

WOMEN EMPOWERMENT- ROLE OF MICRO FINANCE **(An Empirical study conducted in Madanapalle rural area SHG's)**

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ABSTRACT: *Microfinance is a banking activity which provides financial assistance/loans to unemployed or individuals and groups as a whole. Micro finance through Self Help Group (SHG) is a powerful and suitable way of reaching financial assistance to the people directly for rural development. Empowerment of women is the main aim of microfinance, which leads to sustainable development of the nation. In this paper, the role of Microfinance in women's empowerment is considered. For this study the following objectives have been framed. 1. To study the functioning of SHGs in Madanapalle Mandal area 2. To know the freedom of the women that they enjoy in SHG 3. To study the problems of women members of SHG 4. To analyze the women empowerment psychologically, sociologically and economically and 5. To offer suggestions for the betterment of women's empowerment. The study is undertaken in rural areas of Madanapalle Mandal. For this study both primary and secondary data is used. Primary data is collected from the respondents through a questionnaire and secondary data is collected from published reports, government publications and reports and other documents, discussions with NGOs and their reports and other documents. The researcher used various statistical tools which required for better analysis and interpretation.*

Keywords: *Microfinance, women empowerment, Self Help groups, Non Governmental Organization.*

I. INTRODUCTION

A majority of microfinance programs target women with the explicit goal of empowering them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. Whereas, other believe that investing in women's capabilities empowers them to make choices which is a valuable goal in itself but it also contributes to greater economic growth and development.

The size of 20 has been made mandatory because any group larger than this has to be registered under the Indian Societies Registration Act. Self-help groups intermediated by micro credit have been shown to have positive effects on women, with some of these impacts being ripple effects. They have played valuable roles in reducing the vulnerability of the poor, through asset creation, income and consumption smoothing, provision of emergency assistance, and empowering and emboldening women by giving them control over assets and increased self-esteem and knowledge (Zaman 2001). Several recent assessment studies have also generally reported positive impacts (Simanowitz and Walker 2002). In India, for example, microfinance is typically defined as the provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards (NABARD, 2004). In addition to promoting the establishment or growth of micro enterprises, microfinance can increase the standard of living of the economically active poor, improve their access to health care and education, reduce vulnerability and promote the empowerment of women and marginalized groups.

In India, micro credit studies done on groups dealing with dairy farming have noted positive profit levels and short payback periods for loans (Lalitha and Nagarajan 2002).

Earnings generated from such undertakings have been instrumental in increasing the physical well-being of the household, often through better nutrition and sanitation. The household's asset base has also been enhanced by the addition of jewellery (a portable asset), improved housing and land purchase in some cases.

II. REVIEW OF LITERATURE

Bennett (2002) has developed a framework in which "empowerment" and "social inclusion" are closely related but separate concepts. Drawing on Narayan (2002), Bennett describes empowerment as "the enhancement of assets and capabilities of diverse individuals and groups to engage, influence and hold accountable the institutions which affect them." Social inclusion is defined as "the removal of institutional barriers and the enhancement of incentives to increase the access of diverse individuals and groups to assets and development opportunities."

According to World Bank, empowerment is "the process of increasing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes".

According to Krishna (2003) empowerment means increasing the capacity of individuals or groups to make effective development and life choices and to transform these choices into desired actions and outcomes. It is by nature a process and/or outcome.

Microfinance and Women Empowerment: A majority of microfinance programs target women with the explicit goal of empowering them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. Whereas, other believe that investing in women's capabilities empowers them to make choices which is a valuable goal in itself but it also contributes to greater economic growth and development.

It has been well-documented that an increase in women's resources results in the well-being of the family, especially children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1997). A more feminist point of view stresses that an increased access to financial services represent a penning/opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women's rights and independence.

Finally, keeping up with the objective of financial viability, an increasing number of microfinance institutions prefer women members as they believe that they are better and more reliable borrowers.

III. STATEMENT OF THE PROBLEM

In olden days women were restricted to take part in any social activities and not given roles in decision making in her family. The situation was even more worsening in rural and remote areas. Now the situation has been changed. She is given freedom to do what she wishes. In today's scenario more women are engaged in income generating activities. This is because of NGO and other financial institution came forward to provide microfinance to poor women. They believe that a woman is the small credit risk and often benefits the whole family. The main aim of microfinance is to empower women. This induced the researcher to focus more on the empowerment of rural women who participates in the microfinance.

4. OBJECTIVES OF THE STUDY

1. To study the functioning of SHGs in Madanapalle Mandal area.
2. To know the freedom of the women that they enjoy in SHG.
3. To study the problems of women members of SHG.
4. To analyze the women empowerment psychologically, sociologically and economically.
5. To offer suggestions for the betterment of women empowerment.

5. Research Methodology

5.1. Sources of Data: The study is conducted in Madanapalle rural areas of Chittoor district of Andhra Pradesh. For this study, primary data, which is enumerated from a field survey in the study area, is used. Secondary data, which is collected from different sources like concerned authorities and officials, NGO reports. Six Self-Help Groups in rural areas of Madanapalle mandal are taken for study. The following are the areas selected for conducting the study. 1. Kotha Palle 2. Ramacharla Palle 3. Chippili 4. Vempalle 5. Valasa Palle 6. Kotavari Palle

5.2. Sampling Method: For this study, both cluster and area sampling methods are employed. As number of members is more, they are divided into groups and selected randomly for collection of data.

5.3. Sample Size: The size of the sample is 180 and data is collected from all the six rural villages of Madanapalle Mandal.

5.4. Tools for analysis of data: For analysis and interpretation of data, tools of Simple correlation coefficient, paired t-test, cross tabulation and percentages have been applied.

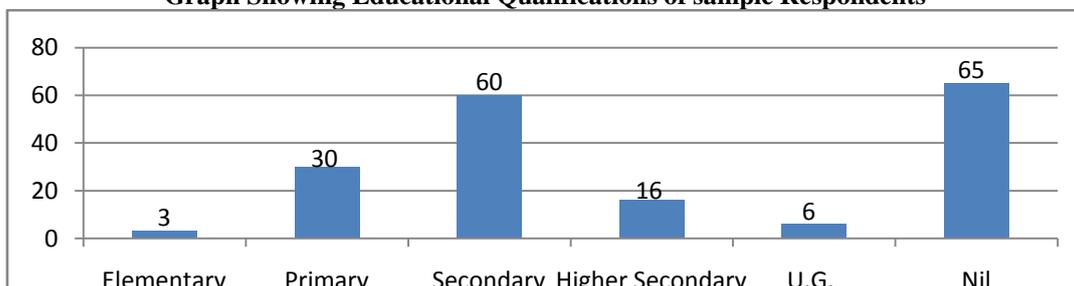
5.5. Collection of data: Data is collected from sample respondents through a structured interview schedule/questionnaire which was prepared by the researcher.

4. Limitations of the Study

1. The study is limited to rural areas of Madanapalle Mandal of Chittoor district of Andhra Pradesh state. Hence output of this study may not be applicable to urban areas and remaining areas of rural.
2. The data required for the study was collected from the sample respondents and other people those who connected directly and indirectly in the activities of micro finance.

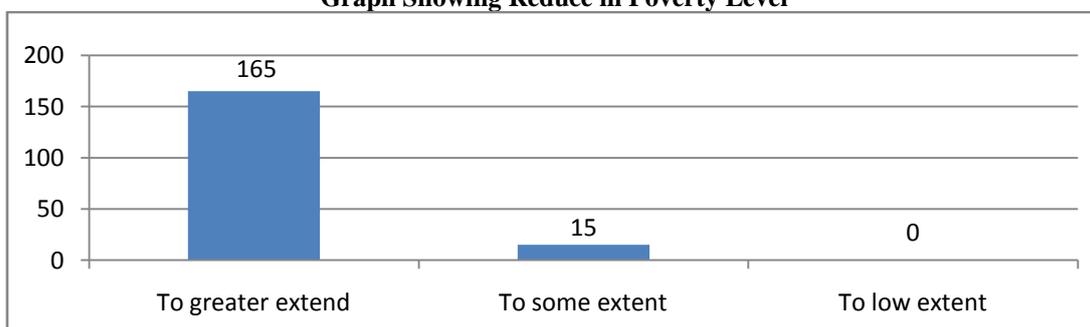
6. Data Analysis and interpretation

raph No.: 6.1
Graph Showing Educational Qualifications of sample Respondents



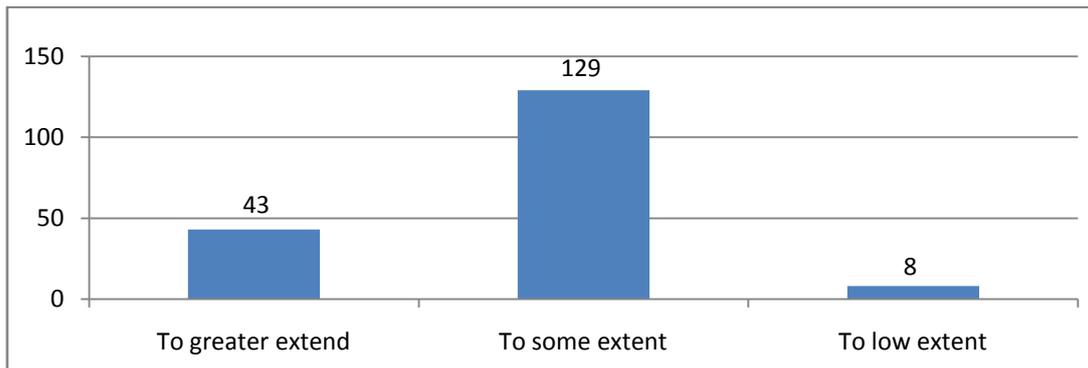
Out of the total respondents, 36.11 percent of the women are illiterate and the next majority of the women (33.33 percent) have done up to secondary education. It is noticeable that more than 63.89 percent of the respondents belong to literacy category.

Graph No.: 6.2
Graph Showing Reduce in Poverty Level



From the above graph it is clear that 91.67 percent of the sample respondents stated that microfinance has minimized their poverty level to a greater extent and rest of the percentage stated that there is impact on their poverty some extent. It is noticeable that none of the respondent stated that negatively.

Graph No.: 6.3
Graph Showing Maintenance Level of the family by women



Regarding maintenance level of the family, 129 (65.69 percent) respondents out of 180 respondents revealed that they are capable to maintain their family affairs to some extent and 43 respondents accepted it to a greater extent they can manage their family after becoming member in self-help group.

Table No.: 6.1
Table showing moving independently by sample respondents

S. No.	Options	Frequency	%
1	Yes	169	93.89
2	No	11	6.11
TOTAL:		180	100.00

A total of 169 respondents out of 180 are doing their works without depending on their family members and 11 respondents revealed that they are accompanied by family members. Moving independently by majority of the respondents indicate the social mobility of the women.

Table No.:6.2
Table showing Expression of opinions freely by Respondents

S. No.	Options	Frequency	%
1	Yes	171	95.00
2	No	9	5.00
TOTAL:		180	100.00

Out of 180 respondents, a majority of 171 respondents revealed that they are expressing their views and opines free in their houses, groups and in meetings. Rest of the people has hesitation over giving the answers for questions mentioned in the questionnaire by assuming that we belong to government.

Table No.: 6.3
Table showing Decision making role in the family

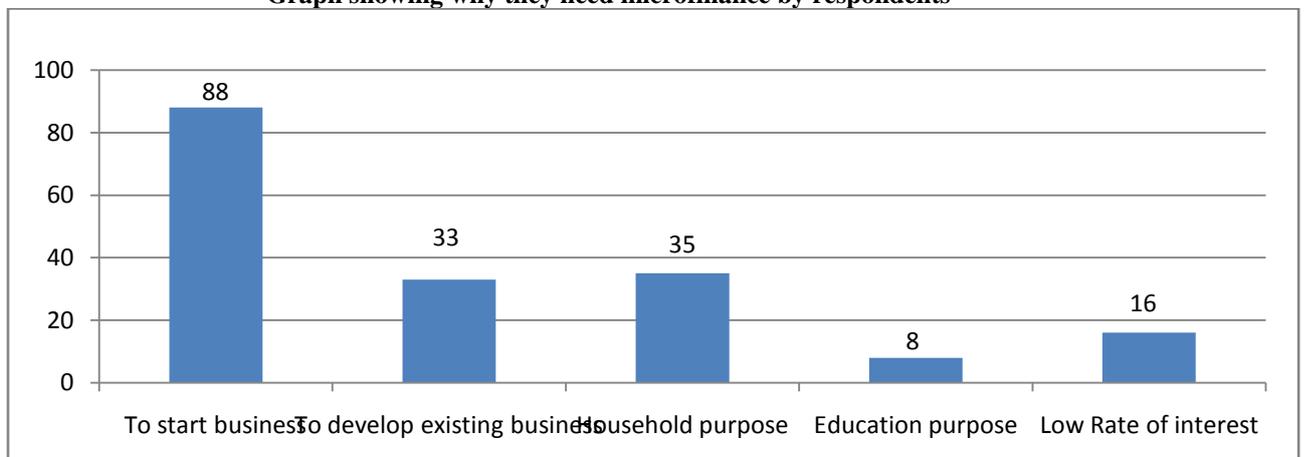
S. No.	Options	Frequency	%
1	Yes	172	95.56
2	No	8	4.44
TOTAL:		180	100.00

Most of the respondents (95.56 percent) agreed that they are playing an important role in deciding the things in their houses. This is the sign of women empowerment in the families where women are not allowed to involve in many activities.

Table No.: 6.4
Table showing why they need microfinance by respondents

S. No.	Options	No.	%
1	To start business	88	48.89
2	To develop existing business	33	18.34
3	Household purpose	35	19.44
4	Education purpose	8	4.44
5	Low Rate of interest	16	8.89
TOTAL:		180	100.00

Graph No.: 6.4
Graph showing why they need microfinance by respondents



Out of the total respondents, nearly half of the respondents (88 respondents) have taken microfinance to taken-up a new business and next they have taken up for household purposes and to promote their existing business respectively.

Table No.:6.5
Table showing Correlation between Improvement in standard of living and Reduce in poverty level

Variables		Improvement in standard of living	Reduce in poverty level
Improvement in standard of living	Pearson Correlation	.372**	1
	Sig. (Two-tailed)	.000	
	N	180	180
Reduce in poverty level	Pearson Correlation	1	.372**
	Sig. (Two-tailed)		.000
	N	180	180

From the above table it is clear that the correlation between improvement in standard of living and reduce in poverty level of respondents are correlated positively. However, reduction in poverty level is not increasing the standard of living of respondents.

Table No.:6.6
Table showing Correlation between Awareness in children education and Improvement in literacy level

Variables		Improvement in literacy Level	Awareness in children Education
Awareness in children Education	Pearson Correlation	.502**	1
	Sig. (2-tailed)	.000	
	N	180	180
Improvement in literacy Level	Pearson Correlation	1	.502**
	Sig. (2-tailed)		.000
	N	180	180

The above table reveals that the correlation between awareness in children education and Improvement in literacy level is **.502**. It is a high significant positive correlation. It indicates the Improvement in respondent's literacy level and it leads to awareness in children education among the sample respondents.

Testing of Hypothesis (Paired t-test)
Hypothesis:

H0: There is no difference in mean income of respondents after and before joining SHG.

Table No.: 6.7
Paired t-test table

Income	Mean	N	Std. Deviation	Std. Error Mean
Income of respondents after joining SHG's	1016.20	180	728.517	53.605
Income of respondents before joining SHG's	1511.804	180	887.389	64.568

Table No.: 6.7.1

Mean	SD	Std. Error Mean	T	df	Sig. value
-486.648	689.529	50.676	-9.252	180	.000

From the above table it is clear that the probability value is 0.000 ($p < 0.01$), hence, we reject the null hypothesis and conclude that mean salary after joining SHG is significantly higher than the mean salary before joining SHG. Thus we can say that the microfinance is undoubtedly, increasing the salary of the respondents in the study area.

Table No.: 6.8
Table showing Cross tabulation of psychological variables with different age groups

Variables	Age of Respondents									
	20 - 30		31 - 40		41 - 50		51 - 60		TOTAL	
	Yes	No	Yes	No	Yes	No	Yes	No		
Self Confident	84	1	39	1	30	0	25	0	180	
Improvement in Courage	89	1	34	1	35	0	20	0	180	
Improvement in	92	1	29	1	37	0	20	0	180	

Skills										
Improvement in literacy level	75	10	21	12	17	13	7	25	180	
Awareness in children education	77	8	38	8	17	11	10	11	180	
Awareness about the environment	83	2	37	3	29	1	21	4	180	
Happiness and peace in family	81	4	37	2	29	2	23	2	180	

From the above table it is clear that the microfinance has a greater impact psychologically among rural women. On the age group of 20 – 30 years, micro finance has made a very good impact. Age plays a vital role in psychological well being of rural women.

5. Summary of findings

1. From the analysis it is noticed that all most all the respondents revealed that micro finance helped them a lot in increasing their inborn qualities like courage, self confidence and improved their skills.
2. Due to Microfinance the literacy level of rural women had been improved. They themselves turned into educated and concentrated on their children education to a greater extent.
3. Majority of the respondents expressed because of micro finance programs, they have got awareness about environment. They are taking care of their families in this regard.
4. The study reveals that women are economically and socially empowered after getting micro finance and more than 90 percent respondents stated that their poverty also reduced when they have taken up active role in the groups.
5. In the self help group, women have freedom to express their ideas, views and opinions and they are not facing any difficulties or compulsions from any others in the group. Each and every member is moving freely and participating in the meetings.
6. It is also noticed that most of the women belongs to illiteracy category, they are not aware of any training programs. It is expressed by the majority members that they need some training programs on different aspects to increase their income and talent by conducting different programs and activities.
7. There is remarkable development in coordination and cooperation among the groups while taking the decisions.
8. Every respondent reported that they have increased their income due to microfinance.

6. CONCLUSION

The Self Help Groups that located in rural areas are functioning in a good manner. The study concludes that microfinance brought some changes in lives of rural women like psychological and social empowerment than economic empowerment. It is appreciable thing that there is a impact of micro finance in developing inborn qualities of women like confidence, courage, skill etc. all these helped to develop and empowerment of the lives of rural women. The SHG members are freely moving with their group members and leaders and also with officials. It helped a lot them to participate in various activities with good zeal and enthusiasm. It is noticed, while interacting with the respondents, that some members are expecting training programs from concerned authorities. They are willing to participate in different programs to develop their skills and talents.

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