowers). This phenomenon has given rise to the emergence of banking services. Although the transfer of funds were done earlier also, but formal banking services have defined the role of borrowers and lenders in an economy.

Banking Services in India started in the late 18th Century. Since its inception, banking services have tried their best to include everyone into their scope. But due to several constraints such as illiteracy, complex formalities and regional disparities, a large number of people, especially rural masses, are still out of the ambit of financial services. This has given rise to the terms – "Financial Inclusion" and "Microfinance".

Financial inclusion refers to the unrestrained access to the financial services to the vast sections of society, thereby bringing everyone under the umbrella of financial services.

Microfinance in its very basic form may be expressed as "Banking the Unbanked".

United Nations Organization has realized the importance of Microfinance and therefore observed the year 2005 as the year for International Year of Microcredit.

Efforts made by commercial banks to deliver formal credit and financial services to the rural poor in developing countries have failed.

The major reason accountable for this is high risk and high transaction costs related to offering loans and savings deposits.

Recently, Governments across the globe are focusing their policies on expanding the scope of financial services to reach the unbanked one.

Government efforts failed because of the inability in enforcing loan repayments. **(Coleman, 2006)**

Microfinance emerged as an effective tool for accomplishing financial inclusion and combating poverty. UN considered to be an important contributor for achieving Millennium

Development Goals. (MDGs)

Hence, the present study was a motivation to assess the role of the microfinance program in pulling the poor people out of the poverty.

Introduction to Microfinance:

Microfinance is a form of financial service which provides small loans and other financial services to poor and low-income households. –RBI.

Asian Development Bank (ADB) defines microfinance as "the provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and their microenterprises."

NABARD (2000) defined micro finance as the "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi – urban or urban areas enabling them to raise their income levels and improve living standards".

Microfinance, or the provision of microloans to poor clients, savings and microinsurance and payment systems are all forms of microfinance services. (Caramela & Sammi, 2021).

In India, microfinance can be categorized in four parts including "NGO-MFIs", "Non-Profit section 25 NBFC-MFIs", "Cooperative MFIs", and "For profit MBFC-MFIs".

The legal forms of MFIs in India are depicted in the table below.

Comparing the number of MFIs in several states of India it can be concluded that Delhi and Haryana have very few number of MFIs.

The need of microfinance institutes in these areas is very essential.

The microfinance institutions are hugely accepted in recent years and it is becoming a very potential tool for poverty alleviation in India.

Most of the MFIs across the states of India are running very well with standard track records (NABARD, NABARD, 2020).

Microfinance also assists in resource provisions which provides support to the low sector of the society.

Microfinance also evaluates the options for providing help in eradicating poverty faster. This institute also provides employment opportunities to people including women.

SL no.	MFI types	Approximate number of MFIs	Registered under Legal Acts
1.	A) Non-profit MFIs (NGO - MFIs)	Nearly 500	A) Societies Registration Act of the year 1860 B) Indian Trust Act of the year 1882
	B) Non - profit Enterprises	Nearabout 10	Companies Act of Section 25 of the year 1956
3.	Mutual Benefit MFIs ("Mutually Aided Co-operative Societies" and similar institutes)	200 - 250	Act of Mutually Aided Cooperative Societies established by State government
4.	For - Profit MFIs (Non - Banking Financial Companies)	Around 50	A) Indian Companies Act of the year 1956 B) Reserve Bank of India Act of the year 1934
	Total MFIs	750 - 800	

Status of Microfinance In India 2020-21 - NABARD

Microfinance Institutional Structure in India

In India, microfinance sector mainly constitutes-

- Microfinance Institutions
- Self-Help Group Bank Linkage Program
- Business Correspondents

Particulars		2018-19		2019-20		2020-21	
		No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
SHG Savings with Banks as on 31 March 2021	Total SHG Nos.	100.14 (14.52%)	23324.48 (19.05%)	102.43 (2.29%)	26152.05 (12.12%)	112.23 (9.57%)	37477.61 (43.31%)
	All women SHGs	85.31 (15.44%)	20473.55 (17.01%)	88.32 (3.53%)	23320.55 (13.91%)	97.25 (10.11%)	32686.08 (40.16%)
	Percentage of Women	85.19	87.78	86.22	89.17	86.65	87.21
	Of which NRLM/SGSY	55.8 (33.37%)	12867.18 (23.32%)	57.89 (3.75%)	14312.7 (11.23%)	64.78 (11.9%)	19353.7 (35.22%)
	% of NRLM/SGSY Groups to Total	55.72	55.17	56.52	54.73	57.72	51.64
	Of which NULM/SJSRY	4.39 (3.29%)	1614.42 (19.52%)	4.69 (6.83%)	1523.57 (-5.63%)	5.29 (12.79%)	1954.09 (28.26%)
	% of NULM/SJSRY Groups to Total	4.38	6.92	4.58	5.83	4.71	5.21
Loans Disbursed to SHGs during the year	Total No. of SHGs extended loans	26.98 (19.33%)	58317.63 (23.59%)	31.46 (16.60%)	77659.35 (33.17%)	28.87 (-8.23%)	58070.68 (-25.22%)
	All women SHGs	23.65 (13.98%)	53254.04 (19.51%)	28.84 (21.95%)	73297.56 (37.64%)	25.9 (-10.19%)	54423.13 (-25.75%)
	Percentage of Women Groups	87.66	91.32	91.67	94.38	89.71	93.72
	Of which NRLM/SGSY	16.49 (29.84%)	33398.93 (33.30%)	20.49 (24.26%)	52183.73 (56.24%)	15.84 (-22.69%)	29643.04 (-43.19%)
	% of NRLM/SGSY Groups to Total	61.12	57.27	65.13	67.20	54.87	51.05
	Of which NULM/SJSRY	1.29 (21.70%)	3419.58 (41.07%)	1.59 (23.26%)	3406.22 (-0.39%)	1.13 (-28.93%)	2112.04 (-37.99%)
	% of NULM/SJSRY Groups to Total	4.78	5.86	5.05	4.39	3.91	3.63
Loans Outstanding against SHGs as on 31 March 2021	Total No. of SHGs linked	50.77 (1.14%)	87098.15 (15.21%)	56.77 (11.82%)	108075.07 (24.08%)	57.8 (1.81%)	103289.71 (-4.43%)
	No. of all Women SHGs linked	44.61 (-1.93%)	79231.98 (12.54%)	51.12 (14.59%)	100620.71 (27.00%)	53.11 (3.89%)	96596.6 (-4%)
	Percentage of Women SHGs	87.87	90.97	90.05	93.10	91.89	93.52
	Of which NRLM/SGSY	32.85 (17.62%)	54320.91 (42.11%)	36.89 (12.30%)	67717.07 (24.66%)	33.78 (-8.43%)	57336.62 (-15.33%)
	% of NRLM/SGSY Groups to Total	64.7	62.37	64.98	62.66	58.44	55.51
	Of which NULM/SJSRY	2.25 (-22.41%)	4110.73 (-23.17%)	2.67 (18.67%)	5466.87 (32.99%)	2.23 (-16.48%)	4056.45 (-25.8%)
	% of NULM/SJSRY Groups to Total	4.43	4.72	4.70	5.06	3.86	3.93

SHG-Bank Linkage Model

A Self-Help Group is a group of persons from homogeneous socio-economic background who voluntarily agree to form a group to save regular sums of money in common fund and use the pooled funds and external resources from banks and microfinance institutions, for lending among the members.

The programme of linking Self Help Groups (SHGs) to banks was started on a pilot basis by the National Bank for Agriculture and Rural Development (NABARD) in the year 1991-92 and since then NABARD has been propagating, promoting and financing SHG-Bank Linkage Programme (SHG-BLP).

Share generally economically homogeneous groups formed through a process of self-selection based upon the affinity of its members.

SHGs have well-defined rules and bye-laws, hold regular meetings and maintain records of savings and credit discipline.

Membership of SHGs has enabled economic empowerment of women through control of resources, political empowerment through participation in decision-making, social empowerment through better social standing obtained by better economic status.

Progress of SHG Bank Linkage Program

- The SHG-BLP programme has indeed become an example of success of a microfinance programme globally with an outreach to 13.87 crore families, providing social, economic and financial empowerment to the rural poor, especially women. (Status of Microfinance in India 2020-21)
- As savings grow, the eligibility of SHGs for loans from banks/FIs augment and thus business investment potential increases.
- During 2020-21, banks have reported an addition of 9.8 lakh savings linked SHGs at all India level registering a growth of 9.5 per cent compared to 2.3 in 2019-20.

Women Empowerment and Gender roles in Microfinance

"It is impossible to realize our goals while discriminating against half the human race. As study after study has taught us, there is no tool for development more effective than the empowerment of women." – Kofi Annan, UN Secretary General 2006.

The ideology behind microfinance submits that if prople are provided with capital, they have the means to succeed financially. However, reports on the efficacy of microfinance to create and extend women's economic autonomy have shown mixed results. While microfinance has provided working opportunities for women within their traditional roles, it has done very little to transform the status of women in bigger areas such as – "Occupational Choice, Mobility and Social Status."

Mission drift in Microfinance

The microfinance institutions' dual missions are:

- Financial Sustainability and
- Providing banking services to micro-enterprises and low-income families

It is believed that in order to fulfill the first, MFIs are drifting away from the second objective. In the words of Mohamad Yunus – "Less poor clients crowd out poorer clients in any credit scheme."

The MFIs profit motive leads them to be more efficient, thus counteracting the drift to better situated customers.

Mission drift is taken to occur when an MFIs leaves the poor customer segment. Mission drift is measured as an increase in the average loan.

Mission drift tends to increase when:

- The MFI seeks higher profitability.
- The MFI's average cost becomes higher.

If the MFI becomes more efficient, it is able to uphold lending to the poorest customers. Mission drift relates to a phenomenon whereby an MFI increases its average loan size by reaching out to wealthier clients not for progressive lending. Mission drift in microfinance arises when an MFI finds it profitable to reach out to unbanked wealthier individuals while at the same time crowding out poor clients. According to this definition, mission drift can only appear when the announced mission is not aligned with the MFIs average loan size minimization.

There has been a growing trend towards Non-profit organizations transforming into Microfinance institutions. But research has shown a clear trend towards a declining focus on women clients once an MFI becomes regulated, for profit financial institution.

Challenges in Microfinance

Indian Microfinance Industry is facing with the following challenges which need to be overcome:

Legal structure and regulation

Although the SHG-Bank linkage model is well managed in India by NABARD, currently there is no proper regulatory body for the supervision of MFIs. The presence of institutions with a variety of legal forms makes it difficult for the regulation of all such institutions by a single regulatory body in the current Indian legal structure. Though NBFCs, which cover the major part of the outstanding loan portfolio by the microfinance channel, are regulated by Reserve Bank of India, other MFIs like societies, trusts, Section-25 companies and cooperative societies fall outside the purview of RBI's regulation.

Financial illiteracy

One of the major hindrances in the growth of the microfinance sector is the financial illiteracy of the people. This makes it difficult in creating awareness of microfinance and even more difficult to serve them as microfinance clients. Though most of the microfinance institutions claim to have educational trainings and programmes for the benefit of the people, according to some of the experts the first thing these SHG and JLG members are taught is to do their own signature. The worst part is that many MFIs think that this is what financial literacy means. We all know how dangerous it can be when one doesn't know how to read but he/she knows how to accept or approve it (by signing it).

Inability to generate sufficient funds

Inability of MFIs to raise sufficient fund remains one of the important concern in the microfinance sector. Though NBFCs are able to raise funds through private equity investments because of the for-profit motive, such MFIs are restricted from taking public deposits. Not-for- profit companies which constitute a major chunk of the MFI sector have to primarily rely on donations and grants from Government and apex institutions like NABARD and SIDBI. In absence of adequate funding from the equity market, the major source of funds for MFIs are the bank loans, which is the reason for high Debt to Equity ratio of most MFIs.

Dropouts and Migration of group members

Majority of the microfinance loans are disbursed on group lending concept and a past record of the group plays an important role in getting new loans either through SHG-Bank linkage or through MFIs. The two major problems with the group concept are dropouts (when one or more members leave the group) and migration (when one or more members move to another group). Most MFIs lend on the basis of the past record of the group i.e. SHG or JLG and also on the individuals repayment performance. In absence of a decent past record, members are deprived of getting bigger loan amounts and additional services.

Transparent Pricing

Though the concern about the transparent pricing in the microfinance sector has been an older one, it is gaining significance with the growing size and the increasing competition in the sector. Non-transparent pricing by MFIs confines the bargaining power of the borrowers and their ability to compare different loan products, because they don't know the actual price. In absence of the proper understanding of the pricing, clients end up borrowing more than their ability to payback which results in over-indebtedness of the borrower.

Cluster formation – fight to grab established market

MFIs' drive to grab an established market and reduce their costs is resulting in formation of clusters in some areas leaving the others out of the microfinance outreach. By getting an established microfinance market, MFIs reduce their initial cost in group formation of clients, educating them and creating awareness about microfinance. This is one of the reasons for the dominance of the microfinance sector in the southern states. Now the problem is that a similar trend is being followed in the northern states as well. We have already seen what happened in A.P and it seems that most of the MFIs have not taken a lesson from the Andhra crisis.

Multiple Lending and Over-Indebtedness

Both of these are outcome of the competition among the MFIs. Microfinance is one such sector where the Neo-liberal theory of free market operation fails, at least to some extent. Though competition is good for many sectors but in this case it is going against both the parties. In order to eat away each others' market share, MFIs are ending up giving multiple loans to same borrowers which in some cases is leading to over-indebtedness (a situation where the borrower has taken loans more than her/his repaying capacity) of the borrower. MFIs are getting affected because borrowers are failing to make payments and hence their recovery rates are falling, while over-indebtedness is making the borrower go to depression and in some cases forcing them to commit suicide.

REVIEW OF THE LITERATURE

Microfinance is a type of financial service aimed at people and small enterprises that do not have access to traditional banking and financial services. Microcredit, or the provision of micro loans to poor clients, savings and checking accounts, microinsurance, and payment systems are

all forms of microfinance services (Caramela & Sammi , 2021). Microfinance services are intended to reach out to underserved clients, mainly from lower socioeconomic groups that are socially stigmatised or economically isolated and assist them in becoming self-sufficient.

Microfinance has evolved into a larger movement with the goal of creating a world in which everyone, particularly the poor and socially marginalised people and households, has access to a wide variety of affordable, high-quality financial services, such as not just loans but also savings, insurance, payment systems, and fund transfers (FINCA, 2021). Microfinance proponents, like members of the Microfinance Institutions Summit Campaign, frequently assert that such access will assist impoverished people to escape poverty. For many, microfinance is a means of accessing micro-entrepreneurs and small businesses in order to promote economic growth, employment, and growth; for others, it is a means of assisting the poor in managing their finances more effectively and capitalising on economic opportunities while minimising risk (Kagan & Julia , 2018). Micro-credit critics frequently point out some of the drawbacks that can lead to indebtedness (Feigenberg, Benjamin, Erica , & Rohan , 2010). Many researchers have attempted to examine the consequences.

Mathew (2006) has stated that both Government and NGOs have substantial role in promoting micro-finance programmes in India. Primarily, Women form a large part of these groups known as SHG. National Bank for Agricultural and Rural Development (NABARD) report confirms that 90 per cent of the SHGs in India have women only as their members. This infers that women group is the primary beneficiaries of the various schemes of microfinance programme. The study aimed at analysing the impact of micro-finance incentives. Also, the study was intended to understand the difference between government and non-government initiated microfinance groups in terms of their performance. A total of 32 SHGs consisting of 6 members each were selected randomly for the study in Kerala. It has been observed that the members belonging to smaller sized groups received lower amounts of loans. Moreover, the member, belonging to small sized groups did not express a better opinion about the selection procedure followed in the group. Similarly, the monitoring was less effective in small sized groups.

Porkodi and Aravazhi (2013) examined the role of microfinance in empowering people. They opined that microfinance is growing in quantitative terms but not in qualitative terms. They suggested that Microfinance Institutions should be managed with better scrutiny in terms of finance and technology as well as social responsibility. They appreciated the role of NGOs in promoting Self Help Groups linking them with banks. The study concluded that for financial inclusion to be effective, marginal farmers and landless laborers must have unhindered access to the financial services like savings, credit, micro-insurance and remittance facilities. They recommended that Government should focus on creating an environment by:

- Providing Public Infrastructure
- Encouraging Competition
- Focusing on rules based regulation
- Wide Publicity
- Implementing the concept of financial literacy and credit counseling

Sriram M.S. appreciated the tremendous growth achieved by Microfinance in the last half decade. But he also reflected the fact that Microfinance's current region centric growth leaves

a huge scope for MFIs to grow in other parts of India. It should follow customer-centric flexible model as compared to current standardized product and service model.

Masood and Ahmad (2010) in their paper titled "Technical Efficiency of Microfinance Institutions in India – A Stochastic Frontier Approach" examined the efficiency level of 40 MFIs in India for the period 2005-08. They also analyzed the various determinants of efficiency. Results obtained from the study were very surprising. It showed that mean efficiency of MFIs is found to be 0.34, which clearly implies that MFIs can increase their output level by 66 percent using the same level of inputs and technology. Also, there exist large variations in the average efficiency level among 40 MFIs. A very unique result obtained was that Experience (Age) of MFIs is found to be one of the important determinants of efficiency level, but size does not matter much. Also, MFIs located in the southern states are more efficient than others. Estimated coefficient of another qualitative variable shows that unregulated microfinance institutions are more efficient than regulated. Spandana, an MFI located in Hyderabad, AP is found to be highly efficient with a score of 0.89.

Both the systems— Bangladesh Grameen Bank and SHG network in India—are dominated by female clients (Harper, 2002) and have a close resemblance in their functioning and success in serving the women groups. Evidence from a range of countries show that women who earn income from their personal business activities tend to reinvest the earned income back at home and the well-being of their families (Nandera, 2016). On the other hand, in India, there is a positive economic impact on the empowerment of women through the SHG–bank linkages and

the success derived out of this intervention (Bali Swain, 2007). There is clear evidence that states with a higher level of microfinance outreach are also the states having relatively a high level of economic empowerment of women (Laha et al., 2014). The higher degree of asset creation is visible through the establishment of the micro-enterprises with efficient bank linkages (Tripathi & Tripathi, 2018) for the excluded communities.

There is a strong conceptual link between microfinance outreach and empowerment of women (Mahmud, 2003). SHGs6 are the community platforms from which women are encouraged to become socially active, especially regarding issues affecting their daily life.

The SHG–bank linkages are considered as an institutional intervention for increasing economic opportunities and has an indirect effect upon the poor household, in building up women's confidence, skills and socio-economic status (Manashi et al., 2015). The microfinance outreach through dispersion of funds to the SHG women as loans have a positive economic impact (Swain & Wallentin, 2009). Most of the MFIs target women as preferred borrowers, if these opportunities are not appropriately utilized, the repayment capacity of groups will depreciate. The proportion of women borrowers increasing have a statistical and positive impact on financial performance of the MFIs, revealing the fact that women have a better repayment rate (Abdullah & Quayes, 2016).

Micro Financiers, like traditional lenders, can charge interest on the loan and establish repayment options with outstanding debts at set intervals. Some lenders require borrowers to save away an amount of revenue in a savings account, that could be used as security if the borrower defaults (Purkayastha, 2017). If the borrower successfully repays the loan, they will have accrued additional savings. Because many applicants are unable to provide collateral, microlenders frequently group borrowers together as a safety net (Thomas, 2021).

Recipients settle their bills together after getting loans. Because the program's success is contingent on everyone's contributions, there is a type of peer pressure that can aid with repaying. For example, if someone is having difficulty spending their money to develop a business, they can seek assistance from other members of the group or through the loan officer (Agrawal, 2021). Loan recipients begin to build a strong credit history as they repay their loans, allowing them to get greater types of loans. Interestingly, even though these borrowers are sometimes considered very poor, microloan repayment amounts are frequently greater than the average rates of interest on more traditional types of finance (Purkayastha, 2017).

In the poor world, microfinance provides an extra layer of robustness. Even when families are prepared to operate their way to prosperity, it just takes one negative incident to throw them back into it (Irfan, 2020).

Credit has always been a basic human right for Yunus. There are likely to be some financial entities that disagree with his conclusion (Knowles, 2018). Without finance, however, it might be hard, if not impossible, for somebody in poverty to develop a concept that could one day result in a large payout. This is made possible by microfinance.

Women receive up to 95 percent of various loan products offered by microfinance organisations (Cull, 2018). People are much more likely to prevent defaulting on a debt when they are empowered. Other reason why females are focused in the microfinance business is because they are statistically more likely than males to repay a loan (Knowles, 2018). Zenger Folkman conducted a gender-separated poll on high morality and honesty ratings in leadership positions. The average percentile of women who had these characteristics was 55 %, while it was only 48 % for men (Irfan, 2020).

Microfinance institutions have taken notice of this and are reaching out to women as a result. As a result of this strategy, many emerging nations are reconsidering the role that women can play in society (Horak, 2017).

Microfinance can also assist entrepreneurs in poor countries in creating new job possibilities for others. Since there are more funds available to circulate through local companies and service providers because of more individuals being able to work and make a profit, the remainder of the local economy benefits as well (Wondirad, 2020).

Access to high - quality nutrition, high rate of consuming, and consumption smoothing are some of the benefits of participating in a microfinance program (Radhakrishnan, 2018).

As money is spent, the advantages spread outward to individuals who aren't participating in the programme, benefiting the entire community (Chen, 2017).

A "self-help group (SHG) - bank linkage program (SBLP)" is a self-organized group of people who have come together voluntarily to satisfy the needs of the general public (Nayak, Self-help groups in India: Challenges and a roadmap for sustainability, 2019).

Microfinance has been demonstrated to be an effective tool for supporting disadvantaged households in escaping poverty and contributing to the economy of a country by increasing their income-generating capacity (Cull, 2018). Microcredit can help 5 % of the poor get out of poverty each year through investing in human capital and improving people's lives (Bateman, 2019).

Microfinance enables households to not only meet their immediate needs, but also to develop for a brighter future. According to a study undertaken by the World Bank, India is home to nearly one-third of the world's poor people (surviving on an equivalent of one dollar a day) (Gretebeck, 2019).

Microfinance enables people to satisfy the needs of the poor and to assist them in achieving economic and social stability. Microfinance is a development tool because it enables individuals to find jobs, which enables them to make a living and alleviates poverty (Ajwani-Ramchandani, 2017).

On the other hand, some studies have proven with evidence that lending to women has resulted into "disempowerment" of the women in rural areas. CORSI, BOTTI (et.al.) study titled "Women and Microfinance in Mediterranean Countries" has found that an inclusive and gender-sensitive approach to microfinance needs to address women's specific needs and constraints (limited mobility, lack of land title as collateral, etc.) and consistently translate them into credit terms, financial products and delivery mechanisms.

Microfinance in India: Discussion (2003) by R. Srinivasan and M.S. Sriram presented the views of various experts of this industry. Several issues such as – What makes Microfinance an attractive business proposition? The study analyzed the various models of microfinance prevailing in India and discussed their viability with regard to growth and sustainability.

Research Gap

In view of the wide literature available, it was observed that there is mix opinion with respect to positive impact of microfinance on economic well-being and empowerment. It was observed that it is essential to study the impact of microfinance on various indicators of empowerment in various dimensions. Also, there are hardly any studies found to assess the impact of microfinance program in Delhi and NCR. It is imperative to add to the body of knowledge by conducting an impact assessment of microfinance on rural population of Northern region of India.

Hence, the study was proposed to assess the impact of microfinance programme on Rural Poor in Delhi and Haryana.

Research Questions based on LR

- Does the microfinance programme lead to changes in the number of earners and dependents of the members?
- Does the microfinance programme lead to changes in the income of the members?
- Does the microfinance programme lead to changes in the consumption expenditure of the members?
- Does the microfinance programme lead to changes in the savings pattern of the members?
- Does the microfinance programme impact the perception of the beneficiaries in terms of improvement in economic well-being?
- Does the microfinance program impact the perception of the beneficiaries in terms of improvement in economic, socio-familial and educational empowerment of the members?
- Is there any evidence that economic well being and empowerment are related to each other?

OBJECTIVES FOR THE STUDY:

- To study the impact of Microfinance Programme Participation on Economic Well- Being of Poor People.
- To study the impact of Microfinance Programme on Empowerment of Poor People.
- To analyze if Economic Well-Being and Empowerment of the Microfinance Programme participant are related.

Hypothesis:

- **H0:** There is no association between Membership Duration and Income Level of the Member Beneficiary.
- **H0:** There is no association between Membership Duration and Expenditure Level of the Household of Member Beneficiary.
- **H0:** There is no association between Membership Duration and Savings Level of the Member Beneficiary.
- **H0:** "Change in Savings Pattern of the SHG member participant is independent of the microfinance program duration."

- **H0:** There is no association between the Microfinance Duration and the number of dependents in the household.
- **H0:** There is no significant differences in the mean score of economic well being of all the three categories of membership duration of SHG.
- **H0 :** There is no significant differences in the mean score of economic empowerment of all the three categories of membership duration of SHG.
- **H0 :** There is no significant differences in the mean score of Socio-Cultural and Familial Empowerment of all the three categories of membership duration of SHG.
- **H0 :** There is no significant differences in the mean score of Education and Skill Empowerment of all the three categories of membership duration of SHG.

Conceptual Framework for the Study

- The bank included was Punjab National Bank which has the largest number of SHGs enrolled in both states
- Data was collected from June 2019 to December 2019.
- SHG members who were the beneficiaries of SHG-Bank linkage programme were contacted and requested to answer the questions given in the schedule.

Sampling Design:

- **Target Population**: Self-Help Groups Women Members
- **Sampling Frame**: SHG members in Delhi and Haryana
- **Sampling Technique**: Non-Probability – Purposive Sampling
- **Sample Size:** 500 Self Help Group Women Members of Delhi and Haryana, Sample size was determined keeping in view the sample size used in similar studies done.

(Israel, G. D. (1992). Determining sample size)

Membership Duration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 Year	132	26.4	26.4	26.4
	1 - 3 Year	168	33.6	33.6	60.0
	More Than 3 Years	200	40.0	40.0	100.0
	Total	500	100.0	100.0	

Research Methodology:

- The methodology and design adopted in this study is based on guidelines for microfinance impact assessment by Hulme (2000) and AIMS Guidelines for Microfinance and Impact Assessments by Barnes and Sebstad (2000) (CGAP and USAID).
- The quasi –experimental design is adopted where the control group and the treatment group is compared to assess the impact of microfinance program.

Scope of the Study:

- Limited to members of Self-Help Groups – Bank Linkage Programme Members (SBLP).

- **Sampling Unit:** Individual (SHG Member) and the household. Unit of Assessment for impact studies are the individual beneficiaries, Beneficiaries Households, Enterprises or the Society as a whole. (Hulme, 2000)
- If the study is for the intended beneficiary, then the unit of assessment can either be Individual (Women Beneficiary) or Beneficiary Household.

Present study aims to find evidence for economic well-being and empowerment and empowerment is always at individual level, therefore women SHG members are chosen as the sampling unit.

All empowerment variables have spillover effect on the household of the member beneficiaries. Therefore, for some variables like expenditure, savings and assets, impact on household is also studied.

Survey Method:

- A structured questionnaire in the form of an interview schedule was administered on the respondents for the survey.
- Variables were identified based on the literature review.

A Pilot Study was conducted on 111 respondents and Obtained Cronbach's alpha score of 0.877 which is above 0.7, therefore all items deemed to be reliable in the questionnaire.

Data Analysis and Presentation:

1. Membership Duration:

For the study, membership duration is considered as Independent Variable (IDV) as observed in Literature Review. There are three categories in this variable:

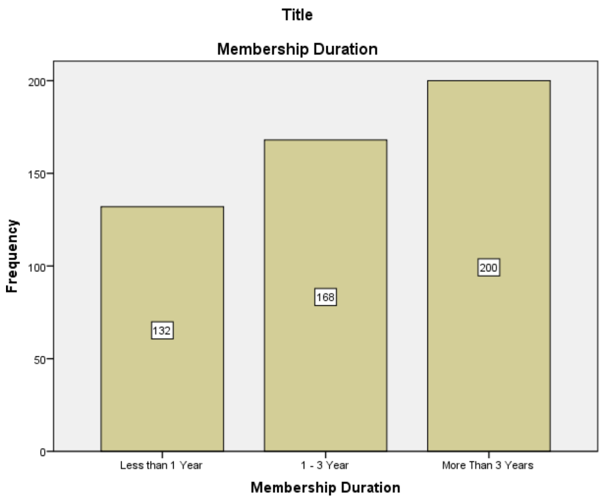
a. Less than 1 Year

b. 1-3 Year

c. More than 3 Years

Membership Duration

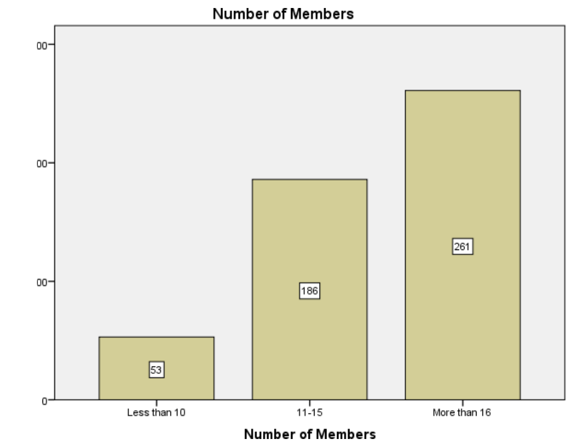
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 Year	132	26.4	26.4	26.4
	1 - 3 Year	168	33.6	33.6	60.0
	More Than 3 Years	200	40.0	40.0	100.0
	Total	500	100.0	100.0	



2. Number of Members in the Self-Help group

Number of Members

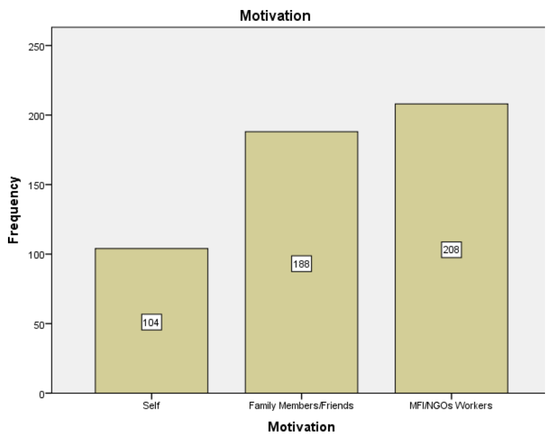
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 10	53	10.6	10.6	10.6
	11-15	186	37.2	37.2	47.8
	More than 16	261	52.2	52.2	100.0
	Total	500	100.0	100.0	



3. Motivation to join the Self-Help Group

Motivation

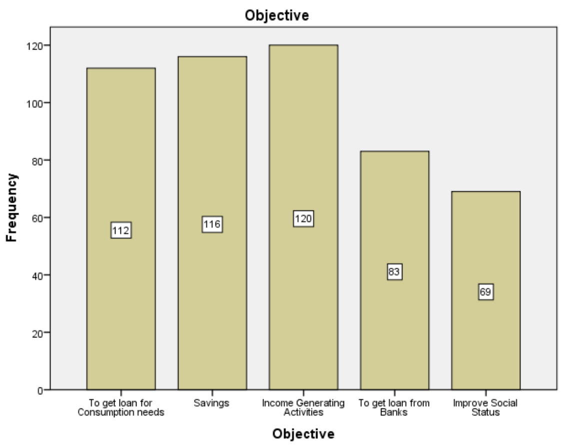
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Self	104	20.8	20.8	20.8
	Family Members/Friends	188	37.6	37.6	58.4
	MFI/NGOs Workers	208	41.6	41.6	100.0
	Total	500	100.0	100.0	



4. Objective to Join the Group

Objective

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	To get loan for Consumption needs	112	22.4	22.4	22.4
	Savings	116	23.2	23.2	45.6
	Income Generating Activities	120	24.0	24.0	69.6
	To get loan from Banks	83	16.6	16.6	86.2
	Improve Social Status	69	13.8	13.8	100.0
	Total	500	100.0	100.0	



Objective 1: To study the impact of Microfinance Programme Participation on Economic Well- Being of Poor People.

- Hypothesis 1: There is no association between Membership Duration and Income Level of the Member Beneficiary.

- Chi-Square Test of Independence:

Change in Income Level of the SHG member participant is independent of the microfinance program duration.

- A chi-square test of independence was performed to examine the relation between MF program duration and the income level of the participants. The relation between these variables was significant, $\chi2$ (8, N = 500) = 110.428, p = .000.

- Therefore, Higher income level is associated with larger program duration.

	Income Level					
Program Duration	1	2	3	4	5	Grand Total
Less than 1 Year	35	48	32	8	9	132
1-3 year	29	23	98	18		168
More than 3 Years	14	12	141	23	10	200
Grand Total	78	83	271	49	19	500

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	110.428[a]	8	.000
Likelihood Ratio	118.507	8	.000
Linear-by-Linear Association	43.662	1	.000
N of Valid Cases	500		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.02.

- Hypothesis 2: There is no significant relation between Household Expenditure and duration of microfinance program.

Chi-Square Test of Independence:

H0: Distribution of outcome is independent of groups i.e

Change in Household Expenditure of the SHG member participant is independent of the microfinance program duration.

- A chi-square test of independence was performed to examine the relation between MF program duration and the average monthly household Expenditure level of the participants.

- The relation between these variables was significant, $\chi2$ (6, N = 500) = 57.243, p = .000. Therefore, Higher Household Expenditure is associated with larger program duration.

Microfinance Program Duration * Average Monthly Household Expenditure Crosstabulation

Count

		Average Monthly Household Expenditure				
		Upto Rs. 5,000	Rs. 5,000-10,000	Rs. 10,000 - 15,000	More than Rs. 15,000	Total
Microfinance Program Duration	Less than 1 Year	48	76	6	2	132
	1-3 Year	33	105	28	2	168
	More than 3 Years	26	112	39	23	200
Total		107	293	73	27	500

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	57.243[a]	6	.000
Likelihood Ratio	59.634	6	.000
Linear-by-Linear Association	47.850	1	.000
N of Valid Cases	500		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 7.13.

Hypothesis 3: There is no significant relation between average monthly household Savings and duration of microfinance program.

Chi-Square Test of Independence:

- H0: Distribution of outcome is independent of groups.e

- Change in average monthly household Savings is independent of the microfinance program duration.

- A chi-square test of independence was performed to examine the relation between MF program duration and the Average Monthly Household Savings of the participants.

- The relation between these variables was significant, $\chi2$ (6, N = 500) = 55.608, p =.000. Therefore, Higher Average Monthly Savings is associated with larger program duration.

- Hypothesis 4: There is no significant relation between Savings Pattern of the participant and duration of microfinance program.

Chi-Square Test of Independence:

- H0: Distribution of outcome is independent of groups
- Change in Savings Pattern of the SHG member participant is independent of the microfinance program durati
- A chi-square test of independence was performed to examine the relation between MF program duration and the Savings Pattern of the participants. The relation between these variables was significant, χ2 (6, N = 500) = 146.729, p = .000. Therefore, Regular Savings Pattern is associated with larger MF Program Duration.

Microfinance Program Duration * Average Monthly HH Savings Crosstabulation

Count

		Average Monthly HH Savings				Total
		upto Rs. 500	Rs. 501 - 1,000	Rs. 1,001 - 2,000	More than Rs. 2,000	
Microfinance Program Duration	Less than 1 Year	21	19	55	37	132
	1-3 Year	5	22	83	58	168
	More than 3 Years	4	17	142	37	200
Total		30	58	280	132	500

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	55.608[a]	6	.000
Likelihood Ratio	51.439	6	.000
Linear-by-Linear Association	5.805	1	.016
N of Valid Cases	500		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 7.92.

Microfinance Program Duration * Savings Pattern Crosstabulation

Count

		Savings Pattern				Total
		No Savings	Rarely	Occasionally	Regularly	
Microfinance Program Duration	Less than 1 Year	76	19	30	7	132
	1-3 Year	43	53	37	35	168
	More than 3 Years	43	7	46	104	200
Total		162	79	113	146	500

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	146.729[a]	6	.000
Likelihood Ratio	153.058	6	.000
Linear-by-Linear Association	91.984	1	.000
N of Valid Cases	500		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 20.86.

- Hypothesis 5: There is no significant relation between number of days employed of the participants and duration of microfinance program.

Chi-Square Test of Independence:

- H0: Distribution of outcome is independent of groups i.e
- Number of days employed of member participant is independent of the microfinance program duration.
- A chi-square test of independence was performed to examine the relation between MF program duration and the Number of Employment Days.
- The relation between these variables was significant, χ2 (4, N = 500) = 14.249, p =.007. Therefore, it is found that as the membership duration increases there is increase in the number of employed days of the participants.

Microfinance Program Duration * Number of Employment Days Crosstabulation

Count

		Number of Employment Days			Total
		Upto 100 Days	100-180 Days	180-240 Days	
Microfinance Program Duration	Less than 1 Year	12	55	65	132
	1-3 Year	9	60	99	168
	More than 3 Years	5	60	135	200
Total		26	175	299	500

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.249[a]	4	.007
Likelihood Ratio	14.268	4	.006
Linear-by-Linear Association	13.970	1	.000
N of Valid Cases	500		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.86.

- Hypothesis 6: There is no significant differences in the mean score of economic well being of all the three categories of membership duration of SHG.

The question here is addressed by comparing the economic well-being score of the participants whose SHG membership duration is “Less than 1 Year” (Considered as Non- Participant) and those with more than 1 Year.

- Independent Variable – Membership Duration with 3 categories - Ordinal Data
- Dependent Variable – Economic Well-being measured using a scale consisting of 11 items and obtained score by adding the individual score on each item. - Metric Data (Interval)
- Test Applied – one-way ANOVA to compare the means of dependent variable for more than 2 categories of dependent variable

Step 1: Levene’s Test for Homogeneity of Variance

- H0: There is equal variance in the Economic Well-Being Score of all three categories of microfinance program duration.

Test of Homogeneity of Variances

EWB_Score

Levene Statistic	df1	df2	Sig.
187.725	2	497	.000

Significant (p-value < 0.05) implying that null hypothesis is rejected and Equal variance not assumed, Hence used Welch Test.

Result of Welch Test is:

H0: There is no significant difference between mean score of economic wellbeing for various categories of membership duration.

Robust Tests of Equality of Means

EWB_Score

	Statistic[a]	df1	df2	Sig.
Welch	93.201	2	267.324	.000

a. Asymptotically F distributed.

P-value < 0.05, null hypothesis rejected. Hence Atleast one of the category of membership duration significantly differ from the rest in their mean score of Economic Wellbeing.

ANOVA

EWB_Score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13134.848	2	6567.424	193.837	.000
Within Groups	16838.934	497	33.881		
Total	29973.782	499			

p-value <0.05 implies that Null Hypothesis is rejected and therefore concluded that there is statistically significant difference in mean score of economic well-being of all the three categories of membership duration of SHG.

- Post-Hoc Analysis:

To further analyze which group differs among the three, post-hoc analysis was done using Games-Howell method which showed that first category i.e. "Less than 1 Year" score of economic well being is significantly different from the other two categories –"1-3 Year" and "More than 3 Year".

Games Howell Method is used because equal variance is not assumed using Levene's Test. Following is the result of Post-Hoc Analysis-

Multiple Comparisons

Dependent Variable: EWB_Score
Games-Howell

(I) Mem_Dur	(J) Mem_Dur	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 1 Year	1-3 Year	-11.94210*	.87475	.000	-14.0126	-9.8715
	More than 3 Year	-11.33591*	.88666	.000	-13.4336	-9.2382
1-3 Year	Less than 1 Year	11.94210*	.87475	.000	9.8715	14.0126
	More than 3 Year	.60619	.36143	.215	-.2444	1.4568
More than 3 Year	Less than 1 Year	11.33591*	.88666	.000	9.2382	13.4336
	1-3 Year	-.60619	.36143	.215	-1.4568	.2444

*. The mean difference is significant at the 0.05 level.

p-value of "less than 1 Year" is less than 0.05 against "1-3 year" and "more than 3 years." This shows that there is significant difference between category 1 against 2 and 3 with respect to economic well-being.

Objective 2: To study the impact of Microfinance Programme on Empowerment of Poor People.

- Hypothesis 7: There is no significant differences in the mean score of economic empowerment of all the three categories of membership duration of SHG.
- The question here is addressed by comparing the economic empowerment score of the participants whose SHG membership duration is "Less than 1 Year" (Considered as Non-Participant) and those with more than 1 Year.
- Independent Variable – Membership Duration with 3 categories - Ordinal Data
- Dependent Variable – Economic Empowerment measured using a scale consisting of 5 items and obtained score by adding the individual score on each item. - Metric Data (Interval)
- Test Applied – one-way ANOVA to compare the means of dependent variable for more than 2 categories of dependent variable.

Levene's Test for Homogeneity of Variance

- H0: There is equal variance in the Economic empowerment Score of all three categories of microfinance program duration.
- Significant (p-value < 0.05) implying that null hypothesis that null hypothesis is rejected and Equal variance not assumed, Hence used Welch Test.

Test of Homogeneity of Variances

Eco_Emp_Scale

Levene Statistic	df1	df2	Sig.
6.309	2	497	.002

Result of Welch Test is:

H0: There is no significant difference between mean score of economic empowerment for various categories of membership duration.

Robust Tests of Equality of Means

Eco_Emp_Scale

	Statistic[a]	df1	df2	Sig.
Welch	93.463	2	291.998	.000

a. Asymptotically F distributed.

- P-value < 0.05, null hypothesis rejected. Hence Atleast one of the category of membership duration significantly differ from the rest in their mean score of Economic Empowerment.

- p-value <0.05 implies that Null Hypothesis is rejected and therefore concluded that there is statistically significant difference in mean score of economic empowerment of all the three categories of membership duration of SHG.

ANOVA

Eco_Emp_Scale

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3463.339	2	1731.669	120.640	.000
Within Groups	7133.933	497	14.354		
Total	10597.272	499			

Post-Hoc Analysis:

- To further analyze which group differs among the three, post-hoc analysis was done using Games-Howell method which showed that first category i.e. “Less than 1 Year” score of economic empowerment is significantly different from the other two categories –“1-3 Year” and “More than 3 Year”.
- * Games Howell Method is used because equal variance is not assumed using Levene’s Test. Following is the result of Post-Hoc Analysis-

Multiple Comparisons

Dependent Variable: Eco_Emp_Scale
Games-Howell

(I) Mem_Dur	(J) Mem_Dur	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 1 Year	1-3 Year	-5.84686*	.48415	.000	-6.9886	-4.7052
	More than 3 Year	-6.06758*	.46379	.000	-7.1619	-4.9733
1-3 Year	Less than 1 Year	5.84686*	.48415	.000	4.7052	6.9886
	More than 3 Year	-.22071	.36461	.817	-1.0789	.6375
More than 3 Year	Less than 1 Year	6.06758*	.46379	.000	4.9733	7.1619
	1-3 Year	.22071	.36461	.817	-.6375	1.0789

*. The mean difference is significant at the 0.05 level.

- p-value of “less than 1 Year” is less than 0.05 against “1-3 year” and “more than 3 years”. This shows that there is significant difference in Economic Empowerment score between category 1 against 2 and 3.
- While for pair “1-3 Year” and “More than 3 Year”, the p-value is 0.817 which is greater than 0.05 implying that null hypothesis is not rejected and it is concluded that there is no significant difference between economic empowerment score of member beneficiary with “1-3 year” membership and “more than 3 year” membership.
- Hypothesis 8: There is no significant differences in the mean score of Socio-Cultural and Familial Empowerment of all the three categories of membership duration of SHG.
- The question here is addressed by comparing the Socio-Cultural and Familial Empowerment score of the participants whose SHG membership duration is “Less than 1 Year” (Considered as Non-Participant) and those with more than 1 Year.
- Independent Variable – Membership Duration with 3 categories - Ordinal Data
- Dependent Variable – Socio-Cultural and Familial Empowerment measured using a scale consisting of 8 items and obtained score by adding the individual score on each item. - Metric Data (Interval)
- Test Applied – one-way ANOVA to compare the means of dependent variable for more than 2 categories of dependent variable.

Step 1: Levene’s Test for Homogeneity of Variance

- H0: There is equal variance in the Socio-Cultural and Familial Empowerment of all three categories of microfinance program duration.
- Significant (p-value < 0.05) implying that null hypothesis that null hypothesis is rejected and Equal variance not assumed, Hence used Welch Test.
- Result of Welch Test is:
- H0: There is no significant difference between mean score of Socio-Cultural and Familial Empowerment for various categories of membership duration.
- P-value < 0.05, null hypothesis rejected. Hence Atleast one of the category of membership duration significantly differ from the rest in their mean score of Socio- Cultural and Familial Empowerment.

Test of Homogeneity of Variances

SocCulFam_Emp_Score

Levene Statistic	df1	df2	Sig.
26.495	2	497	.000

Robust Tests of Equality of Means

SocCulFam_Emp_Score

	Statistic[a]	df1	df2	Sig.
Welch	129.165	2	252.952	.000

a. Asymptotically F distributed.

ANOVA

SocCulFam_Emp_Score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2800.803	2	1400.402	137.851	.000
Within Groups	5048.915	497	10.159		
Total	7849.718	499			

- p-value <0.05 implies that Null Hypothesis is rejected and therefore concluded that there is statistically significant difference in mean score of Socio-Cultural and Familial Empowerment of all the three categories of membership duration of SHG.

Post-Hoc Analysis:

- To further analyze which group differs among the three, post-hoc analysis was done using Games-Howell method which showed that first category i.e. "Less than 1 Year" score of Socio-Cultural and Familial Empowerment is significantly different from the other two categories –"1-3 Year" and "More than 3 Year".

- * Games Howell Method is used because equal variance is not assumed using Levene's Test. Following is the result of Post-Hoc Analysis-
- p-value of less than 1 Year is less than 0.05 against 1-3 year and more than 3 years. This shows that there is significant difference between category 1 against 2 and 3.
- While for pair "1-3 Year" and "More than 3 Year", the p-value is 0.019 which is less than 0.05 implying that null hypothesis is rejected and it is concluded that there is significant difference between Socio-Cultural and Familial Empowerment score of member beneficiary with "1-3 year" membership and "more than 3 year" membership

Multiple Comparisons

Dependent Variable: SocCulFam_Emp_Score
Games-Howell

(I) Mem_Dur	(J) Mem_Dur	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 1 Year	1-3 Year	-4.81981*	.44152	.000	-5.8601	-3.7796
	More than 3 Year	-5.70409*	.35444	.000	-6.5419	-4.8663
1-3 Year	Less than 1 Year	4.81981*	.44152	.000	3.7796	5.8601
	More than 3 Year	-.88429*	.32584	.019	-1.6528	-.1158
More than 3 Year	Less than 1 Year	5.70409*	.35444	.000	4.8663	6.5419
	1-3 Year	.88429*	.32584	.019	.1158	1.6528

*. The mean difference is significant at the 0.05 level.

- Hypothesis 9: There is no significant differences in the mean score of Education and Skill Empowerment of all the three categories of membership duration of SHG.

The question here is addressed by comparing the Education and Skill Empowerment score of the participants whose SHG membership duration is "Less than 1 Year" (Considered as Non-Participant) and those with more than 1 Year.

- Independent Variable – Membership Duration with 3 categories - Ordinal Data
- Dependent Variable – Education and Skill Empowerment measured using a scale consisting of 8 items and obtained score by adding the individual score on each item. -
- Metric Data (Interval)Test Applied – one-way ANOVA to compare the means of dependent variable for more than 2 categories of dependent variable.

Step 1: Levene's Test for Homogeneity of Variance

- H0: There is equal variance in the Education and Skill Empowerment of all three categories of microfinance program duration.
- Significant (p-value < 0.05) implying that null hypothesis that null hypothesis is rejected and Equal variance not assumed, Hence used Welch Test.
- Result of Welch Test is:
- H0: There is no significant difference between mean score of Education and Skill Empowerment for various categories of membership duration.
- P-value < 0.05, null hypothesis rejected. Hence Atleast one of the category of membership duration significantly differ from the rest in their mean score of Education and Skill Empowerment.

Test of Homogeneity of Variances

EduSkil_Emp_Score

Levene Statistic	df1	df2	Sig.
34.567	2	497	.000

Robust Tests of Equality of Means

EduSkil_Emp_Score

	Statistic[a]	df1	df2	Sig.
Welch	277.641	2	298.727	.000

a. Asymptotically F distributed.

- p-value <0.05 implies that Null Hypothesis is rejected and therefore concluded that there is statistically significant difference in mean score of Education and Skill Empowerment of all the three categories of membership duration of SHG.

Post-Hoc Analysis:

- To further analyze which group differs among the three, post-hoc analysis was done using Games-Howell method which showed that first category i.e. "Less than 1 Year" score of Education and Skill Empowerment is significantly different from the other two categories –"1-3 Year" and "More than 3 Year".
- * Games Howell Method is used because equal variance is not assumed using Levene's Test. Following is the result of Post-Hoc Analysis-

All pairs of categories have significance value of .000 implying that all categories of microfinance program duration vary significantly each other with respect to Education and Skill Empowerment Mean Sc

ANOVA

EduSkil_Emp_Score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3088.162	2	1544.081	205.803	.000
Within Groups	3728.846	497	7.503		
Total	6817.008	499			

Multiple Comparisons

Dependent Variable: EduSkil_Emp_Score
Games-Howell

(I) Mem_Dur	(J) Mem_Dur	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Less than 1 Year	1-3 Year	-6.25216*	.33956	.000	-7.0525	-5.4519
	More than 3 Year	-4.78788*	.22871	.000	-5.3268	-4.2490
1-3 Year	Less than 1 Year	6.25216*	.33956	.000	5.4519	7.0525

Objective 3: To analyze if Economic Well-Being leads to Empowerment of the Microfinance Programme participant.

- Hypothesis 10: There is no significant correlation between economic well-being and economic empowerment score of the members
- Correlation analysis of economic well being score and economic empowerment score gave the following output-
- Correlation is significant as $p<0.05$, and therefore null hypothesis is rejected.
- There exist significant correlation between economic well being and economic empowerment score of SHG members.

Correlations

		EWB_Score	Eco_Emp_Scale
EWB_Score	Pearson Correlation	1	.097*
	Sig. (2-tailed)		.030
	N	500	500
Eco_Emp_Scale	Pearson Correlation	.097*	1
	Sig. (2-tailed)	.030	
	N	500	500

*. Correlation is significant at the 0.05 level (2-tailed).

Hypothesis 11: There is no significant correlation between economic well-being and Socio-Cultural and Familial Empowerment score of the members

- Correlation analysis of economic well being score and Socio-Cultural and Familial Empowerment score gave the following output-
- Correlation is not significant as $p>0.05$ and therefore we fail to reject the null hypothesis. There exist no significant correlation between economic well being and socio-cultural and familial empowerment score of SHG members.

Correlations

		EWB_Score	Socio_Fam_Emp
EWB_Score	Pearson Correlation	1	.078
	Sig. (2-tailed)		.082
	N	500	500
Socio_Fam_Emp	Pearson Correlation	.078	1
	Sig. (2-tailed)	.082	
	N	500	500

- Hypothesis 12: There is no significant correlation between economic well-being and Education and Skill Empowerment score of the members
- Correlation analysis of economic well being score and Education and Skill Empowerment score gave the following output-
- Correlation is not significant as $p>0.05$ and therefore we fail to reject the null hypothesis.
- There exist no significant correlation between economic well being and education and skill empowerment score of SHG members. \

Correlations

		EWB_Score	Edu_Skill_Emp
EWB_Score	Pearson Correlation	1	-.025
	Sig. (2-tailed)		.571
	N	500	500
Edu_Skill_Emp	Pearson Correlation	-.025	1

Limitations of the Study:

- The study results are limited to only SHG-Bank Linkage Programme under Microfinance. Therefore, the results cannot be generalized to other modes of Microfinance program.
- The study is based on the responses provided by the SHGs in selected districts of Delhi and Haryana, the results may vary for other districts.
- Biasness in the responses given by the respondents could not be ruled out.

Conclusion:

- The objective of the study was to assess the impact of microfinance program on rural poor in Delhi and Haryana
- The assessment was done by examining the impact of microfinance on various aspects of economic well-being and empowerment.
- In order to validate the literature regarding the mixed impact of microfinance, the assessment of perceived impact of microfinance program on multi-dimensions of empowerment was done.
- It was found that microfinance programme has a positive impact on economic well- being and empowerment of women beneficiaries of SHG, but there is no evidence that economic well-being also correlate with other aspects of empowerment.
- Microfinance has the potential to have a powerful impact on women's empowerment particularly Economic Empowerment.
- Although microfinance is not always empowering for all women, most women do experience some

degree of empowerment as a result.

- Empowerment is a complex process of change that is experienced by all individuals somewhat differently.
- There is a strong association between the loan cycles and income, consumption expenditure and savings patterns of the members.
- Self-Help Groups are one of the successful way of implementing microfinance policy.
- The majority of the participants are women as it is believed rightly that an empowered women leads to empowered household.
- It is found that certainly participating in the microfinance program through self-help groups, women improve their economic well-being and perceive improvement in economic well-being.
- But there is no evidence to prove that economic well-being and socio-cultural and familial empowerment are related to each other.
- This puts a question on the objective of women empowerment for microfinance policy makers.
- There is strong need to find out measures which should accompany the policy implementation of microfinance focusing primarily on women empowerment in other areas as well.

Managerial Implications:

- Microfinance providers such as banks and Microfinance Institutions may initiate more rigorous efforts to empower women socially as well as skill empowerment.
- Further research can be carried out to assess the impact of microfinance programme on empowerment of beneficiaries particularly in the domain of socio-cultural and Familial empowerment.
- Access to education is one of the major factors for the successful implementation of Microfinance programme. Involvement of Corporate sector would be appreciated in this area.

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