MICROFINANCE, WOMEN EMPOWERMENT, BENEFITS AND SOCIAL CAPITAL FORMATION – A STUDY WITH REFERENCE TO URBAN BENGALURU

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Abstract

Purpose : The main purpose of the present study is to know how far socio economic characteristics impact on micro finance initiatives, and to know about the benefits derived from the microfinance initiatives, factors driving social capital formation and women empowerment. Since independence poverty alleviation programmes through government sponsored schemes could not yield the expected result and in many cases the activities of welfare could not trickle down to the needy who are living in urban centres. Urban poor like rural poor also requires finance for the self consumption and involvement in income generating activities. Microfinance initiatives across the globe are popular as far as poverty alleviation, women empowerment and social capital formation. Bengaluru experienced rapid urbanisation due to increase in urban population from 12 million in 2020 to 12.7 in 2021. (http://www.microtredns.net>citation). Micro finance programmes emerged as a powerful tool of poverty alleviation since the last three decades and several studies have examined its economic influence on the community well being (Asghar Tahamasehi et al, 2021).

Methodology / Design : Questionnaires containing known questions which are open ended in nature are administered as schedule after considering avoiding non-response, delay and incompleteness in addition to respecting social distance norms. A total of 230 questionnaires in the hand and out of which 200 found to be useful forming 86.95 success rate. Chi-square, contingency co-efficient, Kendall's co-efficient of concordance, and weighted arithmetic mean were performed for the purpose of analysis and presentation of data.

Key words : Poverty alleviation, savings, women empowerment, money lenders, living standards, education, awareness.

Introduction :

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Self Help Groups - Bank Linkage Programme (SHG – BLP) is a unique model at the global level which has transformed innumerable lives by mainstreaming women and making them as partners in the national building, progress process. It is emerging as a 'fast growing sector' although it is under represented (NABARD, 2020). Micro finance in India plays an important role in the delivery credit to the people of bottom of pyramid (RBI Bulletin 2020). Economists and policy framers stress on the distribution of economic savings among the poor people and deserved which empowers the masses at gross root level (Dadhich, 2022: Ravi et al, 2005, Sarangi 2008). It has been accepted as successful model where the poor have no place in the formal institutions (Swathi Sharma, 2018). Innumerable studies in the past like Kabeer (2005), Mayoux (2001), Otero, M. (1989), Pitt & Khandker (1996), Rahman (1988) found that microfinance is a good strategy to alleviate poverty, empower women and augmenting economic development.

SHGs influenced SHG members both social and economic life. The economic impact is observed in the form of savings created, easy access to formal credit, cheaper interest rates and enhanced income and involvement in livelihood activities. The similar opinions also expressed by Barbora & Mohanta (2005), Rathinam & Nachimuthu (2012), Meetei (2011) and, Sarmah et al., (2010). The social impact created by microfinance covers building of self confidence, enhanced awareness about savings and attaining economic self influency and health issues (Premachandra et al., 2017, Rathinam Nachimuthu, 2010). By becoming members in SHGs the members can increase participation in social services and promote organised action, acquisition of new skills and improved technological change among the members. In a similar study scholars like Boga and Nakka (2005) reported that the household level, expenditures on food and clothing among poor households go up after joining SHGs in addition to enhanced awareness on health and related issues. SHGs provide a platform for the promotion of activities in groups and the promotion of infrastructure facilities, technology, credit and marketing support for women (Sethi and Atibudhi, 2001, Barbara & Mohonta, 2001 & Sharma 2001)

States of microfinance in India

Table 1: Progress under SHG-Bank Linkage Programme (2018-19 to 2020-21)

(Number in lakh / Rs. in crore)

Particulars	2018-19		2019-20		2020-21	
	SHGs	Amount	SHGs	Amount	SHGs	Amount
SHG Savings with Banks as on 31 March 2021						
Total SHG Nos.	100.14	23324.48	102.43	26152.05	112.23	37477.61
	(14.52%)	(19.05%)	(2.29%)	(12.12%)	(9.57%)	(43.31%)
All women SHGs	85.31	20473.55	88.32	23320.55	97.25	32686.08
	(15.44%)	(17.01%)	(3.53%)	(13.91%)	(10.11%)	(40.16%)
Percentage of Women	85.19	87.78	86.22	89.17	86.65	87.21
Of which NRLM/SGSY	55.81	12867.18	57.89	14312.7	64.78	19353.7
	(33.37%)	(23.32%)	(3.75%)	(11.23%)	(11.9%)	(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 1614.42   4.69 1523.57   5.29 1954.09
                             (3.29%) (19.52%) (6.83%)(-5.63%)(12.79%)(28.26%)
% of NULM/SJSRY Groups to Total   4.38   6.92   4.58   5.83   4.715.21

Loans Disbursed to SHGs during the year

Total No. of SHGs extended loans26.9858317.6331.4677659.35   28.8758070.68
                             (19.33%)(23.59%)(16.60%)(33.17%)(-8.23%)(-25.22%)
All women SHGs   23.6553254.04   28.8473297.56   25.954423.13
                             (13.98%)(19.51%)(21.95%)(37.64%)(-10.19%)(-25.75%)
Percentage of Women Groups 87.66   91.32   91.67   94.38   89.71   93.72
Of which NRLM/SGSY   16.4933398.93   20.4952183.73   15.8429643.04
                             (29.84%)(33.30%)(24.26%)(56.24%)(-22.69%) (-43.19%)
% of NRLM/SGSY Groups to Total61.1257.27 65.13   67.20   54.87   51.05
Of which NULM/SJSRY   1.29 3419.58   1.59 3406.22   1.13 2112.04
                             (21.70%)(41.07%)(23.26%)(-0.39%)(-28.93%)(-37.99%)
% of NULM/SJSRY Groups to Total   4.78   5.86   5.05   4.39   3.913.63

Loans Outstanding against SHGs as on 31 March 2021

Total No. of SHGs linked   50.7787098.15   56.77108075.07   57.8 103289.71
                             (1.14%)(15.21%)(11.82%)(24.08%) (1.81%)(-4.43%)
No. of all Women SHGs linked44.6179231.98   51.12100620.71 53.11 96596.6
                             (-1.93%)(12.54%)(14.59%)(27.00%) (3.89%)   (-4%)
Percentage of Women SHGs   87.87   90.97   90.05   93.10   91.89   93.52
Of which NRLM/SGSY   32.8554320.91   36.8967717.07   33.7857336.62
                             (17.62%)(42.11%)(12.30%)(24.66%)(-8.43%)(-15.33%)
% of NRLM/SGSY Groups to Total64.762.37   64.98   62.66   58.44   55.51
Of which NULM/SJSRY   2.25 4110.73   2.67 5466.87   2.23 4056.45
                             (-22.41%)(-23.17%)(18.67%)(32.99%)(-16.48%) (-25.8%)
% of NULM/SJSRY Groups to Total   4.43   4.72   4.70   5.06   3.863.93

Figures in parenthesis indicate increase / decrease over the previous year

Source: Status of Microfinance in India, NABARD, 2020-21

Table – 1 depicts data on progress under SHG – Bank Linkage Programme (2018-19 to 2020-2021). Table highlights data about savings, loans disbursed and credit outstanding. The total number of SHGs were 100.14 lakhs during the year 2018-19 and rose to 112.23 by the end of 2020-21 with an increase of 13.54%. The loan disbursement was 26.98 crores during 2018-19 and by the end of 2020-21 it stood at 28.87 crores revealing 2% growth over the years. The all women trend of numbers of SHGs were 85.19 lakhs during 2018-19 and rose to 86.65 and loan disbursement exclusively to women groups stood at 87.66. SHGs and rose to 89.71 SHGs. Further

loan outstanding details reveal that 50.77 lakhs SHGs were linked by the end of 2018-19 and rose to 57.8 lakh SHGs by the ends of 2020-21.

Table - 2: Region-wise progress of Savings Linked SHGs with Banks (2018-19 to 2020-21)

(Amount in Rs. Lakh)

Sr. No.	Regions	2018-19		2019-20		2020-21	
		No. of SHGs	Savings Amount	No. of SHGs	Savings Amount	No. of SHGs	Savings Amount
1.	Northern Region	5,48,624	62,453	5,77,122	59,550	6,09,808	1,74,345
2.	North Eastern Region	5,23,469	40,407	5,56,899	48,141	6,33,714	83,126
3.	Eastern Region	26,54,358	6,01,155	28,11,130	6,64,333	31,22,424	7,74,912
4.	Central Region	10,62,759	1,33,230	11,35,083	1,71,217	13,45,575	2,11,870
5.	Western Region	13,88,615	2,05,275	14,73,853	2,01,880	15,50,176	3,74,023
6.	Southern Region	38,36,418	12,89,928	36,89,236	14,70,085	39,61,703	21,29,485
	Total	1,00,14,243	23,32,448	1,02,43,323	26,15,205	1,12,23,400	37,47,761

	Northern Region	Northern Eastern Region	Eastern Region	Central Region	Western Region	Southern Region
2018-19	5.48	5.23	26.51	10.61	13.87	38.31
2019-20	5.63	5.44	27.44	11.08	14.39	36.02
2020-21	5.43	5.65	27.82	11.99	13.81	35.30

Source: Status of Microfinance in India, NABARD, 2020-21

Table – 2 reveals data about region-wise performance of savings linked with banks. Region-wise details also shows an enhanced growth of SHGs linked savings during 2020-21. Table shows central region registered the highest growth of 5%. Six states / UTs namely Uttarkhand, Nagaland, Chandigarh, New Delhi, Karnataka, Dam and Din, registered a negative growth. As many as 19 states / UTs showed growth rates than All India average. The degree in savings accounts of SHG may be due to data sanitisation, closure of document accounts and reporting of errors etc., Further, the table reveals about concentration of savings linked with banks in Southern region. The savings linked SHGs with banks of Southern region reveals that it was 12.89 crore 55% of total for the 2018-19 and it was 14.70 crores during 2019-20, 56.21% of total and finally, it was 21.29 crores (56.8% of total) during the year 2020-21. The similar performance was also shown by Eastern region and Western region.

Table 3: Region-wise Status of Bank Loan Disbursed to SHGs during 2018-19 to 2020-21

(Total loan disbursed in Rs. Lakh/ Average loan disbursed in Rs. per SHG)

Regions	2018-19			2019-20			2020-21		
	No. of SHGs	Total loans Disbursed	Average Loan Disbursed	No. of SHGs	Total loans Disbursed	Average Loan Disbursed	No. of SHGs	Total loans Disbursed	Average Loan Disbursed

Northern 55,922 62,6641,12,05662,905 84,6941,34,63767,658 94,0451,39,001
North Eastern27,08629,0011,07,07037,80757,8931,53,12868,1161,03,6511,52,168
Eastern 9,09,37511,97,0791,31,63811,23,51717,85,0751,58,88311,24,57814,87,551
         1,32,276
Central   85,135 72,199 84,8051,11,0741,04,24993,8561,28,6171,05,42881,971
Western1,46,6741,84,5651,25,8331,74,2182,49,3271,43,1121,61,1592,30,3311,42,921
Southern14,74,20842,86,2562,90,75016,36,48154,84,6963,35,15213,37,26637,86,063
         2,83,120

Total 26,98,40058,31,7632,16,11931,46,00277,65,9352,46,85128,87,39458,07,068
         2,01,118

Source: Status of Microfinance in India, NABARD, 2020-21

Table – 3highlights data about bank loan disbursement by banks. It was 5831763 lakhs to the 2698400 SHGs during the year 2018-19. The total disbursed amount for the year 2019-20 stood at 7765935 to all regions of 1036481 SHGs. Further, during the year 20-21 the amount disbursed in the form of loan for all regions stood at 5807068 lakhs and numbers of SHGs stood at 2887851 lakhs. The region wise average loan disbursed also shows downward trend expect Northern region. A total of Rs. 5807068 lakhs was disbursed to all 6 regions to 2887394 SHGs and the average loan disbursed stood at Rs. 201118 per SHG.

Table 4: Region-wise NPA Level during 2019-20 and 2020-21

		2019-20		2020-21	
		Amount of Gross NPAs (` Lakh)	NPA as % to Loan o/s	Amount of Gross NPAs (` Lakh)	NPA as % to Loan o/s
1	Northern Region	21,206.67	17.35	17,133.33	13.93
2	NE Region	26,914.18	26.08	28,366.44	20.07
3	Eastern Region	1,01,495.28	4.46	1,15,888.80	4.47
4	Central Region	56,612.66	25.15	52,551.46	20.83
5	Western Region	33,564.66	11.07	32,917.18	10.01
6	Southern Region	2,92,376.97	3.76	2,42,064.13	3.52
	All India	5,32,170.42	4.92	4,88,921.34	4.73

Source: Status of Microfinance in India, NABARD, 2020-21

Table-4 highlights data regarding NPAs in SHG – BLP. Only two regions i.e., Eastern region and Southern region shows below the level of All India. These two regions having the maximum share of SHG loan disbursement and loan outstanding. The change in the NPA level of these two regions has a major effect on all other remaining regions. Table shows that bank loans to SHGs as on 31st March 2021 were 4.73%. As compare to 4.92% as on 31st March 2020. The absolute level of NPAs declined from 532170.42 lakhs in 2019-20 to Rs. 488921.34 lakhs. The decrease in NPAs is seen across regions except Eastern Region where it has marginally gave up. Out of 35 states and UT, reporting data, 26 showed decline in NPA level and thus improvement in portfolio quality.

Statement of the problem

Women forms 50% of population. But very unfortunately either in traditional or modern society equal rights are existing but at the implementation level there exists huge disparities. Women studies reveals that unless and until women are empowered women development is not possible. As per NABARD, 2017 data the demand at the poor is Rs. 60000 crores but cumulative payment is Rs. 6000 crores under microfinance programmes. The government sponsored programmes did not receive the expected result on account of bad implementation of schemes, hierarchy, red-tapism, duplication of projects. The urban depends on daily income from income generating activities and many a times the members may not receive expected return of the day. These poor people do not have any collateral to give in order to get a bank assistance. Financial access to the village and urban poor are highly skewed and unequal, SHGs are helping urban poor women in assisting financially with a mutual weekly or fortnightly contribution by members. SHGs promote gender equality and SHG BLP empowered urban women and it is a unique strategy at the global level.

Review of literature

Karlan's (2007) study is situated on Peru and members social ties by looking at the extent to which group members share the same culture and like more closely to each other.

Dufhues et al., (2013) measure social capital based on social network analysis, using information from borrowing households in Thailand and Vietnam. The outcome of the study reveals that social capital is associated with better repayment performance, depending upon the nature of social ties between individuals.

Casser et al., (2007) using survey data from borrowers in South Africa and Armenia, measure social capital within borrowing groups by focusing on group homogeneity and intra group trust, and show that both these measures are positively associated with repayment performance.

Widick et al., (2011) study focused on how social capital can help increasing the social performance microfinance institutions. Further they expressed that religions networks are important for rural households in Guatemala to have access to credit.

Khan and Rahaman (2007) stated that urban micro finance improved the living standard of the borrowers of the Chittagand district of Bangladesh by reducing poverty and making them capable financially of starting new small business and expand old business.

Basher & Rashid (2012) explained the characteristics of urban microfinance within Urban low income groups and their significance. They emphasise on the urban microfinance program because of the increasing trend of urban poverty.

Tanya Sharma et al., (2014) stated that microfinance in Delhi led to an improvement in living standards of the poor women and an increase in their incomes, savings and improvement in

financial condition and impacted on poverty alleviation and also given them greater autonomy to take decisions concerning the lives of their facilities and themselves.

Prema Basargekar (2010) expressed about the impact of urbanisation at Poona Urban area where the villages are converted into industrial zones. Transition of these villages into semi-urban areas received mixed responses as this conversion provides jobs and better infrastructure and whereas as it develops agriculture and local jobs and enhance social pressure.

Syed Mohammad Ghouse (2019) stated that microfinance activities are very much successful in reducing social problems in rural areas. The researcher suggested that government should formulate the very effective strategies to control the working mechanism of microfinance institutions as they became part and parcel of Indian economy.

Jeremaiah Machigambi (2020) examined the relationship between sustainable micro finance and sustainability to poor clients. The paper focused more on demonstrating the impact of a sustainable lending approach of the poor clients. The key issues highlighted differences in terms of target clients and implications for the sustainability of beneficiaries.

Objectives of the study

1) To study the impact of socio-economic characteristics on microfinance initiatives.
2) To analyse the factors driving social capital formation.
3) To the benefits from microfinance initiatives.
4) To analyse the factors driving women empowerment.

Hypotheses

1) The socio-economic characteristics of respondents do not impact on micro finance initiatives.
2) Social capital formation is not driven by any factors.
3) Benefits are not associated with microfinance initiatives.
4) Women empowerment is not driven by any factors.

Research Questions

1) What are the reasons behind socio economic characteristics for not impacting on the microfinance initiatives?
2) Which factors drive social capital formation?
3) What are the benefits of microfinance initiatives?
4) When factors drives women empowerment?

Limitations

1) The study is confined to urban Bengaluru district.
2) The sample is small when compare to universe SHG members at Urban Bengaluru.
3) Any generalisation requires further study.

Research Methodology

The present study is based on both the primary and secondary data. A well drafted questionnaire was administered as schedule for the purpose of data collection. The benefits of microfinance, social capital formation, and women empowerments details are studied and data presented in the form of tables. Research design is a strategy for answering the structured questionnaire using empirical data (Shana, 2021). It is simply a structural frame work of various research methods as well as techniques that are used by researchers (Team Leverage Edn., 2020).

Questionnaire design : Questionnaire is a set of logic questions listed for the purpose of data collection from respondents. Researchers are required to apply most relevant and most effective way to collect the maximum amount of information in terms of validity and reliability as recommended by Easterby – Smith, Thorpe and Lowe (1991). The secondary sources include bulletins, e-journals and internet. The relevant references were given at the end.

Universe of the study : The study is confined to urban Bengaluru district. There are 69 grama panchayats, 3655 confirmed SHGs and 65805 members in all SHGs of 5 sub districts.

Sample of the study : (Details of Yalahanka is not available)

Name of the subdistrict	Grama Panchayat	SHGs	Members	Sample
Anekal	28	1321	24427	70
Bengaluru East	11	253	4717	15
Bengaluru North	12	1252	2280870	
Yelahanka (Bengaluru North additional)	-	-	-	-

 Method of Data analysis : The study adopted x2, contingency co-efficient, Kendall's co-efficient of concordance and weighted arithmetic means. These techniques are performed as they are simple to compute and sufficient for the analysis.

Data presentation and analysis : Demographic profile of respondents – A.

The relevant demographics of respondents were studied to know the impact created on microfinance. These characteristics include, marital status, age, education, occupation, monthly income, living conditions, participation in social activities, savings formulation and participation in election, support of a candidate and contest.

Research question No. 1: What are the reasons behind the socio-economic factors not impacting on the microfinance?

Hypotheses : No. 1 : H_0 : The exist no significant variation in the characteristics of respondents do not impact on microfinance initiatives.

H_1 : There exist significant variation in the socio-economic characteristics of respondents.

The study of socio economic characteristics of respondents is essential as it is going to decide whether they form the part of representative sample of the target population. The respondents were appealed to answer all the questions of questionnaire. All the characteristics of respondents and their significance and degree of relationship studied in relation whether they impact the study or not. Table – 5 depicts data about characteristics of respondents. All respondents are females and no male members is given membership in any SHG. There are 160 members who are married and 22 respondents remained single and 18 are divorce, 69 respondents belongs to 40-50 age category, 38 belongs to 30-40 years, 35 in between 20-30 years, 30 between 50-60 years, 15 < 20 years and 13 > 60 years. 67 respondents studied up to 10th standard 58 studied up to PUC, 38 below 7th standard, 22 are general degree holders, 8 are post graduates and very surprisingly 7 are illiterates. 55 respondents occupation as vegetable selling, 38 doing petty business, 30 seasonal fruit sellers, 29 are papad, textile pieces and pickle sellers 23 are involved in agricultural activities, 15 are suppliers of provisions, 6 are dealers in iron seconds, old newspapers collectors, and 4 are handicraft sellers. 84 respondents monthly income is in between 20K – 30K, 42 respondents monthly income lies in between 10K – 20K, 31 in between 30 – 40K, 25 < 10K and 18 > 40K. 85 respondents are residing in their own houses, 60 are living in rented houses, 30 government scheme house-owners, 25 are living in temporary sheds. 125 respondents participated in social activities and 75 are not participated in any social activities. 173 respondents formed savings and 27 respondents are not created any savings. 123 respondents regularly participated in elections and supported a candidate and also contested in elections, 40 are not regular and 28 never participated in decision supporting candidate and contest in elections.

Data presentation and Analyse - B

Research question No. 2 : Which factors drives social capital formation?

Hypotheses No. 2 : H_0 : There exists no significant variation in the drivers of social capital formation.

H_1 : There exist significant variation in the drivers of social capital formation.

Table –6 highlights data about factors driving social capital formation. These drivers vary from mutual trust to mutual help in case of need. 124 respondents out of 200 stated strongly agree, 49 expressed agree and 27 somewhat agree. Out of 124 who stated strongly agree, 25 stated good relationship, 22 sharing valuable information. 18 felt healthy discussion on common matters, 15 indicated about mutual trust 12 spoke about respecting norms and values. Out of 49 respondents 12 felt about good relationship, 9 expressed about sharing valuable information, 7 indicated about healthy discussion on common matters. Out of 27 who stated somewhat agree, 5 expressed about good relationship. 4 each about healthy discussion on common matters and mutual help in case of

need. 'w' fails to accept H0 and accepts H1 and hence it is concluded that there exists significant variation in the data.

Research question No. 3: What are the benefits of microfinance initiatives?

Hypotheses No. 3 : H_0 : There exists no significant variation in the benefits of microfinance.

Hypotheses No. 3 : H_1 : There exist significant variation in the benefits from microfinance initiatives.

Table – 7 depicts data regarding benefits from microfinance initiatives. 128 respondents out of 200 stated strongly agree followed by 48 agree, 24 somewhat agree. Out of 128 who stated strongly agree 24 stated about free from money lenders, 20 expressed about a platform to discuss issues, 14 each indicated about access to organised financial services and increase in women empowerment, 10 reported about more savings formation. Out of 48 who said agree 11 expressed about free from money lenders, 8 spoke about increase on women empowerment, 6 reported about additional earnings and 5 each indicated about a platform to discuss issues and enhanced standard of living. Out of 24 who stated somewhat agree, 5 spoke about free from money lenders, 4 expressed about increase in women empowerment. 'w' fails to accept H_0 and accepts H_1 and hence it is concluded that there exist significant variation in the data.

Research Question No. 4 : Which factors drivers women empowerment?

Hypotheses No. 4 : H_0 : Women empowerment is not driven by any factors.

H_1 : There exists significant variation in the data and factors driving women empowerment vary.

Table – 8 reveals data about factors driving women empowerment. The first relative important driver of empowerment is about improvement in the savings formation, second important driver is economic independence and the third is about enhanced stand. Weights are awarded to Likert 5 point scale starting from strongly agree to strongly disagree and the opinions (f) are multiplied by 'w' to get 'fw'. The sum of fw is divided by sum of weights $(5 + 4 + 3 + 2 + 1) = 15$. The remaining by drivers of women empowered are awarded weighted average depending upon strength of fw.

Table – 5 : Demographics of respondents – Microfinance initiatives.

Socio-economic characteristics	x^2	TV @ 0.05 level	df	Result of X^2	'c'	Result of 'c'
Marital status	196.1101	3.841	1	Significant	0.70	High Degree
Age	61.7259	11.070	5	Significant	0.48	High Degree
Education	96.8293	11.070	5	Significant	0.57	High Degree

Occupation	80.6400	14.067	7	Significant	0.53	High Degree
Monthly income	70.2500	9.488	4	Significant	0.50	High Degree
Living conditions	47.0000	7.815	3	Significant	0.43	High Degree
Participation in social activities	112.5000	3.841	1	Significant	0.60	High Degree
Savings formation	106.58	3.841	1	Significant	0.58	High Degree
Participation in election, support of a candidate, contest	74.7033	5.991	2	Significant	0.52	High Degree

Source : Field Survey

Note : x 2 = chi-square

'c' = $\sqrt{x^2} / x^2 + N$

Where c = contingency co-efficient, N = Number of observation

When the value of 'c' is equal or near 1, it means there is high degree of association between attributes. Contingency co-efficient will always be <1.

Table – 6 : Respondents awareness of factors driving social capital formation

Factors driving social capital formation	SA	A	SWA	RT	RT^2
Social trust	15	4	2	21	441
Social relationship	25	12	5	42	1764
Attitude	8	3	2	13	169
Respecting norms and values	12	2	3	17	289
Believing co members	7	3	2	12	144

Healthy discussion on common matters	18	7	4	29	841
Mobilization of savings regularly	9	4	2	15	225
Sharing valuable information	22	9	3	34	1156
Mutual help in case of need	8	5	4	17	289
Total	124	49	27	200	5318

Source : Field Survey

Note : SA – Some Agree, A – Agree, SWA – Somewhat Agree, RT – Raw Total

$SSR = \Sigma RT^2 / \Sigma RT^2 / N$

$= 5318 – (200)^2 / 9 = 5318 – 4444.44 = 873.56$

$W = 12 \times SSR / K^2 N (N^2 – 1) = 12 \times 873.56 / 9 \times 9 (81 – 1)$

$= 10482.72 / 6480 = 1.61$

Test the significance of 'w' by using chi-square statistic.

$X^2 = k (n – 1)^2 = 3(9-1) / 1.61 = 3 \times 8 \times 1.61 = 38.64$

Decision : At 8 df with 5% level of significance the value being 38.64 being higher than the TV = 15.507 and hence 'w' fails accepts H_0 and accepts H_1. Therefore it is concluded that there exist significant relationship between drivers and social capital formation.

Table – 7 : Benefits from microfinance initiatives

Impacting factors	SA	A	SWA	RT	RT^2
Free from money tenders	24	11	5	40	1600
A platform to discuss issues	20	5	2	27	729
Access to organised financial services	14	3	2	19	361
More income	8	2	1	11	121
More savings formation	10	2	1	13	169
Good children education	6	1	2	9	81

Involvement in IGA activities	8	2	1	11	121
Improved health and sanitation	5	1	1	7	49
Investment in fixed assets	7	2	2	11	121
Increase in women empowerment	14	8	4	26	676
Enhanced standard of living	5	5	1	11	121
Additional earnings	7	6	2	15	225
Total	128	48	24	200	4374

Source : Field Survey

Note : SA – Some Agree, A – Agree, SWA – Somewhat Agree, RT – Raw Total

$SSR = \Sigma RT^2 / \Sigma RT^2 / N$

$= 4374 – (200)^2 / 12 = 4374 – 400000 / 12 = 3333.33$

$W = 12 \times SSR / K^2 N (N^2 – 1) = 12 \times 3333.33 / 9 \times 12 (144 – 1)$

$= 39999.96 / 15444.00 = 2.59$

Test the significance of 'w' by using chi-square statistic.

$X^2 = k (n – 1)^2 = 3(12-1) / 2.59 = 3 \times 11 \times 2.59 = 85.47$

Decision : At 8 df with 5% level of significance the value being 85.47 being higher than the TV = 19.675 and hence 'w' fails accepts H_0 and accepts H_1. Therefore it is concluded that there exist significant relationship between the two variables.

Findings : The result indicates the presence of significant and high degree of relationship between socio economic characteristics and microfinance initiatives. The findings of the study reveals that good relationship, sharing valuable information, healthy discussion on common matters are factors that drives social capital formation. The benefits of microfinance includes free from money lenders, a platform to discuss issues, increase in women empowerment and access to organised financial services. The drivers of women empowerment includes improvement of savings formation, economic independence and enhanced living standards.

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Conclusion :

SHG – BLP is a unique microfinance programme which is providing several benefits to the members. Bengaluru urban district is growing beyond expectation Pandit Jawaharalal Nehru is right in commenting "Bengaluru is a happening city". Bengaluru is nicknamed as a 'silicon valley' 'science city' 'garment hub' etc., and a multi-cultured and tolerate impacting community. The urban women are struggling to earn at Bengaluru and are including in many income generating activities. They are now capable of saving after meeting all household expenditure. The present study reveals about the presence of better socio economic characteristics which are significantly with a high degree impacting on microfinance initiatives. The study reveals about innumerable benefits of microfinance which includes free from money lenders, increase in women empowerment and a platform to discuss issues. The study also reveals about the factors driving social capital formation which includes good relationship, sharing valuable information are healthy discussion on common matters. The factors that drives women empowerment includes improvement in savings formation, economic independence and enhanced standard of living. The study concludes by stating that means more engagement of women SHGs may accelerate more savings and more number of women may involve in income generating activities.

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Table – 8 : Factors driving women empowerment - Weighted Average

Drivers of women empowerment	Weight	5	4	3	2	1	T	WA
	Likert scale	SA	A	N	DA	SDA		
Reduction in dependency on money	f	150	31	8	6	5	200	
	fw	750	124	24	12	5	915	4
Access to markets	f	120	45	12	10	13	200	
	fw	600	180	36	26	13	849	15
Freedom from domestic violence	f	140	25	10	15	10	200	
	fw	700	100	30	30	10	870	13
Women freedom of movement	f	149	28	4	8	11	200	
	fw	745	112	12	16	11	896	8.50
Access and control of family resources	f	145	25	15	8	7	200	
	fw	725	100	45	16	7	893	10.5
Strong commitment to educate daughter	f	148	50	5	4	13	200	
	fw	740	120	15	8	13	896	8.50
Employment and widened status	f	145	38	7	3	7	200	
	fw	725	152	21	6	7	911	6
Improvement in savings formation	f	160	35	-	2	3	200	
	fw	800	140	-	4	3	947	1
Liberty to buy and sale of fixed assets	f	155	20	10	7	8	200	
	fw	775	80	30	14	8	907	7
More self confidence	f	154	22	12	8	4	200	
	fw	770	88	36	16	4	914	5

More awareness of political system, voting and contest in elections	f	135	31	15	10	9	200	
	fw	675	124	45	20	9	873	12
Local campaign against any discrimination	f	138	34	16	7	5	200	
	fw	690	136	48	14	5	893	10.5
Enhanced standard of living	f	155	29	6	4	6	200	
	fw	775	116	18	8	6	923	111
Freedom in spending, nutrition and education	f	138	32	4	10	16	200	
	fw	690	128	12	20	16	866	14
Economic independence	f	159	28	-	8	5	200	
	fw	795	112	-	16	5	928	11

Source Field Survey

WA – Weighted average