

## SHORT SUMMARY OF THE WORK DONE ON THE UGC MINOR RESEARCH PROJECT

<b>Title of the Research Project</b>	:	<b>Study of Microfinance NGO's with Special Reference to Priyasakhi Mahila Sakh Sahakarita Maryadit, Indore (MP)</b>
<b>Name and Address of Principal Investigator</b>	:	<b>Dr. Ranjana Kanungo Assistant Professor, Department of Commerce Christian Eminent Academy of Management, Professional Education &amp; Research, F-Sector, HIG, R.S.S. Nagar Main Road, Indore</b>
<b>UGC approval Letter No. and Date</b>	:	<b>MH-50/103039/XII/13-14/CRO Dated 2014</b>

### Summary of the Findings

Microfinance means providing very poor families with very small loans. to help the poors. As we have come to realize that the poor and the very poor who lack access to traditional formal financial institutions require a variety of financial products. There is a need to strengthen all the available channels of providing credit to the poor such as SHG- Bank Linkage programmes, Micro Finance Institutions, Cooperative Banks, State financial corporations, Regional Rural Banks and Primary Agricultural Credit Societies.

#### **MICROFINANCE AND NGO's**

Non-governmental Organizations are flexible in their operation, independent in its functioning, quick in decision making, people concerned, driven by social values and humanitarian principles. Non-governmental Organizations are playing a vital role in the formation of Self-Help Groups and motivating women to join in Self-Help Groups. There is various microfinance NGOs in the Region, number of slum dwellers taking advantages from the microfinance NGOs followed with their percentages. 28% of slum dwellers were taking microfinance from Spandan Sphoorty Financial Ltd. (SSFL), 24% from SKS Microfinance Ltd. (SKSMPL) and Share Microfin Limited (SML) respectively, 10% from Asmitha Microfin Ltd. (AML), 4% from Bandhan Society and Madura Micro Finance Ltd. (MMFL) respectively, 6% from Saadhana Microfin Ltd. Among these 28% of slum dwellers were taking microfinance from Spandana Sphoorty Financial Ltd. (SSFL) this represent that Spandan Sphoorty Financial Ltd. (SSFL) have highest penetration.

In this survey, we realized that many of our respondents had at least basic primary education, which represents 46.8% of our sample, however 21.1% had secondary educational experiences and only 11% had more than 10 years of educational experiences. Rest of the 21.1% had no educational background.

Studies reveal that certain elements become critical for the successful formation and functioning of the self help groups. These include voluntary nature of the group, small size and homogeneity of membership, transparent and participative decision- making, and efficient use of funds for micro-enterprise creation regular meeting of the member fosters meaningful relationship among them and issue other than thrift and credit , issues on gender and social problems also get a platform for discussion.

The role of NGO in providing Microfinance to poor women has been well recognized now. As has already been brought out, credit availability has remained a critical constraint for the most self employed women. Numerous Studies reveal that the really poor are often unable to take advantage of the poverty alleviation schemes of the government. More often, the poorest of the poor cannot take advantage of the schemes meant for their benefit, because of their inability to comprehend and follow the complicated processes, procedures involved for the access to these scheme.

#### **SOCIAL RESPONSIBILITY OF NGOs**

The level of socio-economic condition is indicates their level of status in any society. It is heterogeneous, complex and highly stratified society like ours; the position and status of women naturally differ from one region to another region, one class to another class, from one religion to another religion, from one caste to another caste & from one occupation to another. Significantly, large number of research studies in the social and behavioral sciences like sociology, education, psychology frequently use socio-economic status as one of the Independent variables.

Micro financing institutions significantly contributed to gender equality and women's empowerment as well as pro poor development and civil society strengthening. Contribution to women's ability to earn an income led to their economic empowerment, increased well being of women and their families and wider social and political empowerment..

The predominance of female members in SHGs covered by the study is largely in tune with the

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national trend where 90 percent of the SHGs in the Region are formed by women. This trend is helpful in the direction of women empowerment policy of the government.

### **THE PRESENT STUDY HAS HIGHLIGHTED THE FOLLOWING FACTORS:**

1. Poverty alleviation can be achieved only if it also has employment generation as an agenda.
2. There is large untapped female population willing to operate from their homes that can be provided gainful employment.
3. Training programs, literacy programs, spread of awareness regarding health, nutrition and hygiene, regular health camps improve the wellbeing of the slum population and improve their productivity and hence have to be done on a larger scale. An enthusiasm shown by the members involved in these activities only ascertains the fact that "self help is the best help". Additional funding in financially viable training programs could pave the way for a steep growth trajectory.
4. Developing self confidence of the women and making them financially independent may enable us to resolve number of issues relating to women and the girl child.

To sum up, banks need to redesign their business strategies to incorporate specific plans to promote financial inclusion of low income group treating it both a business opportunity as well as a corporate social responsibility. They have to make use of all available resources including technology and expertise available with them as well as the MFIs and NGOs. In this backdrop, the impressive gains made by SHG-Bank linkage programme in coverage of rural population with financial services offers a ray of hope.