

“MICROCREDIT: A SUSTAINABLE APPROACH TO INCLUSIVE GROWTH”

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ABSTRACT

Financial Inclusion has been perceived as the stratagem for poverty reduction and social cohesion. Financial Inclusion has developed as a key integral part of systems effort to promote inclusive growth. Financial inclusion denotes delivery of financial services required by vulnerable groups at an affordable cost. Microcredit has evolved as a structured framework envisaging inclusive growth. Microcredit ensures an effective credit delivery system thereby generating livelihood, attaining income security, alleviating poverty, improving access to basic health, providing education requirements, fostering rural women entrepreneurship and facilitating rural women empowerment: the tenets of sustainable growth. Microcredit is a significant and sustainable approach bringing greater financial inclusion contributing to sustainable inclusive growth.

The theme of the paper is based on the submitted UGC Sponsored Minor Research Project titled “Sustainable Development of Rural Women Entrepreneurs through Microfinance:” A Study in Bangalore Rural District. The study was an exploratory and descriptive study covering four taluks of Bangalore Rural District. Primary data for the study was collected through a well designed questionnaire and a structured interview schedule. The findings of the study revealed that, microcredit: provides access to credit, strengthens bank linkages, provides opportunities for livelihood activities generating income, alleviating poverty, enhancing assets and capabilities and convergence of rural development through rural women entrepreneurship. The study also revealed that inclusive growth is the first development agenda with sustainable growth and rural integration as its long term strategic framework.

Keywords: Financial inclusion, Microcredit, Sustainable approach and Inclusive growth

1. INTRODUCTION

1.1. Financial Inclusion

In India, studies on rural population have revealed that conventional institutions were reluctant to provide financial services to the rural population considering them unfeasible due to high costs involved in reaching out to the unbanked population. The institutions also cited reasons such as: inadequate level of operation owing to low value of transactions, high risk and inability of the rural poor to provide collateral for the financial exclusion.

There was a need to include the financially excluded to the mainstream of the banking gamut. Government devised a strategy to combat financial exclusion and initiated financial inclusion. Financial inclusion is a process of ensuring access to timely and adequate credit and financial services to vulnerable groups at an affordable cost. In developing country, the focus of financial inclusion is generating employment for the majority of the population especially in the rural areas promoting sustainable development. Thus, financial inclusion was the foremost in the plan of the Central Government and RBI. Financial inclusion evolved as a flagship programme of the Reserve Bank with an objective to link the financially and socially excluded, to the formal banking system. Micro finance programme was initiated as a mechanism to facilitate financial inclusion of the rural population.

1.2. Microcredit

Microcredit has become a major credit disbursement mechanism to the rural population. Microcredit is observed as means for credit-based poverty alleviation and financial inclusion. The basic principles of micro finance credit delivery are small amounts of loan, lack of physical collateral and emphasis on social collateral. Microcredit offer cost effective approaches to formal institutions for expanding the outreach to rural poor. The programmes focus on rural women encouraging them to take up entrepreneurial activities facilitating rural women empowerment. Microcredit initiatives effectively pursue the macroeconomic objectives of growth.

1.3. Rural Women Entrepreneurship and Inclusive Growth

Entrepreneurship is crucial for economic development. In Global Entrepreneurship Monitor (GEM), India stands in the 9th position amongst entrepreneurial countries. It ranks highest among 28 countries in “Necessity based Entrepreneurship”, while 5th from the lowest in “Opportunity based Entrepreneurship”. Opportunity based entrepreneurs contribute maximum to overall economic growth than necessity based entrepreneurs. Indian Census Report 2011 exhibits that 66% of Indian population live in villages. It is essential to ensure that benefits of economic development are shared equitably. This necessitates the role of rural and social entrepreneurship for economic development. Rural entrepreneurship is significant for improving innovation ability and competitiveness of the country.

Institutions promoting rural development observe microcredit as a strategic rural women entrepreneurial development intervention. Hence rural women entrepreneurship through microcredit has developed as an instrument to enhance the quality of life for rural families, rural communities and to sustain a healthy environment and economy. Hence the government

proactively develops microfinance programmes to ensure that the rural women entrepreneurs capabilities are harnessed empowering the rural poor and contributing to inclusive economic growth.

1.4. Self Help Groups

Sustainable approach of microcredit delivery is observed through linkages path. The Government of India took a major initiative on financial inclusion by delivering microcredit through SHG-Bank linkage Programme. In the current scenario SHGs are functioning as a major group to provide assistance and credit to the rural poor with the support from government through institutional credit system. The foremost objective of the Self Help Group is to provide profitable opportunities to the economically disadvantaged groups. They encourage the rural population to establish and gradually improve their entrepreneurial capabilities. SHGs through forward linkage motivate rural women to take up income generating activities. They provide financial assistance to rural women by linking them to banks, encouraging them to start entrepreneurial ventures. The SHGs through backward linkage provide marketing and technical assistance.

1.5 .Microcredit: A Sustainable Approach to Inclusive Growth

The 11th Five Year Plan defines inclusive growth to be “a growth process which yields broad-based benefits and ensures equality of opportunity for all. Inclusive growth basically means all encompassing improvement of the masses. It refers to the ‘wide based growth’ with central focus on rural population. Inclusive growth emphasizes on providing equitable opportunities to all in accessing resources for societal benefit. Microcredit has emerged as tool facilitating sustainable approach towards inclusive growth through poverty alleviation, rural employment and human development. To build, support and sustain livelihood of the rural population, microcredit focuses on harness the rural women entrepreneurs’ capability and building their capacities enabling them to be empowered

As a sustainable approach microcredit builds and strengthens the institutional platforms of the rural women entrepreneurs through various microfinance programmes. These programmes and schemes with the support of the rural women’s built-up human and social capital, offer a range of livelihood services to the rural women across the value-chains. These services include financial services, productivity enhancement, market linkages and capacity building. Microcredit through schemes offers space for convergence and partnerships thus building an enabling background for rural poor to access their rights.

2. REVIEW OF LITERATURE

Diverse studies have been conducted enunciating the significance of microcredit particularly in rural areas. The review comprises the following:

- **A Case Study by Rayavarapa Ramakrishna on “Comparison of the SHGs and IRDP Beneficiaries” [2001]**, found that there was diversity in the relative significance of various institutions in the linkage. At the national level, RRBs, are the major partners [66%] followed by commercial banks and, the co-operative banks played the minimum role. It was

observed further that as compared to IRDP, the SHG members fared better in terms of economic and social empowerment.

- **A Case Study by Dwarakanath H.D. on “Growth of Self Help Groups in Andhra Pradesh” [2002]**, analysed the characteristics and growth of self-help groups in Andhra Pradesh and found that the SHGs using the loan facilities from the co-operative credit banks, commercial banks, mahila bank and Maheswaran banks, have produced more than 50 varieties of products.
- **K. Sreelakshamma’s article on “Views and Perceptions of DWCRA Beneficiaries: A Case Study”, [2003]**, analysed the various issues of sample DWCRA women in Prakasm district of A.P., the author examined the socio-economic characteristic features of beneficiaries in terms of age, religion, educational qualification, residential accommodation, group formation and identification, group dynamics, motivation, reasons for joining group, distribution of revolving fund, training, supervising and monitoring and marketing product etc
- **K. Pazhani’s Study titled “Women in Farm and Non-farm Employment in Tirunelveli District, Tamil Nadu”, [2004]**, emphasizes the growth of employment in the Indian context. Further, the study attempts to throw light on the various possibilities of employment of women in farm and non-farm sectors to improve the income and thereby economic dependence of workers, by conducting a survey in Radhapuram taluk of Tirunelveli district of Tamil Nadu. The study has effectively drawn the meaningful influences as the issue like factors leading to employment of women, factors preventing employment of women and problems faced by women in employment.
- **A Study titled “Impact of Microfinance on Rural Women in Tiruvallur District” by Dr. D. Lazar, [2005]**: The findings of the study highlights that, micro finance is for the poorest of the poor. It also focuses that, SHG is a permanent source of income for them to rise up from BPL. However, the samples under the research study deviated greatly from the great ideals of the SHGs and microfinance. The findings also revealed that, educated women in rural areas managed to come out and involve in public issues was a great accomplishment. It had enhanced their status and ensured certain privilege. .
- **“MicroFinance – A Poverty Measurement Tool of Self Help Group Members in Kanyakumari District and its Impact on Savings and Borrowings”, by Dr. M. Mahalakshmi [2006]** :The author in the study explains that, microfinance is a complex phenomenon that combines economic deprivation with social and human development deficits in education, sanitation, housing and healthcare. Overall, the economic attractiveness of microfinance as a development is being established and this is a sure step towards mainstreaming. In reality micro – credit is barely adequate even as instrument for poverty alleviation, later, which could contribute to economic growth.
- **A Paper titled “Factors contributing to success of Micro Entrepreneurship” by Vigneshwara [2006]**, opines that one of the most essential factors contributing to success in micro entrepreneurship is access to capital and financial services. Based on context specific and gendered studies it is essential that, periodically, policies, workshops are held at all levels to encourage microfinance. These kinds of workshops involving all the stakeholders of the programs of women development go a long way in centrifuging the mixed efforts towards empowerment of women.

- **“The Role of NGOs in Rural Transformation at Meghalaya, North Eastern Region” by Ms. D.H. Malini & Mr. K. Venugopal Rao [2007]:** The findings of the study explain that managing an economic resource is tough task for rural poor. The need of the hour is to concentrate on identifying gross – root level problems focused on rural poor, and try to address them in a systematic way. Unfortunately no attempt was made to address the problems faced by the beneficiaries in the district. Focus was only given at both district and block level to the higher percentage of achievement of target size without boosting economic position of the beneficiaries.
- **“Micro Finance and Rural Employment: A Study on Agro-Based Income Generating Activities undertaken by SHGs in Jorhat District of Assam” by Mr. Deepak Bhagat [2007]:** The study explains about the various factors determining the selection of income generating activities by the Self Help Groups (SHGs) engaged in agro-based activities in Jorhat district of Assam. It was found that there are number of socio economic variables like education, age, market perception, economic motivation, attitude towards self-employment, management orientation, processing knowledge, risk orientation, innovativeness and information seeking behavior, that played a major role in influencing the SHG members decision.
- **“Micro Finance Intervention and Socio -economic Transformation: An Application of Propensity Score Matching and Difference-In-Difference Technique” by A.P. Patti & Mr. B.F. Lyndon [2007],** elucidates that, socio-economic transformation is significantly evident in case of the experimental group in comparison to the control group. Overall, the study shows that microfinance intervention is a major stimulus for socio-economic change. In a nutshell, it can be stated that microfinance is a blessing to the underprivileged and can usher a new era in rural transformation. It contributes significantly to financial inclusion and inclusive growth. Hence, a better planning and implementation of the intervention with regular nurturing and support to the SHGs can result in even better socio-economic change.
- **“A Study on “Microfinance – Is it a Panacea for Alleviation of Poverty or Aggravation of Poverty?” by Dr. V. Rengarajan [2008], highlights that, microfinance has immense**
- **potential for alleviating poverty provided it is ensured as a package of financial assistance integrated with non financial components tailored to the needs of the target people.** The study suggests that, the ‘minimalist approach’ (micro credit only) is to be replaced by ‘integrated approach’ for a sustainable poverty reduction. The author states that, in Indian context, SHG model is a dominant form of micro financing and proper nurturing of these groups, with neither getting them corrupted by external factors nor over influenced by micro credit assumes importance.
- **A Paper titled, Making Finance Inclusive: The promise of the Self-Help Group Movement by Ms.V.K.Padmavathy , Kalangiam Foundation [2009]** states that SHGs have high potential to achieve financial inclusion and have greater scope to grow in number and volume. On the other hand, the financial inclusion attained through SHGs is sustainable and scalable of its positive features (NABARD, 2008). India has an extensive network of banking systems and it will need to find ways to bring improvements within the existing financial credit delivery mechanisms and evolve new models for extending their outreach instead of promoting parallel systems of financial delivery. As far as the banks are concerned, two pillars which will help the organized banking system to widen its outreach is

the strengthening of the SHG-Bank Linkage scheme and the strengthening of the business correspondent model. (Rangarajan, 2008)

- **A Study on “Rural Women Empowerment and Entrepreneurship Development” by Sathiabama [2011]** states that, Micro Finance is growing as a powerful instrument for poverty alleviation in the new economy. A majority of the microfinance programmes has come up with the clear goal of reducing poverty and empowering women. In addition, an increasing number of microfinance institutions (MFIs) prefer women members as they believe that they are more responsible and trustworthy. Microfinance programs like the Self Help Bank Linkage Program in India have been progressively promoting for their positive economic impact and the belief that they empower women.
- **A Study on “The Impact of MFIs on Economic Development of Rural Women through Self Help Groups” by Dr. SP. Mathiraj and Dr. AR. Annadurai [2012]** emphasizes that , Micro Finance Institutions (MFIs) in India are perceived as a life-giving tool for every Self Help Group (SHG) in order to ensure sustainable socio-economic development of rural India. The paper highlights on the study of impact of MFIs on economic development of rural women through SHGs, the sample size being 1000 respondents from the 100 SHGs in Sivagangai district of Tamilnadu, the study reveals that MFIs influence the socio-economic development of rural women through SHGs. The validity of the results has been tested statistically by applying appropriate statistical technique.
- Article titled **Financial Inclusion - Role of Institutions** by **Archana H. N [2013]** highlights that ,Financial exclusion is a manifestation of social exclusion. All the five year plans have an objective of Financial Inclusion. As Financial Inclusion is a vital component of the inclusive growth envisaged for the overall development of the economy, both public and private sectors are working in tandem to leverage the strengths and drive for financial inclusion.The performance of RRBs in India improved in the post-merger period. Even though number of RRBs decreased, the branch net work has been increased. During post-merger period, there has been increased number of districts covered by the RRBs.
- “Microfinance Impact on Women’s Decision Making: A Case Study of Andhra Pradesh by **Rajendra Narayan Paramanik [2013]** examines the impact of microfinance and other socio-economic factors on women empowerment as viewed from their participation in decision making, income as well as employment generation activities. The findings of the study is based on a field study conducted in two villages of Andhra Pradesh suggest that factors such as member and her husband’s income, family size and frequency of Self help group meetings have overall positive influence on women empowerment.
- **Role of Self Help Groups through Micro-Finance For Poverty Alleviation and Micro-Entrepreneurship of Women** by **Karimazdeh, Maj[2015]** highlights that, SHG- banking linkage model is an important model of micro-finance which helps their members to start their own business. Also SHGs in rural area have empowered illiterate and poor women by linking them to the mainstream banking system and involving members in Micro-Entrepreneurship activities.The paper tries to link Micro-finance, Self-Help Groups, and Micro-Entrepreneurships of women and makes an attempt to review Indian experience in the case of Self-Help Groups and Micro Finance to show up the importance of Self-Help Groups for Poverty alleviation and empowerment of women through Micro-Finance

The review of studies simply demonstrates that, there has been significant contribution of micro-credit in bringing drastic and revolutionary changes in the rural women entrepreneurial development contributing to inclusive growth. In India, rural women entrepreneurial development through microfinance has been recognized as a fundamental force of development in rural areas. Microfinance has emerged as a strategy designed to improve the socio-economic lives and mainly focuses on extending the financial services to the rural population for improving their standard of living and self-realization.

3. NEED FOR THE STUDY

Research report of Women's World Banking (2011) a global network of 39 microfinance institutions in 27 countries, reveals rural women entrepreneurial development through targeted microfinance services can be one of the most effectual method to transform the lives of rural population contributing to inclusive growth.

Microcredit occupies a significant position in the structure of credit delivery system. Rural household's requirement to start entrepreneurial ventures can be met by providing them a range of financial services. Microcredit needs for rural women are for starting income generating activities in rural settings. Rural women entrepreneurial activities alleviate poverty in rural households and empower rural women contributing to inclusive growth.

This paper examines how economic growth can be made more inclusive through focus on rural women entrepreneurial development through sustainable microcredit approach.

4. OBJECTIVES OF THE STUDY

- To study the system of microcredit delivery
- To identify the key deliverables of microcredit
- To analyze microcredit as a sustainable approach to inclusive growth
- To provide suggestions to develop microcredit approach towards inclusive growth.

Hypothesis: The postulated hypothesis is:

- ❖ H₀: Microcredit does not contribute to sustainable development of rural women entrepreneurship.
- ❖ H₁: Microcredit contributes to sustainable development of rural women entrepreneurship

5. OPERATONAL DEFINITION

- **SHG - Bank Linkage:** Means linking the SHG with bank for higher credit needs (over and above the internal group lending).
- **Sustainable Approach:** Sustainability refers to the long-term continuation of the microfinance programme. It involves appropriate systems and processes that will facilitate the microfinance services to be available on a continuous basis and the clients continue to benefit from these services in a routine manner. This also means that the programme would

meet the needs of the members through funds raised on their personal strength, either among themselves or from external source.

- **Inclusive Growth:** Is the 'wide based growth' with central focus on rural population.

6. METHODOLOGY

6.1. Data Coverage: The sample for study was collected from four taluks of Bangalore Rural District. The taluks considered for the study were: Anekal, Devanahalli, Dodaballapur and Hoskote. A sample size of 50 rural women entrepreneurs and 10 SHGs from each taluk were considered for the study. A total of 200 rural women entrepreneurs and 40 SHGs were covered for the study.

6.2. Data sample selection method: As the study is descriptive in nature, Stratified Random Sampling method was adopted for the survey.

6.3. Data Source: The information for the study is derived from primary source and secondary source.

6.4. Data collection methods: Primary data for the study was collected by administering a well structured questionnaire to rural women entrepreneurs and an appropriately designed interview schedule was utilized to assemble information from Self Help Groups. Secondary data was collected from books, reports, articles, bulletins and internet.

6.5. Data analysis: The collected data was analyzed using suitable statistical techniques like percentages, measures of central tendency performance ratings and correlation. The analysis has been supported by specific interpretations

7. FINDINGS AND DISCUSSION

7.1. System of Microcredit Delivery

NABARD disburses microcredit from the SGSY programme of the government to the Regional Rural Banks (RRBs) and Cooperative Banks (CBs). NABARD has disbursed a total loan of 73536.(lakhs) to 58890 SHGs through RRBs, 39949.76 (lakhs) to 33688 SHGs was disbursed through Cooperative Banks under SGSY scheme ¹

Regional Rural Banks (RRBs)and District Central Co-operative Banks (DCCBs) provide promotional and nurturing support to the SHGs in Bangalore Rural District. The RRBs have initiated efforts to implement the various schemes introduced by NABARD. Krishna Grameena Bank, Chiko Kodagu Grameena Bank, Pragathi Grameena Bank, Visveshwarayya Grameena Bank, Karnataka Vikasa Grameena Bank and Kalpatharu Vikasa Grameena Bank are some of the RRBs operating in the Karnataka. 'SHG Bank Linkage Programme' has evolved into an important Indian tool for microfinance delivery mechanism in the study region.

Cauvery & Kalpatharu Grameena Bank, an RRB operating in the Bangalore Rural District has been extending financial help through SHG Bank Linkage Programme since 1992. In Karnataka Co-operative Institutions like the District Central Co-operative Banks (DCCBs) have emerged as

¹ NABARD Report 2012-2013: RRB

major partners considering their strong presence in the rural areas for integrating SHG Bank Linkage Programme in their existing business activity. NABARD therefore has formulated a scheme for assisting DCCBs to form , nurture and link Self-help Groups. NABARD has disbursed a total loan of 3128.84(lakhs) to 1310 SHGs through RRBs : 789 (lakhs) is disbursed to 30 SHGs under SGSY scheme through DCCB²

Microcredit is disbursed through SHGs in Bangalore Rural District from the SGSY scheme. The SGSY scheme has been successful in deriving the outcomes in terms of poverty alleviation, capacity building, beneficiary mobilization, saving, networking and empowerment in Bangalore Rural District. The **Microcredit schemes in Bangalore Rural District are:**

- **Grameena Udhya Khathri Yojane and Swarna Jayanthi Grameena Abhivruddhi Yojane:** Under this scheme microcredit is disbursed to rural women for house construction, provision of good drinking water, toilet construction and community sanitation.
- **Kaushalyabhivruddhi Yojane:** This scheme delivers microcredit to rural women entrepreneurs to commence income generating activities.
- **Udyogini and Manebelaku :** These schemes distribute microcredit to rural women entrepreneurs to commence entrepreneurial activities .
- **Aasare:** This scheme provides microcredit to rural women entrepreneurs to start economic activities. This programme also provides technical training to build the capacities of rural women entrepreneurs.

In Bangalore Rural District microcredit is channelized through Self Help Groups . SHG – Bank Linkage Model 1 of SHG Bank Linkage programme is functional enabling the provision of banking services to rural women entrepreneurs. Under this model the banks form the SHGs and directly sanction loans to the Self – Help Groups. The beneficiary entitled to receive the loan, is identified by SHGs and the SHGs assumes the responsibility of loan repayment. The interest charged on the credit is a normal rate of interest calculated on the quantum of loan borrowed by the rural women entrepreneurs.

To evaluate the stability and performance of the SHGs 12 indicators were identified and assessed. Weights were given for the indicators on their relative importance in the functioning of the groups. The performance of the SHGs was measured in terms of composite index calculated for this purpose. The index calculated depicted that the performance and functioning was rated high (30) showing stable and good performance .The entrepreneurial activities commenced by rural women in Bangalore Rural District from the microcredit can be classified as :

- **Farm related activities:** Rural women initiate income generating activities like: agriculture, bee-keeping, dairy farming, cattle farming, poultry farming, piggery and sheep farming
- **Nonfarm related activities:** Rural women set up businesses like: fruit stalls, vegetable stalls, book store, fancy store, bakery, beauty parlours, tailor shop, laundry, chat shop, pan shop and photocopy shop.

² SGSY Microfinance Status Report 2012-13 : DCCB

The entrepreneurial activities has contributed to amplified economic activity, control on income, increased mobility and networking. Rural credit as an intervention has produced economic and social transformation in Bangalore Rural District.

7.2 .Key Deliverables of Microcredit

- **Access:** Provides to the rural women access to rural credit to commence income generating activities
- **Delivery:** Executes planned approaches to deliver sustainable financial access, and encourage the use of extensive range of affordable services : credit and savings
- **Innovation:** Promotes innovation as a means to expand microcredit access, use, and tackling the limitation
- **Information:** Applies improved data to create facts supported policy, evaluates progress, and considers an approach suitable to mutually benefit regulators and service providers
- **Protection:** Encourages an inclusive approach to rural women entrepreneurs' (beneficiaries) protection that recognizes the roles of government and banks.
- **Collaboration:** Constructs an institutional background with apparent outline of accountability and coordination within government and encourages affiliation.
- **Empowerment:** Develops financial literacy and economic capability in rural women entrepreneurs.
- **Management:** Develops a sophisticated obligation to financial inclusion towards poverty alleviation
- **Framework:** Provides a regulatory framework that is balanced with the risks and benefits .Considering the regulatory framework functions to achieve the goal of inclusive growth

7.3. Microcredit as a Sustainable Approach to Inclusive Growth

On analysis, the sustainable approach to inclusive growth through microcredit was evaluated by measuring the outcomes .It was observed that microcredit disbursement in Bangalore Rural District had developed:

7.3.1. Economic Capital; Economic capital means developing a habit of saving and building assets. Microcredit has facilitated rural women to initiate income generating activities, arrange consumption provision, build asset accumulation, manage finances and develop savings habit essential for the pursuit of any sustainable livelihood approach thus **building a strong economic capacity:**

7.3.2 Human Capital means developing skills, knowledge, good health and physical capacity to commence different livelihood strategies. In the study area it was seen that microcredit has enhanced rural women's confidence and skills to rise above limitation predominantly, in the economic sphere. This included the formation of mutual support, SHGs guidance to initiate savings activities, develop present income-generating activities, recognize and commence more innovative income generating activities. Microcredit has **amplified personal empowerment of the beneficiaries thus building the human capital in the rural area.**

7.3.3. Physical Capital: Physical capital connotes infrastructure and market assistance. Microfinance programmes design simple management and marketing concepts training including group activities that allow the women to practice techniques for promoting their businesses. Market support is provided to the SHGs through market outlets. Infrastructure facilities like house construction, provision of good drinking water, toilet construction and community sanitation in the area improved through the various microfinance schemes. Thus microcredit has built the physical capital in the region.

7.3.4. Social Capital: Social capital refers to features of social organization such as network norms and trust that facilitates cooperation and coordination for mutual trust. In Bangalore Rural District microcredit has augmented social cohesion, collective activities taken by SHG members, and leadership roles taken by the rural women entrepreneurs in the community. Microcredit has facilitated the strengthening of existing SHGs to build the capacity of SHG members. Microfinance schemes have initiated plans to implement priority development activities which have emerged from requirements evaluation. Thus, provides communities the resources to develop principles and structure of independent representation and governance, thus enhancing social empowerment and building social capital.

7.3.5. Entrepreneurship Capital: Entrepreneurship capital emerges from human capital that is the new idea generation and knowledge enhancement that will have positive impact on performance. Microcredit programmes and schemes focus on the recognition of rural opportunities and the strategy to utilize them. Microcredit serves as a conduit for knowledge spillover theory of entrepreneurship. The study justifies that rural entrepreneurship has become more prevalent as the factor of knowledge and has emerged as a crucial source for comparative advantage. The study also reveals that rural women entrepreneurship is an essential mechanism permeating the knowledge filter to facilitate the spill over of knowledge and ultimately contributing to inclusive growth.

On analysis it was observed that the sustainable approach to inclusive growth involves four attributes: access, opportunity, capability and security. The Access attribute focus providing credit access to the rural women. The Opportunity attribute focuses on delivering microcredit encouraging rural women to undertake income generating activities. The Capability attribute concentrates on building economic capital, human capital, physical capital, social capital and entrepreneurial capitals through various microfinance schemes. The Security attribute provides the means for rural women entrepreneurs to protect themselves against a temporary or permanent loss of livelihood.

For analysis two variables: sustainable factors and microcredit were considered for correlation calculation. The variables were assigned values and on calculation it was observed that there was a positive correlation. The 't' test with 5% level (test of significance) revealed that the significance is high.. The analysis proves that, higher the microcredit provision to rural women entrepreneurs there is an increase in the sustainable development of the rural women entrepreneurs' business. Thus the null hypotheses is proved false and rejected and the alternative hypothesis is accepted. The study justifies that microcredit as a sustainable approach results in increased investment in rural areas, development of rural infrastructure, increase in rural employment contributing to rural development and sustainable inclusive growth

7.4. Suggestions to develop Microcredit Approach towards Inclusive Growth

On the basis of the study findings a few suggestions have been enumerated to develop the microcredit approach towards inclusive growth.

- Initiation of special schemes by NABARD to amplify the microcredit amount will contribute to rural women entrepreneurship growth.
- Government should initiate complementary financial literacy programme to enhance the performance of rural population and SHGs.
- Emphasize on SHGs to provide livelihood opportunities training, skill building, production, optimization, value chain facilitation and market linkage will encourage establishment of microenterprises.
- ICT based involvement at state level and national level will scale up the operations of SHGs.
- Convergence of SHG-BLP and Financial Inclusion (FI) initiatives will facilitate accelerated inclusive growth

8. CONCLUSION

Any initiative or program me strategy as sustainable approach for inclusive growth can be quantified on analysis .From the above study it is justified that microcredit : provides additional income, augments wellbeing, reduces vulnerability, enhances food security , management of natural resources ,access to : education, nutrition , health , infrastructure , financial resources and institutional environment that supports multiple livelihood strategies and promotes equitable access contributing to inclusive growth . Microcredit has been an apex level initiative with a mandate to promote rural women entrepreneurship .Through its sustainable approach it builds an effective financial intervention contributing to sustainable inclusive growth.

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