

## **Microfinance through Self Help Group as Catalyst for Women Empowerment in Jammu and Kashmir**

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Dr. Mohd Azhar Ud Din Malik\*

### **Introduction**

Microfinance is a source of financial service for poor people and small entrepreneurs lacking banking and related services. The Jammu and Kashmir state has been the point of attention on the world map erratically due to significant strides made by its SHGs. The state government is making efforts to assist microfinance by providing funds under various program. Due to massive self-help movement, there is a lot of modification in the social-economic status of the rural women. Due to constant efforts of the government, women have become assertive, active, and are concerned with their best standard of life. In 2006 the state of Jammu and Kashmir launched microfinance Program. Its considerable creative have been taken by the financial organizations towards gaining the impartial of financial inclusion. In Jammu and Kashmir, among all the financial institutions, the Jammu and Kashmir Bank has taken an important role forward to develop microfinance presence. This study is an effort to appearance into the various kinds of strategies that banking sector have been taken to spread the neglected people in the State of Jammu and Kashmir, also to investigate the development they have achieved so far. Microfinance in the Jammu and Kashmir is a new concept. The results of these efforts will not be apparent in the near future. However, the advantage of this late implementation would be prominent in coming time. While few financial institutions have started to distribute microcredit loans within the State, they operate in a complex manner, often overlapping each other in the services provided. To move forward with microfinance in this region, it is necessary to evaluate these existing programs to find a niche for further it may take some time before best practices are established. It is very difficult to guess how effective microcredit will be within the next ten years' investment.

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\* Lecturer, Higher Education, Jammu & Kashmir, India.

Women face gender specific barriers like access health, education, employment etc. In our society. Microcredit is available solely and entirely to target poor people, especially women. National Bank for Agriculture and Rural Development was first organization in India to introduce the concept of microfinance to enhance the agriculture and rural development activities. After that microfinance sector was gradually improved growing through SHGs. This sector has made significant progress over the last few decades and brought number of people out from poverty line in India through providing small loans for income generating activities. This sector played very great role in beginning and expanding the micro level business by offering micro loans to lower income groups which generate income and employment to local people.

There has been impressive growth in microfinance activities over past few decades or more in India. Mohammad Yonus from Bangladesh in 1976 is credited with laying the foundation of Grameen Bank. This programme is one of the few market based, scalable anti-poverty and women empowerment solutions that are in place in India today, and the value argument to scale it up to meet the overwhelming need is convincing. Microfinance emerged as one of the strong tool for financial inclusion that links low communities with banks. It's important for achieving inclusive economic process and solely such growth is property. The basic idea related to microfinance sector is to provide small credit to poor people who otherwise would not have access to banking related services. This programme is working in many developing countries. The number of studies explained that participation in the micro finance programme has led to greater levels of women empowerment in terms of increase in economic, self-confidence, knowledge, social and political awareness, development of organizational skills and mobility, etc. Some review also shows that the programme is not reaching the bottom poor people living below poverty line and the group loans are utilized for non-income generating activities such as consumption and other emergency needs. Microfinance studies also show that the women participants have limited control over the use of group loans. The microfinance review also provides mixed results about the impact of microfinance programme on the participants. The studies provide valuable insights into the benefits and drawbacks related with microfinance programme.

### **Review of Literature**

In this study the focus is on how underprivileged women in Jammu and Kashmir come forward for forming self-help group and demanding loan for small entrepreneurship from formal and informal microfinance institution and ultimately develop themselves. The researcher has made an attempt to go through the literature in the sphere of Self Help Group and microfinance for women empowerment in Jammu and Kashmir within the conceptual framework of the study. The review collected has been categorized under the following heads:

Yunus (1998) in their work put their views deprivation that the exclusion of poor women from land rights had been contributory to their marginal position. Grameen Bank in Bangladesh took a great step it's provided housing loans to members with 3 loan cycles and with title deeds to the land on which the house was built. As most group members were women, one of the results was that women had title deeds transferred to them often from their husbands to gain these loans. This had also decreased the incidence of divorce. As women, are the owners of their own houses, they could not be easily evicted.

Osmani (1998) the impact of credit on the Grameen Bank women clients. The project had increased their autonomy in that they were able to spend family income more freely than non-clients. They had greater control over family planning, but the project was not shown to have had an impact on its clients' control over other decision-making but they were found to have greater access to household resources.

Cheston and Kuhn (2002) They studied 60 microfinance organisations and opportunity international's 42 partners were surveyed. An in-depth research of Sinapi Aba Trust (SAT) located in Ghana was also undertaken. The study showed that MFIs contributed to women empowerment. One consistent finding was increased self-esteem and self-confidence. Another finding made by them was increased participation of women in decision-making. Women participants had also experienced improved gender relations in their houses and status. At SAT it was gained that financial contribution of women helped them to earn greater respect from their husbands and children.

### **Objective**

To study the shifting trends in the status of women in Jammu and Kashmir through microfinance and Judge the present role on women empowerment.

### **Methodology**

The study was based on both primary and secondary data. The primary data collected through interview from participant and non-participant sample women SHG members. Primary data was collected from the women respondents on a specially structured pre-tested questionnaire through personal interview method. The study was conduct in Jammu and Kashmir it was not possible to collect data in whole state. So, for the collection of data district Anantnag was selected. The impact of microfinance programme has been determined by comparing two groups: participant women of the programme (henceforth called as participants) and non-participants. Participants was the members of the SHGs which has been benefited from the scheme and was received the bank loans. Non-participant's members were those in the same areas which was eligible for the microfinance programme and was formed the SHGs but did not access credit up to the time of the survey. As per the NABARD guidelines, Self Help Groups are provided bank loans only after the active existence of the groups for

about six months after the time of their inception. So, the non-participants were belonged to the same group which was less than six months old at the time of survey; and have not availed any benefit of the programme. The Researcher has taken random sample of 100 each among participant and non-participant women members of the programme in which participant get benefited from the scheme and had received the bank loans and non-participants in the same area which was eligible for the microfinance scheme and was formed the SHGs but did not get access credit up to the time of the survey. So the total of 200 samples was used for the study area. As per survey 89 respondent comes from experienced of more than six months and 84 respond come from women respondents with experience of less than six months.

There was also used secondary source of data to understand the concepts, definitions, theories and empirical results. The researcher has used books, research literatures, articles, journals and reports, as secondary sources for study. Internet source was also being used for secondary sources.

### **Socio-Economic Condition of SHG Members in Anantnag District of Jammu and Kashmir**

Every sphere of women life is influenced by the social and economic background of society in which they live. Economic status provides the financial support to involve in new activities. Participation in various programmes and activities depends on the social background. Economic gain along with social upliftment changes the social outlook and attitude of women.

**Table 1 : Reliability Test**

S.No.	Variables	Cronbach's Alpha	No. of Items
1	Women respondent with experience of less than six months.	.923	8
2	Women respondents with experience of more than six months	.867	8

Source: survey data

The reliability test was taken on data among two groups of variables Women respondent with experience of less than six months and Women respondents with experience of more than six months. The obtain values of Cronbach's Alpha are Greater than to Standard Value of Cronbach's Alpha i.e. 0.7, it mean that the data is reliable and provides necessary information as we want from data side.

**Table 2 : Socio-Economic Empowerment of Both Experienced and Inexperienced Women Respondents in Anantnag**

Variables	Part- I : Experience of less than six months				Part -II : Experience of more than six months			
	Fully benefit	Partly benefit	Not benefit	Total	Fully benefit	Partly benefit	Not benefits	Total
<b>Decision Making</b>	3 (3.5%)	19 (22.6%)	62 (73.8%)	84 (100%)	19 (21.3%)	54 (60.6%)	16 (17.9%)	89 (100%)
<b>Power over Resources</b>	9 (10.7%)	27 (32.1%)	48 (57.1%)	84 (100%)	22 (24.7%)	49 (55%)	18 (20.2%)	89 (100%)
<b>Freedom of Movement</b>	2 (2.3%)	9 (10.7%)	73 (86.9%)	84 (100%)	11 (12.3%)	18 (20.2%)	60 (67.4%)	89 (100%)

<b>Increase in income</b>	6 (7.1%)	21 (25%)	57 (67.8%)	84 (100%)	18 (20.2%)	47 (52.8%)	24 (26.9%)	89 (100%)
<b>Employment Opportunity</b>	23 (27.3%)	37 (44%)	24 (28.5%)	84 (100%)	31 (34.8%)	49 (55%)	9 (10.1%)	89 (100%)
<b>Saving increase</b>	12 (14.2%)	27 (32.1%)	45 (53.5%)	84 (100%)	17 (19.1%)	43 (48.3%)	29 (32.5%)	89 (100%)
<b>Social Status</b>	2 (2.3%)	7 (8.3%)	75 (89.2%)	84 (100%)	4 (4.4%)	9 (10.1%)	76 (85.3%)	89 (100%)
<b>importance in community</b>	2 (2.3%)	7 (8.3%)	75 (89.2%)	84 (100%)	4 (4.4%)	9 (10.1%)	76 (85.3%)	89 (100%)

Source: Survey Data

The Table 2 shows the socio-economic empowerment of women sample respondents with experience of less than and more than six months in Anantnag district of Jammu and Kashmir. The table is divided into two parts, part first shows sample respondents with experience of less than six months and part second shows the sample respondents with experience of more than six months. So as per data it shows that there is lot more improvement in socio-economic status of women respondents with experience of more than six months through microfinance than respondents with experience of less than six month women respondents after joining self-help group. The data was analyzed through SPSS by using regression analysis between experience of less than six month and more than six month women respondents.

**Table 3 : Regression of Sample Respondents With Experience of Less Than Six Months and More Than Six Months for Socio-Economic Empowerment in Anantnag District of Jammu and Kashmir**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.106 <sup>a</sup>	.017	.011	3.66648	2.049

a. Predictors: (Constant), Experienced Above Six Month

b. Dependent Variable: Experienced Less Six Month

The model shows Above Six Month women respondent independent variable and Below Six Month dependent variable. The model summary table indicates that Above Six Month women respondents has 1.7% effect on Below Six Month. Since the r square value of table is .017 which means Above Six Month has direct but very low relationship with Below Six Month women SHG members in Anantnag and the R Value 0.106 show positive correlation but very low The Durbin Watson value is between 1–3 it mean that there is no auto correlation of the errors – Data is free of auto correlation.

**ANOVA<sup>a</sup> : Table Tests Whether the Overall Regression Model is a Good Fit for the Data**

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	.234	1	.262	2.002	.016 <sup>b</sup>
	Residual	1218.331	59	21.776		
	Total	1218.603	60			

a. Dependent Variable: Experienced Less Six Month

b. Predictors Constant: Experienced Above Six Month

This model has average fit as indicated by F-test value which is 2.002 insignificant at .016<sup>b</sup> level of significance.

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	23.001	3.369		7.072	.000
	Above Six Month	-.024	.211	.106	1.190	.012

a. Dependent Variable: Below Six Month

The result of regression from the coefficient table indicates that Above Six Month has direct but low relationship with Below Six month women SHG respondents in Anantnag. It shows the socio-economic condition of women respondent with experience of less than six month is different from women respondents with experience of more than six months in Anantnag district of Jammu and Kashmir. Having beta value of 0.106 tested through t-test having t-value of 1.190 (t standard value is 1.96) which is insignificant at 0.012 level of significance.

#### Employment, Literacy Rate and Sex Ratio

- **Employment Status**

The general belief is that economic dependence of women is a major obstacle to their socio-economic empowerment. Participation in the labour force of women is therefore, regarded as an index of their empowerment. It is whispered that giving women economically independence results her power of decision making and personal autonomy, most of the studies have shown that a decline in their employment unfavourably affects their nutrition, fertility and mortality.

**Table 4 : Sex Wise Distribution of Workers & Percentage of Cultivators, Agriculture Labourers, Workers in Household Industry & Other Workers by States**

All India	Total	Cultivators	Agriculture labour	Household Industry	Other workers
Male	331865890	24.92	18.56	2.95	47.20
Female	149877381	24.01	55.21	5.71	29.18
Total	481743311	24.64	29.96	3.81	41.60
Jammu and Kashmir	Total	Cultivators	Agriculture Labor	Household Industry	Other Workers
Male	3195090	23.96	12.97	2.23	60.21
Female	1127623	42.55	11.83	7.21	38.42
Total	4322713	28.81	12.67	3.99	54.53

Source: Office of Registrar General, Census 2011

The Jammu and Kashmir female participate rate is 19.01 ranks 23th rank as per census 2011.

- **Female Literacy Rate**

The main source of literacy calculation is census in country. Data on literacy have been collected since the counting began over time. The population is classified into three group's literate, illiterate and under instruction. The literacy rate in J&K has risen to 68.74% as against 55.52% in 2001. There is a marked improvement in total literacy. In which Male literacy rate has increased to 78.45%, female literacy rate has touched 56.48%. The gender gap has also recorded significant drop to an all-time low of 16.59%. About 16.60 lakh children are studying in government schools with a total dropout recorded about 39.150 as against 3.76 lakh in 2004-05.

- **Sex Ratio**

The population of Jammu and Kashmir is 12,548,926, As per census 2011. Previously it was 10,143,700 in census 2001. Total male population is 6,665,561 and female population is 5,883,365. About population growth since the census 2001 was 23.71% and the total population of the state forms 1.04 percent of the total India population. In the state of J&K female sex ratio has been decreased to 883 for per 1000 male, it was 900 as per census 2001. About The child sex ratio in the state of Jammu and Kashmir is 859 per 1000 males as per census 2011, has also decreased as compared to 964 in the 2001.

Shopain and Kulgam districts of Jammu and Kashmir shows highest sex ratio with 951 and Leh district lowest sex ratio with 583 only female per 1000 male. The Anantnag district of this research area supports 937% female per thousand male. In the list of the state and union territories ranking about sex ratio of India for the census 2011 Jammu and Kashmir at 29 rank with 862 sex ratio.

### **Suggestions**

- Since Anantnag district is not agriculturally developed, therefore, emphasis must be given on promotion of horticulture with government support as their income generation activities.
- Member should be very analytical and logical while taking loan. They also have to be cautious about the proper selection of income generating activities. Otherwise they might become loan defaulters which make women more vulnerable.
- Community based micro-enterprises like poultry farming, food processing, leaves plate making, batik fabric etc. would be most viable economic activities, which helps the beneficiaries drive out from the poverty trap. That's why product should be produced according to local demand using local inputs. Entrepreneurial training and exposure visit would be added value to the SHGs for procuring quality of product.

- A block level federation of SHG members can strengthen the movement of a large extent as well as encourage the population to come forward and join active politics.
- Periodical training at regular interval to the SHG members should be imparted so that they could enjoy the group thoroughly to reduce the drop out.
- Attending meeting should be made compulsory so that people should get benefit out of SHGs.

### **Conclusion**

The researcher comes to the conclusion that Empowering of women pre-supposes a drastic, dynamic and democratic change in the perception and expectation from women in our society. To attain economic independence help women is the first priority for such a change. Microfinance play a great role in improvement of social economic condition of women. Social and Economic empowerment of women through microfinance led to empowerment of women in many things such as socio-economic opportunity, property rights, political representation, social equality, personal rights, family development and market development, community development and at last the nation development. They have been identified as key agents of sustainable development. Women equality is central to a more holistic approach towards stabilizing new patterns and process of development that are sustainable. The role and Contribution of women in the family as well as in the society for economic and social transformation are pivotal.

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