

EFFECTIVENESS OF VARIOUS MICROFINANCE DELIVERY MODELS ON WOMEN ENTREPRENEURIAL DEVELOPMENT IN NALGONDA DISTRICT

K PADMAJA
Research Scholar
Shri JJT University
Rajasthan

DR. S NAIKWADI
Guide
Shri JJT University
Rajasthan

DR. MOHAMMED IRFAN
Co-Guide
Shri JJT University
Rajasthan

ABSTRACT

Microfinance has become an important tool in developing nations to help lift women out of poverty and increase their economic independence. In India, especially in semi-urban and rural regions, Self-Help Groups (SHGs) and microfinance institutions (MFIs) have been instrumental in empowering women entrepreneurs by facilitating them access to funds, financing, and chances to enhance their skills. With an emphasis on how well different microfinance models in Telangana's Nalgonda district encourage women to start their own businesses and raise their economic standing, this study examines the effects of these models on the local community. The study's overarching goal is to assess the efficacy of microfinance programs in empowering women entrepreneurs, whether those programs are led by SHG-Bank Linkage Programs (SBLP) or by Microfinance Institutions (MFIs). Structured questionnaires and interviews were used to gather primary data from women entrepreneurs in specific mandals of the Nalgonda district. District rural development agencies, NABARD, and other government organizations provided the secondary data.

Keywords: *Microfinance, Self-Help Groups (SHGs), Microfinance Institutions (MFIs), SHG-Bank Linkage Programs (SBLP), empowering women.*

INTRODUCTION

Nowadays, a lot of underdeveloped countries are realizing how important it is to empower women and include them in development projects. It is also generally acknowledged that rural women contribute financially through tasks such as managing households, carrying children, and engaging in economic activities such as traditional field labor, factory employment, or operating small and petty companies. Additionally, they have demonstrated that they are capable of excelling as development managers and entrepreneurs in the field of human development. Consequently, empowering rural women to make decisions is crucial if we want them to be at the center of human development. The advancement of women's agency and self-determination throughout all spheres of society is one aspect of women's empowerment. The patriarchal structure of our society makes it all the more crucial to encourage women's development and empowerment so that they can have equal say in all spheres of society, including politics. Their full potential can only be realized in an ideal setting. Included in this supportive setting should be fundamental necessities like improved nutrition and health, access to education and awareness of their legal rights and protections, job prospects, etc. There have been a number of attempts to empower rural women over the years, with varying degrees of success. An often-mentioned possible strategy is the importance of enterprise in empowering rural women. For instance, by encouraging rural industry, we may maximize the use of family labor, reduce the need for capital, and make better use of locally sourced raw materials.

Furthermore, kinship links and familial relationships might be useful in fostering rural industry. Because rural women are at the bottom of the poverty ladder in nearly every Afro-Asian country, enterprise development has been seen as a potent weapon to end poverty in this demographic.

LITERATURE REVIEW

Li, H. Y. and Yusoff, M. E. (2024) The goal of science-based financing is to boost economic competitiveness by encouraging the growth of high-value industries. Companies in the technology sector and local economies benefit from synergies between science, technology, and finance. In this piece, we'll take a look at how tech businesses' funding systems work. Technology businesses can increase their funding and boost their fund usage rate with the help of the driving, coordinating, and balancing mechanisms. Depending on the scenario and the policy intervention process, three models show how the financing system functions in the environment of science and technology financing. These results provide theoretical recommendations on how regulators might encourage financial firms to innovate more effectively and overcome potential roadblocks.

Ma, X, Han, G., and Liu, C. (2024) The changing nature of economic development and the job structure, coupled with the fact that it is getting harder to obtain work in modern society, is prompting a growing number of people to go back to their hometowns and start their own enterprises. However, entrepreneurs often face numerous challenges due to a lack of appropriate knowledge, experience, and skill. Modeling the link between knowledge search and success as an entrepreneur, the essay discusses the reducing impact of the creative organization's culture and uses returning entrepreneurs as a case study. Results indicate that the entrepreneurial institutional setting mediates the relationship between entrepreneurs' inclination to seek out new information and their success as company owners.

Li, B.Y. and Huang, J.G. (2023) This study aims to examine several aspects of green finance in China, including its impact on the country's actual economy, the factors that influence these trends, the patterns of regional efficiency across the country, and how to measure the benefits of green financing to the economy. At the efficiency level, the article examines the development condition of several locations and sets up an SBM model to quantify how well green finance serves the real economy. Finally, we use a random-effects panel Tobit model to look at the impact of green funding on efficiency. The full green finance index is useful for taking a macro view of the actual economy. In economically developed regions, the impact is larger and more noticeable, but in economically poor regions, the comprehensive index has a lower and less noticeable effect on the actual scale of the economy. Green finance in China has grown over the last decade, and overall, real economic efficiency has been trending upwards.

Alharbi, N. and Cavanaugh, P. (2023) In keeping with Saudi Vision 2030, this extensive literature analysis is an essential part of a doctoral dissertation and carefully analyzes how social media has affected female entrepreneurs in Saudi Arabia. Fifty seasoned female entrepreneurs working on social development initiatives will be the focus of the study, which will use purposeful sampling and semi-structured interviews. Content analysis will help the study find subtleties, overcome social barriers, and push for more awareness and strong support

systems. In order to thoroughly assess the current policies that support gender equality and entrepreneurship in line with Saudi Vision 2030, the report urges additional research.

Utanes, G.C. and Bedi, K. (2022) It looked at the CSEs of six business owners, two from Singapore, one from Indonesia, and one from the Philippines—the three Southeast Asian countries that make up Southeast Asia. People in this category were defined as those who either owned or were in charge of small to medium-sized enterprises. At times of major crises, the CSEs are organized along two crucial dimensions: managerial-tactical and strategic-leadership. By delving into other literature, they were able to inductively construct their framework. Entrepreneurial mindset, approach, and character are all part of the CSEs. The different case study method was employed. Data was collected using a five-point Likert scale survey, in-person observations of the respondents' workplaces, semi-structured interviews, and an analysis of corporate papers and artifacts.

Women are critical for Development

"The Fortune at the bottom of the Pyramid" by Professor C.K. Prahalad states that the contributions of women to development are "well-understood but poorly articulated." Women are essential all through the development process. Furthermore, they are among the first to spearhead societal shifts. For instance, Grameen Bank has been so successful because it lends exclusively to women. Most of the business owners that took advantage of the microloans were women. All of the Grameen phone "ladies" are professional businesswomen. From what we can see in the existing literature, women will be pivotal in building the new society. All of the SHGs at ICICI Bank are led by women, just like the shakti ammas at HLL. The women are business owners who must learn to save money and get loans. When it comes to CEMEX, the firm exclusively deals with female clients. Women in rural areas are vital to the milk production process for Amul, a cooperative that sells milk. Women have also risen in social rank as they are now able to receive money for milk. Changing the long-standing pattern of women's oppression and denial of possibilities is possible through access to economic independence. Despite abundant evidence, the topic of actively involving women in market growth and development leadership has received surprisingly little attention.

Micro finance

It is detrimental to progress that the public believed, based on the stories of a few successful women, that microcredit could end global poverty and improve people's quality of life. Concurrently, nevertheless, there are others who will not abide by that. Microfinance has both positive and negative impacts on people's life, and both sides have valid points. For instance, there's evidence that subsidized loans for women might have facilitated the acquisition of certain assets or met certain demands (such eliminating previous debt), but they fell short of achieving the widespread revolution that was anticipated. Genuine empowerment ultimately results from personal growth and change. It may be required to seek assistance from outside sources.

Role of Microfinance in Women Entrepreneurship

Women have more obstacles to overcome when starting a business than men do, however males also encounter same challenges. Legal hurdles, practical exterior obstacles, a lack of education, personal struggles, and negative socio-cultural attitudes are all part of the list. Regardless,

microenterprise ownership has become a means of economic survival for women, particularly these from low-income backgrounds. When it comes to micro-entrepreneurship, having access to finance and banking services is crucial. Due to a number of factors, fewer women than men have been able to utilize these services. A major concern for the last 20 years in this regard has been the availability of funding for the establishment of microenterprises. Services, both monetary and otherwise, must cater specifically to women. Women often have to rely on their own meager savings or take out loans from relatives or friends to fund investments due to a lack of access to formal financial institutions.

Micro financing and Women Entrepreneurs Business Sustainability

Microfinancing is a kind of alternative lending that primarily targets low-income individuals and does not require collateral, proof of income, or credit history. The foundation of microfinance rests on trust, with a group of five individuals serving as a form of collective pressure. The borrowers are encouraging and supporting one another as they seek to repay the loans. If one member of the group defaults on a loan, the other members will have to cover the cost, which might eat into their company budget. In an effort to assist the economically disadvantaged in establishing sustainable businesses that may generate employment opportunities, income, and wealth, Professor Mohammed Yuns devised this group financing strategy in the late 1970s. A number of nations, Malaysia included, adopted this microfinance concept after it grew into the Grameen Bank.

The idea of microfinance institutions

The economically disadvantaged are helped by microfinance institutions, which offer small-scale banking services to people who are "excluded from the formal banking sector" and other traditional financial systems. Microloans have been their specialty in fostering entrepreneurship and startup activity in developing and emerging nations, so that's where they direct their attention. Rural areas of developing countries often have the slowest or nonexistent financial system growth. Microfinance institutions provide many residents of these regions with their first opportunity to interact with the banking system and, by extension, with the capital and entrepreneurial opportunities that it offers. In an effort to end poverty in his home country of Bangladesh, Muhammad Yunus proposed the concept of microfinance organizations. He founded Grameen Bank in 1983, the first bank to completely execute this plan and engage in legal microfinance activities.

Microfinance Services

Microfinance institutions (MFIs) around the globe offer a wide range of services, both financial and otherwise, to cater to their clients' specific need. A more comprehensive set of services and more adaptable contracts are necessary for microfinance institutions (MFIs) to be successful, according to the microfinance study. The needs of the impoverished can be better met, leading to a greater effect and longer-term sustainability. More than only microcredit, microfinance encompasses a wide range of services, both financial and otherwise, such as savings accounts, insurance, consumption, loans, training, advising, and more. That is to say, microfinance can improve various financial services that aim to assist low-income people by shielding them from income volatility and other shocks and assisting them in boosting their earnings and livelihoods.

RESEARCH METHODOLOGY

The state's largest concentration of Mandalas is in the Nalgonda district. The district is bordered by the Suryapet, Rangareddy, Yadadri, and Nagarkurnool districts as well as the Telangana state line. The eleven tahsils that make up this area constitute a significant agro-economic zone. Nalgonda Administrative is in charge of this district. With the major Nalgonda range to the west and southwest, the Krishna River creates a boundary across the whole north. Growing food and cash crops is what most of the villagers' farmers are interested in doing. According to the results of this research, the region has excellent irrigation systems and arable land. So, to improve agricultural output and agro-business in rural India, research at the cropping level in villages is a great way to build a genuine village information system. Information and communication technology (ICT) proficiency levels vary greatly across urban and rural areas. For this reason, students must undergo rigorous academic and occupational preparation programs before entering the workforce. The ecosystem is primarily driven by SHGs, which typically consist of 10–15 poor rural women who pool their savings. This model promotes thrift habits, financial discipline, and collective decision-making among members. With the vast majority of SHG members being women, the programme has had a major positive impact on female empowerment.

RESULTS AND DISCUSSIONS

The study also tried to analyze the impact of SHGs on entrepreneurship of members of SHGs. In order to fulfill the various objectives of the study, data is presented in the form of tabulation. The chi-square technique has been widely used to find significant difference between regions and among opinions, wherever needed.

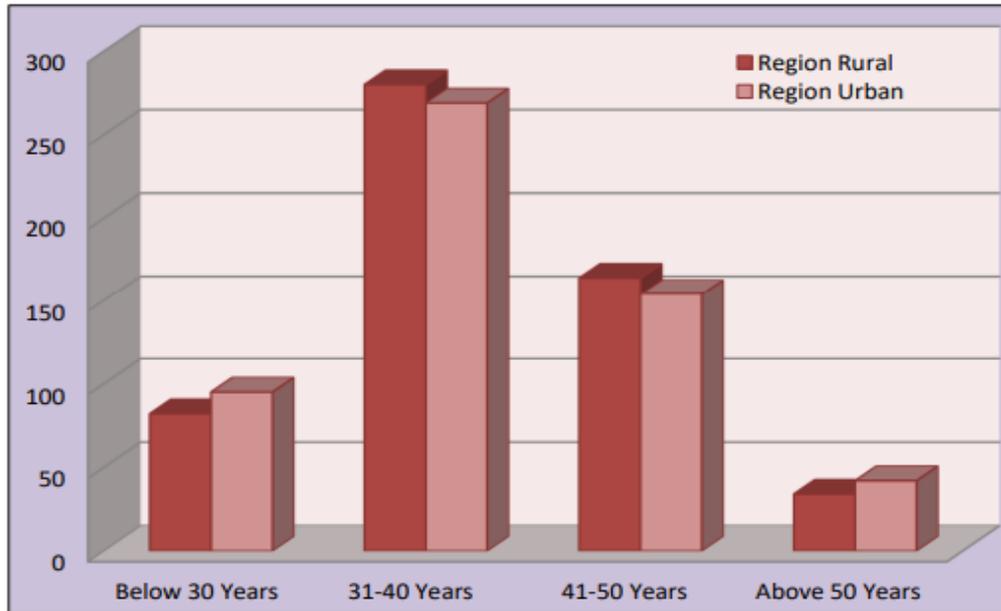
Profile of Sample Respondents

Table 1: Region and Age Wise Sample Respondents

Description		Region Numbers		Total
		Rural	Urban	
Below 30 Years	Count	82	95	177
	% within Region	14.6%	17.0%	15.8%
31-40 Years	Count	280	269	549
	% within Region	50.0%	48.0%	49.0%
41-50 Years	Count	164	154	318
	% within Region	29.3%	27.5%	28.4%
Above 50 Years	Count	34	42	76
	% within Region	6.1%	7.5%	6.8%
Total	Count	560	560	1120
	% within Region	100.0%	100.0%	100.0%

The distribution of the sample respondents by location and age is shown in Table 1. In each location, 560 people have taken the time to answer. Meanwhile, those under the age of 30 make up 15.8% of the total respondents. Nearly half of those who took the survey are between the

ages of 31 and 40. The age bracket of 41–50 years comprises 28.4% of the total responders. People older than 50 years old make up 6.8% of the total responders. As a result, most responders are between the ages of 31 and 40.



Graph 1: Region and Age Wise Sample Respondents

Table 2: Region and Education Level-Wise Distribution of Sample Respondents

Description		Region		Total
		Rural	Urban	
Illiterate	Count	288	226	514
	% within Region	51.4%	40.4%	45.9%
Lower Primary School	Count	110	130	240
	% within Region	19.6%	23.2%	21.4%
Higher Primary School	Count	97	102	199
	% within Region	17.3%	18.2%	17.8%
High School	Count	54	86	140
	% within Region	9.6%	15.4%	12.5%
Pre-University	Count	9	11	20
	% within Region	1.6%	2.0%	1.8%
Degree Level	Count	2	5	7
	% within Region	0.4%	0.9%	0.6%
Total	Count	560	560	1120
	% within Region	100.0%	100.0%	100.0%

Table 2 presents region and education level wise distribution of sample respondents. Accordingly, 45.9 percent of respondents are illiterate. At the same time, 21.4 percent of respondents have completed their lower primary schooling. 17.8 percent of respondents have completed their higher primary schooling. 12.5 percent of respondents have completed their high school education. 1.8 percent of respondents have completed their Pre university education. Only 0.6 percent of respondents have completed their degree education. Therefore, majority of respondents are illiterate and have very low level of education.

CONCLUSIONS

This study attempts to assess the impact of SHG microfinance activities in the Nalgonda District and their impact on the lives of SHG members. Analysis of the socio-economic development of SHG members and SHG results in Nalgonda District shows that the number of female members is increasing. However, this does not apply to self-help groups for men. Women's participation in the SHG movement has shown their inner strength to improve/gain self-confidence. It expanded social, economic, political, and psychological opportunities and led to empowerment. The achievements mentioned are just examples of inspiring others. Unfortunately, almost 90% of male support groups fail. Nalgonda DCC Bank also operates the JLGs. Again, only 30% of JLG employees succeed, and the rest fall again. NABARD, banks, and governments can develop strategies for the poor. The new millennium has raised a lot of questions. As a result, many countries are undergoing change, which means that our nation faces new challenges related to socio-economic development. More importantly, there is no other way to empower women through self-help groups. Powers here refer to social, economic, and political power; in this sense, women are essential. Empowerment will accelerate the pace of development. Women's empowerment in the SHG movement is indeed a sensible investment. In this way, the team becomes the basis for the performance and change that creates the members' confidence.

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