

Socio-Economic impact of Micro Credit Programs : A Study of Rural Punjab

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Abstract

Micro credit aims to generate employment and income to the poor and poverty reduction in the developing countries like India. This socio- economic impact of the micro credit may lead to increase in income, employment which will further lead to better access to education, health care and other basic amenities of life. It may also nurture the potential skills, abilities and the overall personality of an individual. The present paper is a modest attempt to measure such multiple impacts of microfinancing services on the lives of poor beneficiaries of such services in the rural areas of the state of Punjab. The study found five factors namely entrepreneurshhip development, economic empowerment, personality development and banking habits to be positively related with socio-economic status. Training and guidance is must to bring them out of the poverty trap.

I. Introduction

MICRO CREDIT AIMS to generate employment and income to the poor and poverty reduction in the developing countries like India. This socio-economic impact of the micro credit may lead to increase in income, employment which will further lead to better access to education, health care and other basic amenities of life. The empowerment of women is another positive impact of micro credit movement that will lead to higher social status and economic independence of women (Nirmala and Mohan, 2009). Various studies such as Morduch, (1998), BL centre for Development, Research and Action (2005); Gedeme and Vasudevan (2007). undertaken by the previous researchers indicated the positive impacts of such services. Micro financing programs led to the positive changes in the perception of people about functioning of SHGs. They now viewed Micro financing as an effective tool to solve their social problems. The study suggested ensuring coordination among SHGs and

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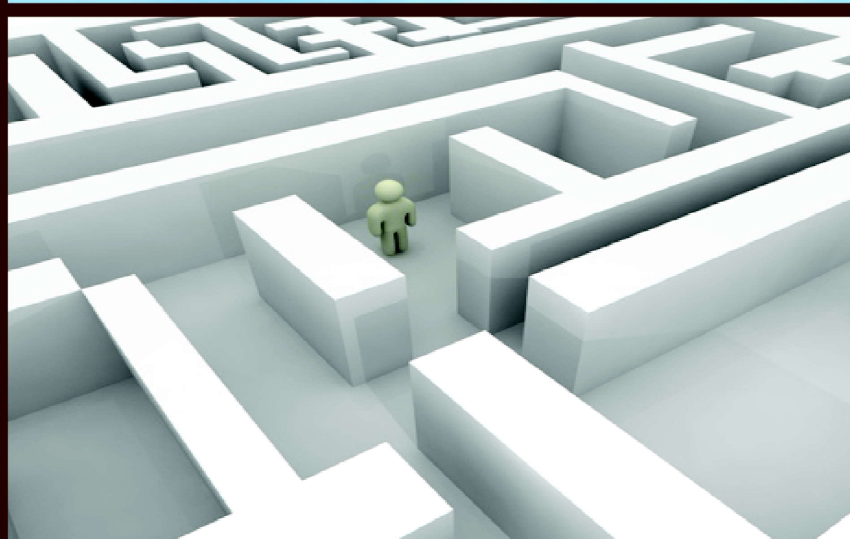
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A STUDY OF INDIAN CORPORATES

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