

The Microfinance Institutions – an Alternative to Improve Women Quality Life in South India Rural Environment

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Summary: During last decades we are attending at globalization process that it is affecting in a direct way to the financial traditional system and indirect way to others alternative systems as microcredit programs.

The globalization has showed these microfinance programs with important success in some undeveloped countries, for example the Grameen Bank (Bangladesh).

The target of this work is to analyze, first, the growth and evolution of the organizations (NGO) dedicate to the microfinance in India, considering the important increase of these in the last years. On the other hand, the impact of these programs on the quality of life of his borrowing ones. The methodology used in this study consist in a batteries of surveys realized directly to the borrowers in some south India rural zones.

With our analysis we pretend to demonstrate the impact of the microcredit in this regions thought it is local or regional, we can see that an improvement exist in the quality of life and confidence of the borrowers who take part in them.

Key words: Microfinance, Microcredits, India.

JEL: G21.

1. Introduction

One out of every five people in the world (more than one billion people) still survive on less than 1\$ a day, a level of poverty so abject that it threatens survival. Another 1.5 billion people live on 1-2\$ a day. More than 40 % of the world's population constitutes, in effect, a global underclass, faced daily with the reality or the threat of extreme poverty (Human Development Report, 2005).

The more than one billion people on this planet who live in extreme poverty, especially the women, bear a hugely disproportionate burden of the world's sickness, poor health and inequality (Human Development Report, 2005).

In this context, micro-credits can perform a role to relieve poverty and social inequality into

many developing countries. This instrument is directed to the poorest and most vulnerable people, whom usually are women living in rural environments. From that, it follows the importance of this essay and the analysis of the impact of microfinance schemes on the life quality and empowering of women in the rural environment of South India.

Micro-credit means offering very small loans to poor people usually women, to help them grow their small-scale businesses or to start up new ones. After micro-credit, institutions had come to realize, in the 1990s, that the poor needed a broader range of financial products (not just credit); micro-credit became "microfinance", expanding to include savings and other financial products, such as insurance.

The micro-credit is born with the idea of improving life conditions and the ability to generate wealth, that is to say, to reduce poverty levels in the world, for that reason, it is fundamental, that everybody has access to financial resources. Furthermore, the poor world needs special counsel and assistance (Hicks, 1965).

The microfinance is, in the financial mediation at a local level, where are included not only credits but also savings, deposits and other financial services (Garzón, 1996), a local procedure, based in local institutions that pool local resources to reallocate them locally.

Robinson (Robinson, 2001) distinguishes two approaches to microfinance: the poverty lending approach and the financial system approach. The two opposing views are: credit for target group and pushing the financial frontier.

Credit for target group is the oldest view and can be summarized as follows: A specified group of people lacks the capital to undertake certain enterprises that would lead to development.

The group of people and their enterprises can be specified to a greater or lesser degree: small farmers, fishermen, market woman or small-scale entrepreneurs (Moll, 2005).

The view on pushing the financial frontier, developed in the 1970s to the 1990s from an increasing understanding of the financial capabilities of low-income rural households and the existing formal and informal financial institutions in rural financial markets (Moll, 2005).

According to the State of the Micro-credit Summit Campaign (Report, 2006) as of 31 December 2005 there were 3,133 institutions devoted to micro-credits at an international level with 113,261,390 clients, of which 81,949,036 were among the poorest before receiving those small credits.

In the Micro-credit Summit of 2006 (State of the Micro-credit Summit Campaign Report 2006) were established some barriers or difficulties that those programs should confront:

1. Serving to the poorest.
2. Forming financial self-sufficient institutions.
3. Serving to inspire confidence in women (empowering)
4. Ensuring a positive and quantifiable impact on the lives of clients and their families.

In this essay, we have focused in the two last barriers exposed during the Micro-credit Summit. On one hand, the ability the micro-credits have to inspire confidence in the borrowers. On the other hand, the impact the micro-credits have on the life quality of the borrowers and their families.

Most of the studies (Pitt and Khandker, 1996, Mustafa et al. 1996; Hashemi et al, 1996, Chen and Dunn, 1996, Dunn and Arbuckle, 2001, Coleman, 1999) used quasi-experimental design

(treatment group, control group) to estimate the effect of micro-credit.

The issue of the credit fungibility is a critical problem in precisely determining the impact of credit (Adam et al, 1984, David and Meyer, 1983). This arises from inability to separate out the uses of micro-credit and other funds between households and enterprise (Baqui Khalily, 2004).

Other problems arise when applying the theoretic models to the study of poverty impact: a) the assumptions underlying the models, and b) the relative weight of costs and benefits (Marr, 2002).

Therefore and even though, it is difficult to assess the impact of micro-credits at a macroeconomics level; we can ascertain that there is a positive economic impact on the family economy. Furthermore, the effects of micro-credits on the Southern countries should not only be measured in economic terms, but also in the increase of self-esteem within the community, the strengthening of the female population and the establishment of more egalitarian relationships

There are different points of view when studying the micro-credits impact, among which should be highlighted; a female outlook or women empowerment, an economic outlook and, finally, an anthropological outlook (Baqui Khalily, 2004).

2. Microfinance program for poverty alleviation in India

2.1 Financial situation versus human development in India

India is populated by 1,136 million people, of which 74.27 % inhabit in rural areas and the remaining live 25.73 % in urban areas. The total number of illiterates in this country comes to 359,284,417, of which 64.13 % are represented by men, while 39.29 % are women (Census Bureau of India, 2006).

The human development level in India, taking values such as life expectancy, illiteracy and primary and secondary education, ranks at the bottom of the countries list with number 126 (Report of UNDP, 2005).

Table 1: India's human development index 2004

HDI value	Life expectancy at birth (years)	Adult literacy rate (% ages 15 and older)	Combined primary, secondary and tertiary gross enrolment ratio (%)	GDP per capita (PPP US\$)
1. Norway	1. Japan	1. Georgia	1. Australia	1. Luxembourg
124. Gabon	119. Comoros	105. Rwanda	125. Syrian Arab Republic	112. Syrian Arab Republic
125. Namibia	120. Guyana	106. Malawi	126. Cameroon	113. Indonesia
126. India	121. India	107. India	127. India	114. India
127. São Tomé and Príncipe	122. Kazakhstan	108. Sudan	128. Lao People's Dem. Rep.	115. Vanuatu
128. Solomon Islands	123. Pakistan	109. Burundi	129. Cambodia	116. Honduras
177. Niger	177. Swaziland	128. Mali	172. Niger	172. Sierra Leone

Source: Human Development Report, 2006.

In spite of the increase in high technology exports, the emerging middle-class consumers and the fact that the country has become interesting for investors, the situation, as far as human development goes, is not as spectacular as the achievements at a global integration level.

One of the limits India has to face regarding human development is measured by infant & child mortality. Every year, more than 10 millions children die before reaching their fifth year of life; that is to say, in India die 2.5 millions per year. This data reveals that one out of every five children who die in the world comes from India (UNDP report, 2005).

Consequently, one of the greater challenges this country is confronted to is improving its human development level, particularly, the generalized gender inequalities, the rural poverty and the inequalities among the different states or regions, which are undermining the potential to turn growth into human development (UNDP Report, 2005).

The rural poverty has decreased rapidly in some states, like Gujerat and Tamil Nadu, although similar results have also been attained in Northern states.

To this, it should be added the difficulties in the rural environment: the worsening in rural unemployment, the annual agricultural production increase is less than 2 %, the agricultural wages are at a standstill and the growth almost does not imply generation of more jobs in rural areas.

Current situation of the main institutions devoted to microfinance in India.

In India's case, all the major categories of banks, commercial banks, cooperative banks and

regional rural banks are participating in delivering micro finance services in India (Dadhich, 2007).

In all, three distinct lineage models are being followed. Under Model I, banks provide micro finance to non-governmental organizations (NGOs) for on lending to SHGs (self-help groups) and ultimately to micro entrepreneurs. Under Model II, the banks provide direct financing directly to SHGs for on lending to micro entrepreneurs. Under Model III banks finance directly SHBs for on lending to micro entrepreneurs, with the intervention of NGOs as social mobilizers and facilitators (Dadhich, 2007).

In 1999, about 0.56 million families, engaged in micro enterprises, were financed under the scheme through 33,000 SHG.

In this context, 64 % of the micro-credits granted are carried out through Regional Rural Banks, another 19 % are granted through commercial Banks, while the remaining 17 % are granted through cooperative banks (NABARD, 2007).

The number of borrowers in microfinance programs in India has increased from 200,000, in year 1996, to 17,500,000, in year 2006. With regard to the amount destined to microfinance it has varied from 4,000,000 \$, in year 1996, to 1,300,000,000 \$, in year 2006.

We shall analyse the characteristics of the main organizations working with microfinance programs in South India, among which should be highlighted: Sanghamithra (promoted by MYRADA), NARBARD or the organizations created under the shield of the Grameen Foundation.

1. Sanghamithra Rural Financial Services (Sanghamithra) was promoted by MYRADA, an organization working for rural development in South India. MYRADA was one of the early

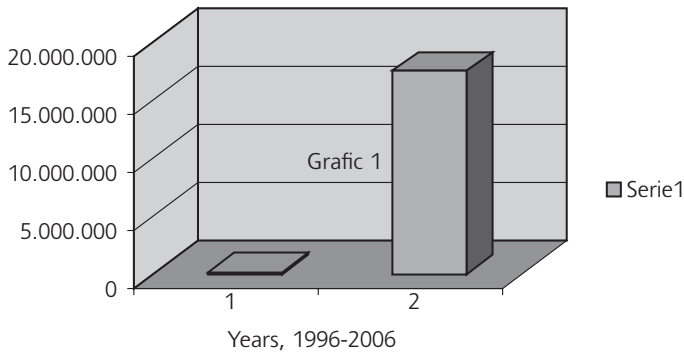


Figure 1. Number of People getting Loans in India

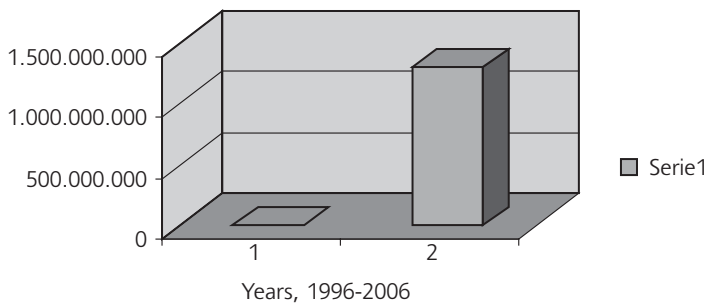


Figure 2. Total Value of Loans Granted in India
Source: www.data360.org.

innovators of the concept of self-help group (SHG). This concept emerged in 1984-85, when MYRADA found that the banking system was not able to meet the needs of the poor. The SHGs in turn were also very responsive and flexible to the needs of the members. While MYRADA did not believe in directly intervening in the credit market for the poor, they believed that the strategy had to go one-step further "banking with the poor". Most of MYRADA's efforts were in working with existing institutions like NABARD and conducting workshops for bankers on understanding and dealing with SHGs. Nowadays, Sanghamithra includes provision of savings services so that the SHGs find a safe outlet to deposit their savings. Under the current regulation Sanghamithra is

prohibited from taking group savings. The SHG model is built on the foundation of regular meetings, with savings providing a purpose for the meetings (Sriram, 2004).

NABARD completed 25 years of its eventful and trailblazing existence on 12 July 2007. Established in 1982, by an Act of Parliament, NABARD's mandate was to provide focused and undivided attention to the development of rural India by facilitating credit flow for the promotion of agriculture and rural non-farm sector. To put it clearly, its mission statement underscores NABARD's goal to "promote sustainable and equitable agriculture and rural prosperity through effective credit support,

related services, institution development and other innovative initiatives”.

2. NABARD’s functions could be classified into four major categories namely: Credit Planning, Financial Services, Promotion and Development, and Supervision. Under Credit Planning NABARD prepares annually a Potential Linked Credit Plan (PLP) for each district of the country, assessing the potential available in the agriculture and rural sectors. This serves as a guide for banks and Government agencies to prepare their own investment and credit plans in that district or state. Under its financial services, it refinances commercial, co-operative and regional rural banks for on lending to farm and non-farm activities. This includes farm activities like; minor irrigation, animal husbandry, farm mechanization, forestry, fisheries, land development, horticulture, plantation and medicinal crops and non-farm like; rural industries, artisans, handicrafts, handlooms, rural housing, rural tourism and agro processing. Refinance is provided by NABARD for both long-term investment credit, as well as short-term production credits, for crop loans and working capital for non-farm activities. A nationwide network of 28 regional offices at the state capitals, a sub-office at Port Blair and 391 district development offices are at hand to cope with this awesome task.

Below we are going to analyze the organizations created under the protection of the Grameen

Foundation, which are: Evangelical Social Action Forum, Grameen Koota, SHARE and Swayam Drishi Sagam.

3. Evangelical Social Action Forum (ESAF) is a registered charitable society located in Kerala, in southern India. Its 55 branches extend into four other states: Maharashtra, Gujarat, Jharkhand, and Chattisgarh. In addition to microfinance, they provide a range of services, to their members, including skills-building, business development services, and market linkages.

After the 2004 tsunami, three branches were opened: one in Alleppey (Kerala state), and two in Kanyakumari (Tamil Nadu state). A central office has also been established in Kanyakumari to oversee the three branches. Between December 2004 and March 2005, ESAF engaged in relief work. They then transitioned into livelihood restoration, providing boats, catamarans, and house repair and construction. In the fall of 2005, ESAF’s tsunami programs transitioned again into providing microfinance in the affected areas.

Table 2. Status snapshot as of June 2007

Active clients	188,268
Loan portfolio (USD)	\$14,274,289
Portfolio At Risk > 30 days*	1.6 %
* Value of all loans outstanding that have one or more instalments past due more than 30 days	

Table 3. Status snapshot as of June 2007

Active clients	110,951
Loan portfolio (USD)	\$12,003,159

4. Grameen Koota was established in 1999 with the help of seed capital funding from the Grameen Trust. Grameen Koota's mission is to help poor women in rural areas and urban slums through micro-credit, to deliver constantly need-based financial services in a cost-effective manner, and to become financially a sustainable microfinance institution for the poor.

Operating in Bangalore, which ranked as the 13th poorest of Karnataka's 20 districts, Grameen Koota serves an area where an estimated 38 percent of the district's 1.7 million people, live below the poverty line. The microfinance program is also integrated with other social development programs including health, family planning, sanitation, literacy, nutrition, income generation skills, and enterprise development.

5. SHARE Microfin Limited was established in 1991 by its Founder, Chairman and Managing Director M.Udaia Kumar, SHARE Microfin Limited is based in Andhra Pradesh, India. SHARE extends small loans to the poorest women in rural areas for income-generating self-employment projects, allowing them to take care of themselves and their families. Its programs include extending loans, training, and advisory services. Grameen Foundation has been providing funding and technical expertise to SHARE since 2000.

In addition to providing microfinance services to its clients, using Grameen Bank methodology, SHARE also provides awareness in areas such as child education, health, nutrition, non-formal education, adult literacy and sanitation.

4. Swayam Krishi Sangam (SKS) Microfinance began providing micro loans in June 1998. Founded in 1997 by Dr. Vikram Akula, the incumbent chairman and CEO, SKS Microfinance's mission is to "empower communities to become self-reliant by providing financial services in a sustainable manner." SKS is working in the Medak District of the Telangana region of Andhra Pradesh, India and currently is present in 11 Indian states. In addition to providing financial services, SKS also operates an education and nutrition program for underprivileged preschoolers and a sustainable agriculture project. SKS Microfinance also launched what is known as the "Jump Start" preschool program in an effort to provide comprehensive education, health, and nutrition services to underprivileged preschool children. SKS Microfinance spun-off its microfinance activities in 2005 and set up a non-banking finance company named SKS Microfinance Limited to provide financial services to the poor. The other community development activities are planned to continue under SKS Microfinance.

Table 4. Status snapshot as of June 2007

Active clients	914,561
Loan portfolio (USD)	\$100,700,353
Portfolio At Risk > 30 days*	4.6 %
* Value of all loans outstanding that have one or more instalments past due more than 30 days	

Table 5. Status snapshot as of June 2007

Active clients	764,973
Loan portfolio (USD)	\$82,194,429
Portfolio At Risk > 30 days*	0.2 %
* Value of all loans outstanding that have one or more instalments past due more than 30 days.	

4. Targets and working methodology

In this essay we have focused in the case of micro finance programs being developed in the rural South India, considering that the rural areas is where the most vulnerable and poor population can be found. This population is quite cut off from the traditional or formal financial system, since most commercial banks settle in urban areas. Therefore, the rural world is kept out of the traditional financing system, which does not mean that they do not resort to alternative or informal financing systems, with excessive interest rates, in most cases, which ends up preventing the borrowers to have any benefit after repaying their loans together with the respective interests. For that reason, a great part of the institutions devoted for years to micro finance like in the case of Grameen Bank in Bangladesh, have managed to bring closer the finance to the rural population, where, in general terms, the conventional banks are not interested in reaching.

The most obvious difference between rural and urban microfinance is that the dominant economic enterprise in rural areas is agriculture, with known seasonality and unpredictable climatic conditions. Additionally, in many rural areas the population is widely dispersed, which means high transaction cost for clients and possibly low volumes of services per microfinance location (Moll, 2005)

The objective of this essay is to analyse on one hand, the women empowerment in the rural areas of South India, and, on the other hand, to study the micro-credits impact on the life quality of those women and their families (husbands, sons and daughters).

The hypothesis of departure in this essay is that: women receiving a micro-credit manage to increase their confidence level, i.e., their empowerment with regard to their families and society.

To contrast this hypothesis we will analyze such variables as: educational level of the women receiving micro-credits, the percentage of their earnings allocated to their children's schooling, their decision-making power on household chores and expenses, or the role of their micro enterprise within their family.

The methodology used in this analysis is surveys carried out on women borrowers of some micro finance program developed in South India or in the Karnataka, Andhra Pradesh and Tamil Nadu regions.

We have tried to conduct over 100 surveys but only we have obtained answer from 55 borrowers of four microcredit institution analysed. The women were chosen randomly and we have surveyed women from different age brackets.

The surveys were conducted directly on the borrowers during a time period comprised between July and August of 2007.

To analyse the surveys data we have used the SPSS software, version 14.

5. Outcome of the fieldwork

According to the data obtained from the surveys, the average amount granted in the form of micro-credit is 68.9 \$, even though, the lent quantity uses to vary based in factors such as: micro enterprise type, machinery or tools needed by that enterprise or life conditions of the borrowers, etc.

According to the data, 56.4 % of the surveyed women have not finished their primary studies and find difficulties for reading or writing. While a 41 % has finished their primary studies but have not done secondary studies. The remaining 2.6 % never has attended school and answered that did not know how to read or write.

A 56.4 % of the surveyed women are between 27 and 37 years old. A 41 % of them are between 16-26 years old. The percentage of the surveyed women older than 38 years is relatively low, representing a 2.6 %. The age of the women applying for a micro-credit varies perceptibly and we cannot establish any

limit or rule to this respect. However, we have extracted this data because we can use it to establish relationships with other variables like for instance the educational level.

An 87.2 % of the surveyed women are married, faced to a 2.6 % that are single and a 10.3 %,

Table 6. Statistics How much money do you earn with your business?

No.	Valid	39
	Lost	0
Average		\$68.97
Median		\$50.00
Mode		\$40(a)

a – Since there are several modes, the lowest value will be shown.

Table 7. Surveyed women's ages

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	16-26 years-old	16	41.0	41.0	41.0
	27-37 years-old	22	56.4	56.4	97.4
	38-48 years-old	1	2.6	2.6	100.0
	Total	39	100.0	100.0	

Table 8. Marital Status

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Married	34	87.2	87.2	87.2
	Single	1	2.6	2.6	89.7
	Widow	4	10.3	10.3	100.0
	Total	39	100.0	100.0	

Table 9. How much money did you spend in school before micro?

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid		4	10.3	10.3	10.3
	Less than 5 % salary	16	41.0	41.0	51.3
	I don't know	19	48.7	48.7	100.0
	Total	39	100.0	100.0	

Table 10. How much money do you spend in school after micro?

		Frequency	Percentage	Valid Percentage	Cumulative percentage
Valid		6	15.4	15.4	15.4
	Less than 5 % salary	20	51.3	51.3	66.7
	10 % salary	12	30.8	30.8	97.4
	5	1	2.6	2.6	100.0
	Total	39	100.0	100.0	

which are widows. The number of married women in the case of microfinance schemes is high for cultural reasons, given that in India women traditionally marry at an early age. Although is also related with the age of our surveyed women, which range from 16 to 36 years old, in most cases.

The target of our study is to analyse the women’s empowerment and the improvement in life quality for her and her relatives when they secure a micro-credit. We have attempted to

quantify through intervals the salaries percentage devoted to their children’s schooling (including registration fees, uniforms and rest of materials required for education) before and after obtaining a micro-credit. Before obtaining the micro-credit, 41 % of the borrowers devoted less than 5 % of their wages. It has to be taken into account that a relatively high number of borrowers did not answer this question.

Before obtaining a micro-credit, the data reveal that 41 % of the surveyed women

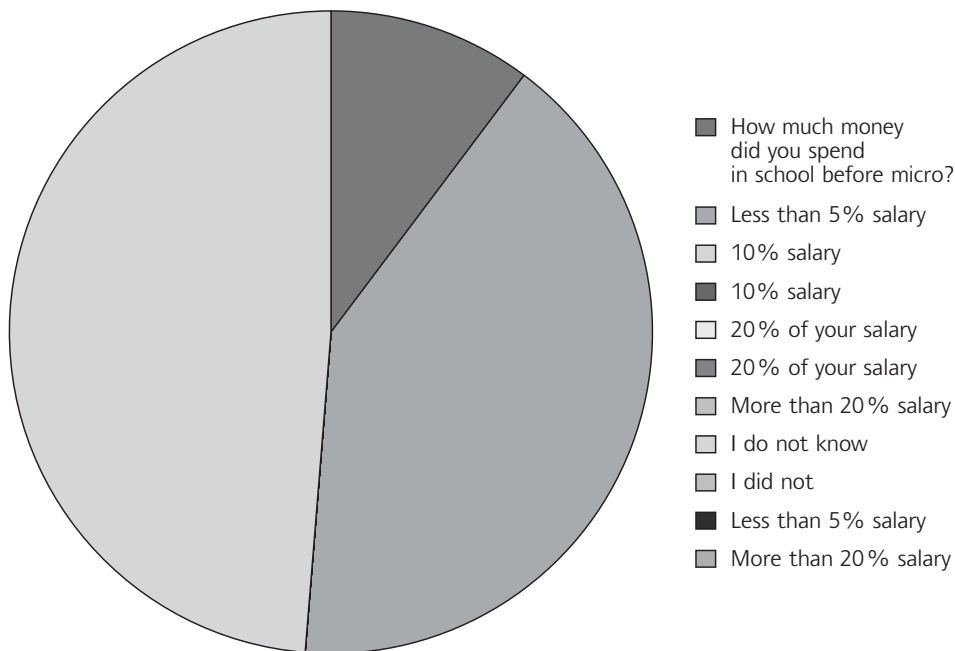


Figure 3. How mucho money do you spend in school before micro?

devoted less than a 5 % of their salaries to their children’s schooling, whereas 30.8 % of the borrowers devoted at least 10 % of their salaries to their education after obtaining the loan. Therefore, we can say that the borrowers devoted a larger percentage of their salaries after applying for the micro-credit. This increase in the percentage devoted to the education of their children may be motivated by the requirements of the organizations devoted to micro finance, since, in most cases, they use to recommend and even to require that the borrower’s children be enrolled in school.

None of the surveyed women had received previously a credit, even if in some cases, their husbands had received an informal financing, either through their neighbours or through their relatives. A 54.3 % of the borrowers’ husbands had applied for a credit previously, against a 46.2 % that had never applied

for it. While some husbands had been able to enter into the informal financial system, the women had never had access to it. This data is significant because before obtaining the micro-credit these women were out of both, the formal and the informal financial system.

In more than 50 % of the cases, the husbands work in the micro enterprises created as a result of the micro-credits. While in 28 % of the cases are the children who work with their mothers in their companies. Only an 18 % of the surveyed women answered that they were working alone. The money from microfinance helps to create small companies in which participate actively, a great part of their families and this creates confidence (empowers) in women since the companies have been created thanks to the micro-credits they have been able to raise by themselves.

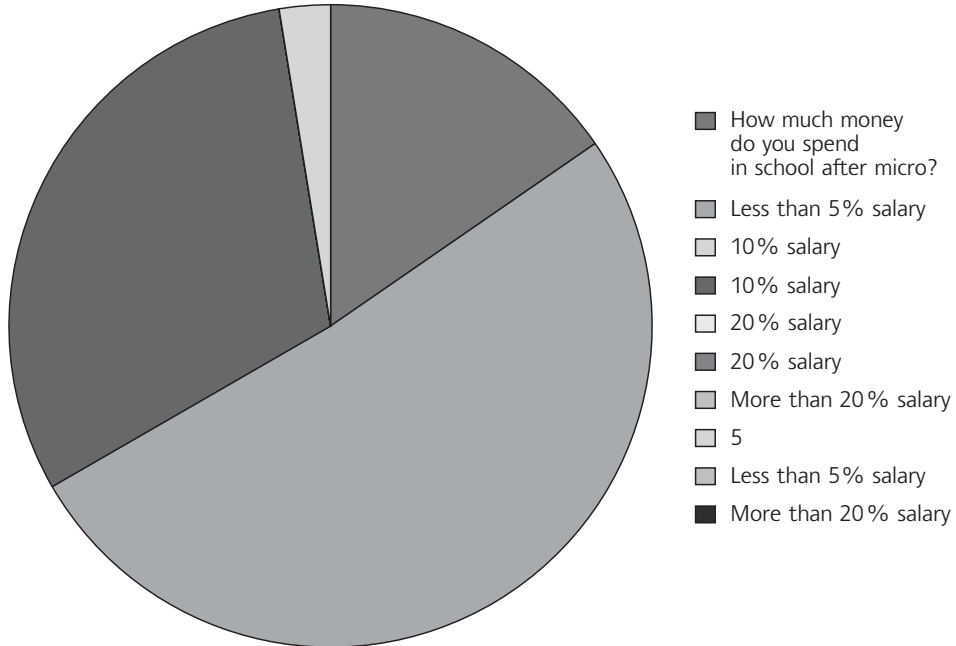


Figure 4. How mucho money do you spend in school after micro?

Table 11. First micro-credit?

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Yes, from relatives or family	15	38.5	38.5	38.5
	Yes, from a neighbour	6	15.4	15.4	53.8
	No	18	46.2	46.2	100.0
	Total	39	100.0	100.0	

To check the empowerment degree of the women that had applied for a micro-credit we pretended to find out the involvement degree of women in the decision-making on their household expenditure or if on the contrary, they continued leaving these questions in the hands of their husbands. A 35.9 % of the borrowers always ask their husbands with regard to this kind of expenditure, whereas a 43.6 % of them consult their husbands sometimes. In very few

cases (15.4 %), the women do not consult their husbands on decisions related to household expenditure. Furthermore, this last data must be handled with care because the negative answers were supplied by widows, therefore, is not a significant data.

An 89.7 % of the borrowers keep savings in the same organizations were they obtained their micro-credit, and value positively this

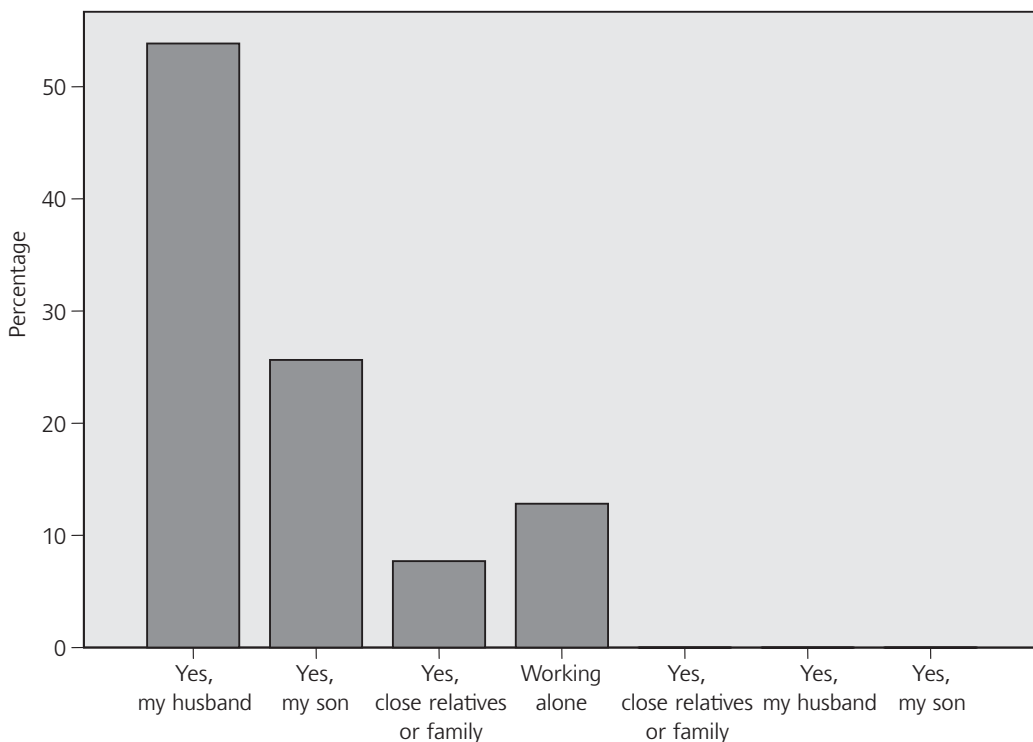


Figure 5. Is your husband or any relative working with you?

Table 12. Do you have to ask your husband about household?

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid		2	5.1	5.1	5.1
	Yes, always	14	35.9	35.9	41.0
	Yes, sometimes	17	43.6	43.6	84.6
	No	6	15.4	15.4	100.0
	Total	39	100.0	100.0	

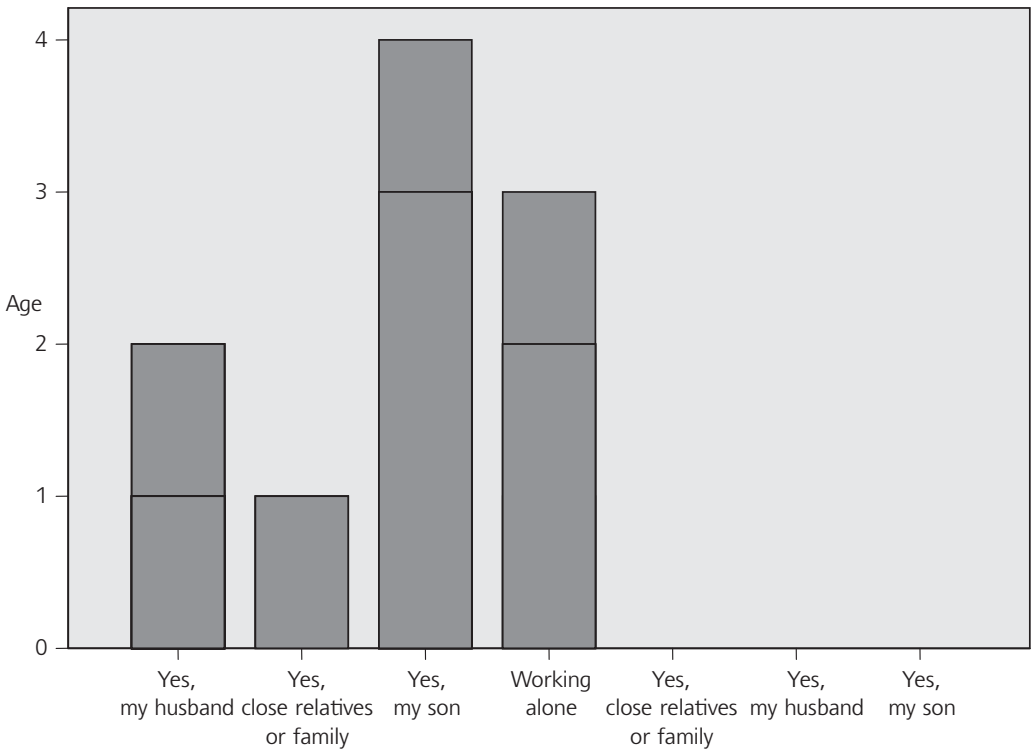


Figure 6. Is your husband or any relative working with you?

Table 13. Have you savings in the organization?

		Frequency	Percentage	Valid Percentage	Cumulative Percentage
Valid	Yes	35	89.7	89.7	89.7
	No	4	10.3	10.3	100.0
	Total	39	100.0	100.0	

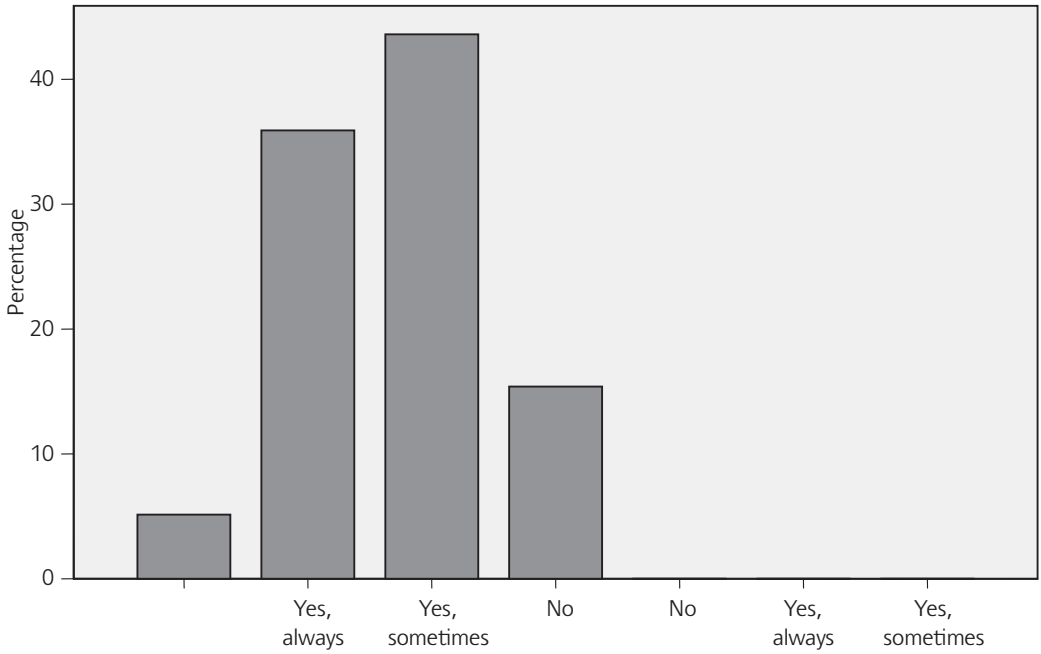


Figure 7. Do you have to ask your husband about household?

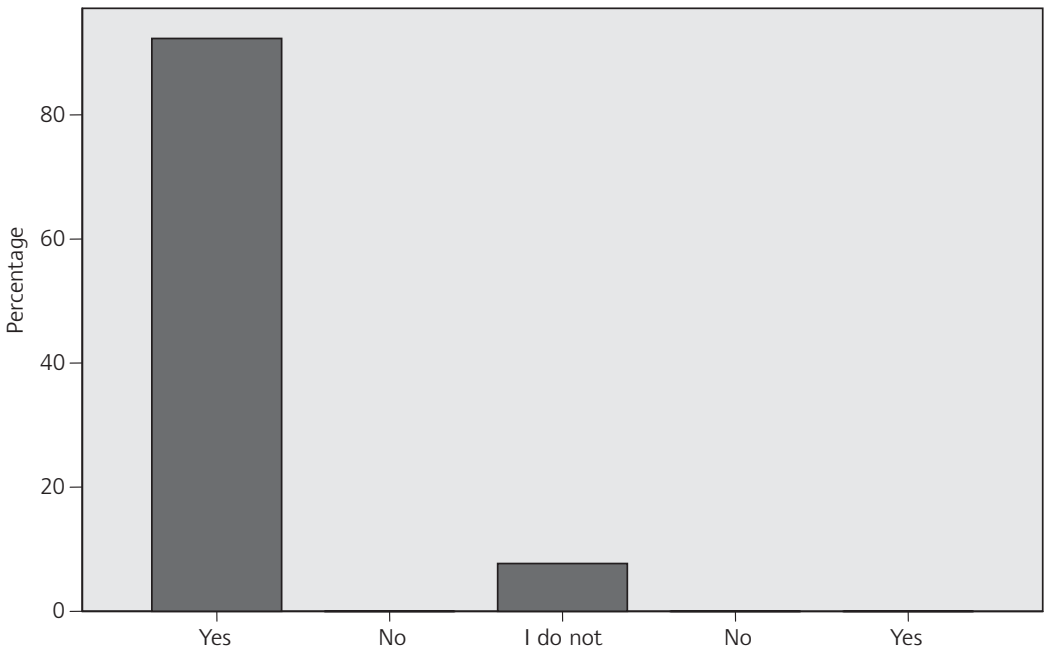


Figure 8. Will you ask for another micro credit in the future?

fact, because their savings provide them with greater independency and security. Those savings use to be allocated to their children's schooling or simply, they serve to have greater security when confronted to future adversities.

The women's perception of microfinance programs is relatively positive, to such an extent that 86 % of them would reapply again for a micro-credit, and not once did any borrower answer that she would not reapply in the future. This system is helping to improve the life quality of women and their families, to this it should be added the increase in confidence as well as, the recognition they obtain in the bosom of their family and the village where they live.

Conclusions

In this study, we have attempted to analyze the current situation of the borrower women receiving micro-credits in rural South India. We have chosen India because is a country where there are significant gender inequalities, rural poverty and inequalities among the different states, which altogether are undermining the potential to reach a higher human development level (UNDP report; 2005).

Furthermore, in India has increased the number of micro finance borrowers in the last past years from 200,000, in year 1996, to 17,500,000 in year 2006.

We pretended to find out if life quality of the borrowing women and their families had improved as a consequence of the micro-credit. And we have centred ourselves in the rural environment given the difficulties this population must confront like for instance: the fall in rural employment, an agricultural production increasing less than a 2 % annually, and stagnant agricultural wages (Report UNDP, 2005).

To check our departing hypothesis we have carried out direct surveys on a group of women who applied for a micro-credit in several organizations operating in South India.

The percentage of husbands of the borrowing women who had applied and obtained financing anytime amounts to 54.3 %. Nevertheless, a 100 % of the women never had received financing before obtaining the micro-credit. Therefore, we can say that with micro-credits the women are achieving an increased confidence and a greater social recognition at owning money.

A 78 % of the surveyed women employ their children, husbands or close relatives. This may help to provide a greater empowerment to those women because not only they raise a credit, which usually is in their own name, but also they create their own enterprise and are able to generate employment for themselves and their families.

The organizations devoted to microfinance in South India use to recommend or even to request from the micro-credit borrowers to keep a certain amount of money in the form of savings. For that reason, the percentage of surveyed women holding savings in micro finance organizations amounts to 89.7 %. For these women to have some savings means a greater security and independency. Usually, they allocate those savings to the future education of their children or to help them to achieve certain economic independency, so they can tackle future unforeseen contingencies.

The percentage of surveyed women consulting only sometimes their husbands on household expenditures represents a 43.6 %. This percentage is high due to the fact that the men in India's rural environment hold a significant role both inside and outside his household. Although the women are

achieving a greater economic independency thanks to micro-credits, they still have a long way to go.

The value that those women place on microfinance programs is very positive; an 86 % of them are considering applying for a new micro-credit. They believe their lives have improved perceptibly thanks to microfinance, and they also believe that without the micro-credit is unlikely that they would have a small enterprise, continue to provide education for their children or even have their own savings.

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