

Role of Micro Finance in Women's Empowerment Economically (An Empirical Study in Udaipur Cluster)

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Introduction

Improvement of poverty in the course of women's empowerment has turn into one of the significant strategies in rising and weak countries of the world during the last few decades. The governments of weak and rising countries of the world tried tough to deal with the dilemma of poverty in the course of various dealings and policies. In India also since the 1950s, the government experimented with various strategies to improve poverty and empower women both socially and economically. More than a few strategies have been modified to deal with the problem of poverty since 1970s. But a huge portion of people are incapable to meet their fundamental needs.

The incapacity of the rural formal credit institutions or banks to contract by way of the credit necessities of the poor and women efficiently has lead to philosophy of substitute strategies to deal with the problem of poverty particularly women during 1970's. For the duration of this time some NGOs tested in arranging women into groups, telling knowledge and release of micro-finance to deal with their socio-economic susceptibility, and a humble achievement in that made the state to transfer its strategy additional towards the "group based approach" since the 1980s. NGOs that lived with the group of peoples are strongly observed and examined such women's activities pictured substitute paradigms to alternate the traditional women groups, so as to remind energetic contribution amongst each and every one the members of the women groups. This is pursued by the additional association of NGOs in the progress approach of the government. The experiment of Mohammad Yunus of Bangladesh with the Grameen Bank project gave additional improve to the thought of microfinance in India in the 1980s lots of other countries like Indonesia, Philippians, Kenya, Latin America, Central USA and Srilanka also pursued this sort of approach

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with a few different models. This eventually led to numerous debates, seminars, works and studies on the thought of 'Microfinance' and 'Women Empowerment' all over the world including India.

Review of Literature

- **Concept of Empowerment**

Jyothi (1998) have conducted a study on employment pattern and empowerment of rural women in Kolar district that the distribution of women according to the level of empowerment showed that most of the women had medium level of empowerment (58), while few women (8) belonged to high level of empowerment, remaining 54 women had low level of empowerment.

Kaushik (2000) explained that the defined Empowerment in terms of discretion over one's choice in life is desirable but seemingly unachievable for sizeable majority of women in South Asia.

Thamaraiselv (2009) described the highlighted points of Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business. Apart from training programs, Newsletters, mentoring, trade fairs and exhibitions also can be a source for entrepreneurial development. As a result, the desired outcomes of the business are quickly achieved and more of remunerative business opportunities are found. Henceforth, promoting entrepreneurship among women is certainly a short-cut to rapid economic growth and development.

- **Microfinance and Women Empowerment**

Joanna (2000) investigated that microfinance has evolved as an economic development approach intended to benefit low-income women and men. Although clients of microfinance are poor, they are generally not considered to be the poorest of the poor. He argues that micro enterprise credit does not result in significant net gains in employment but it can and does lead to increased use of family labour. He stated that there is yet no solid evidence of business growth and transformation as the result of micro enterprise credit but there is evidence of credit enabling enterprises to survive in crisis.

Karmakar (2009) in his article the author describe about the role played by NABARD in developing microfinance programmes. He has briefed a number of innovative projects funded by NABARD including SHG-BLP. He pointed out various merits of the SHG-BLP project on women empowerment and the challenges involved in the process. Author also recommends for improvement in outreach of financial services to less developed region of the country.

Eswarkuma & Raghvendra (2014) he has explained the Role of Shri Kshetra Dharmasthala Rural Development Project (SKDRDP) in Micro Finance Through SHGs -A Study in Shimoga District of Karnataka they analyse the role of SKDRDP in

sustainable rural development through microfinance. The study reported that SKDRDP are playing vital role in the formation of SHGs and motivating women to join the groups and linking the groups with the banks for microfinance. But, SKDRDP played limited role in marketing the products of SHGs. The Self Help Groups (SHG), through micro enterprises development, is recognized as an important mechanism for empowering women. Micro enterprises in India lead to economic empowerment of rural women. This allows them to express and impose their views because if women make adequate economic contributions to the family, they are bound to be treated at par with men (Vasanhakumari, 2012).

Statement of the Problem

In Rajasthan Women are basically the poorest of the poor. Though women constitute almost half of the world population their representing in gainful employment is comparatively low. The microfinance empowered women in many aspect of their life. The study was undertaken in Udaipur district, Rajasthan to assess the economically role of Self Help Group through microfinance for women empowerment.

Objectives of the Study

- Identifying role of microfinance in empowering economically
- Identifying role of microfinance in changing women personality
- Identifying the role of microfinance in relation to women's time, creating awareness and self-confidence.
- To evaluate the empowerment of women in Udaipur cluster as a result of participating in micro finance programs.

Hypothesis of the Study

- After joining SHG economic status of female SHG members has increased significantly

Research Methodology

Every research is based on a standardized sequence, which determines the way in which it is conducted & finalized. The research is in the following sequence.

- **Sampling Design**

SHGs of Udaipur district were taken for the study, 10 Self Help Groups were identified from Udaipur district, and 20 members from each SHG were selected randomly and in total, 200 sample respondents were chosen for the study.

- **Area of the Study**

The study is conducted at SHGs and NGOs in Udaipur district.

- **Data Collection**

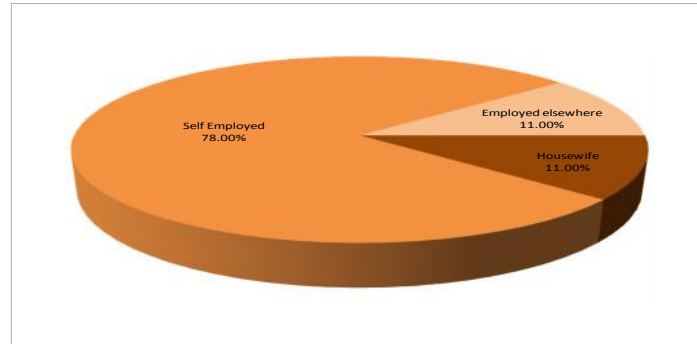
To test the above hypotheses, data were collected with the pre tested and well structured questionnaire schedule. This study is a descriptive one and the variables are identified from the earlier research studies.

- **Analysis of Data**

Descriptive statistical analysis such as mean, standard deviation, t-test, Z-test etc. was carried out and ANOVA tests were also used wherever necessary.

Data Analysis and Findings

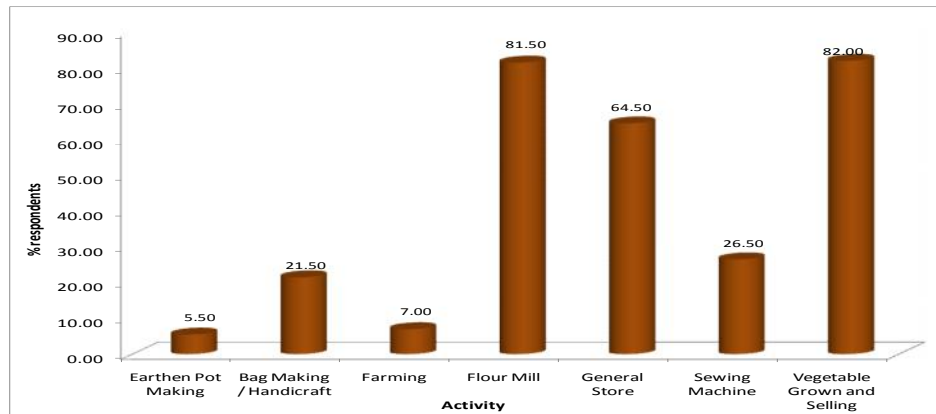
Employment Status of Beneficiary



From the table-6 it can be observed that most of the respondents i.e. 78% are self employed, followed by 11.00% are employed elsewhere, and only 11% are housewife. As it is observed that very less number of respondents is employed elsewhere and housewife.

Economic Activity that SHG do for Income Generation

Figure: Economic Activity that SHG do for Income Generation



According to the table no 10, shows that 82.00% of respondents are selling & grown vegetable, 81.50% of the respondents are having their own flour mill business, 64.50% of respondents are selling general store products, 26.50% of respondents are have their own sewing machine for stitching others cloths for income purpose, 21.50% of the respondents are involving in bag making and handicraft products, 7.00% of respondents are from farming and only 5.5% of the respondents are making earthen pot and then sell it. According to this most of the respondents are interesting in vegetable selling business and flour mill business.

Work before Joining SHG**Table 1: Work before Joining SHG**

Work	N	%
Vegetable Selling	17	8.50
Domestic Servant	33	16.50
Maha Narega	8	4.00
Cloth Selling	3	1.50
Dry Cleaner	3	1.50
Earthen Pot Making and Selling	2	1.00
Color Work	2	1.00
No response	8	4.00
Doing nothing	124	62.00
Total	200	100.00

According to this table no. 19 shows that, the majority (62.00%) of the respondents are not doing nothing, 16.50% of the respondents are domestic servant, 8.50% of the respondents are selling vegetables, 4.00% of the respondents are in maha narega (National Rural Employment Scheme) and same ration are giving no response, 1.5% of the respondents worked in dry cleaner shop and selling clothes, and only 1.00% of the respondents worked for color and making or selling earthen pot.

Work after Joining SHG**Table 2: Work after Joining SHG**

Work	N	%
Earthen Pots Making	3	1.50
Bag Making / Handicraft	34	17.00
Flour Mill	21	10.50
General Store	23	11.50
Household	5	2.50
Peon in school	5	2.50
Sewing Machine	29	14.50
Vegetable Selling	72	36.00
No Response	8	4.00
Total	200	100.00

According to this table no. 20 shows that, after joining self help group majority (36.00%) of the respondents occupied in selling vegetables, 17.00% of the respondents worked for handicraft /bag making, 14.50% of the respondents stitched cloths through sewing machine, 11.50% of the respondents have their own general store, 10.50% of the respondents have their own flour mill, 4.00% of the respondents gave no response, 2.50% of the respondents worked in school as a peon and others one household, and only 1.50% of the respondents occupied in making earthen pot.

Monthly Income before and after Joining SHG**Table 3: Monthly Income before and after Joining SHG**

Monthly Income	Before		After	
	N	%	N	%
Rs. 0	103	51.50	0	0.00
Rs. 1,000	37	18.50	5	2.50
Rs. 2,000	45	22.50	32	16.00
Rs. 3,000	10	5.00	73	36.50
Rs. 4,000	0	0.00	19	9.50
Rs. 5,000	5	2.50	34	17.00
Above Rs. 5000	0	0.00	37	18.50
Total	200	100.00	200	100.00

According to this table no.22 shows that, Majority (51.50%) of the respondents earned nothing before joining SHG but on the other hand 0.00% of the respondents showed their monthly income in the category of Rs 0. It's good that after join SHG everybody eared something. 22.50% of the respondents before joining SHG their monthly income in the category of Rs 2000 and after joining SHG in same category only 16.00% of the respondents earned the same amount, before joining SHG 18.50% of the respondents earned Rs 1000 and after joining SHG in same category only 2.50% of the respondents earned same amount, only 5.00% of the respondents earned Rs 3000 before joining SHG and on the other hand after joining SHG in same category this % increase that is 36.50%, 2.50% of the respondents earned Rs 5000 before joining SHG and in the same category after joining SHG 17.00% of the respondents earned Rs 5000, 0.00% of the respondents earned Rs 4000 and Rs 5000 above and in the same monthly income after joining SHG their percentage increased 9.50% and 18.50% respectively.

Monthly Savings before and after joining SHG**Table 4: Monthly Savings before and after Joining SHG**

Monthly Savings	Before		After	
	N	%	N	%
Rs. -	131	65.50	0	0.00
Rs. 100.00	23	11.50	4	2.00
Rs. 200.00	27	13.50	10	5.00
Rs. 300.00	16	8.00	56	28.00
Rs. 400.00	0	0.00	17	8.50
Rs. 500.00	3	1.50	63	31.50
Above 500	0	0.00	50	25.00
Total	200	100.00	200	100.00

This table no.23 shows that the impact of monthly savings before and after joining SHG. 65.50% of the respondents saved zero savings before joining SHG, 13.50% of the respondents saved Rs 200,11.50% of the respondents saved only Rs 100, 8.00% of the respondents saved Rs 300, 1.50% of the respondents saved 500 and 0.00% of the respondents saved Rs 400 and Rs 500 above before joining self

help group. On the other hand after joining SHG, 31.50% of the respondents saved Rs 500 per month, 25.00% of the respondents saved Rs 500 above per month, 28.00% of the respondents saved Rs 300, 8.50% of the respondents saved Rs 400, 5.00% of the respondents saved only Rs 200 per month and only 2.00% of the respondents saved Rs 100 per month and 0.00% of the respondents saved zero amount.

Hypotheses Test Results

Hypothesis: "There is no significant change in the EMPLOYMENT status of women SHG members after joining SHG"

Table 5: Employment Status before and after Joining SHG-Test

Period	N	%	SE	Z	Result
Before Joining SHG	68	34.00	0.048	12.99	***
After joining SHG	192	96.00			

Inference

Highly significant difference in the employment status of women SHG members was found before and after joining SHG ($Z = 12.99$, $p < 0.001$). Earlier 34% of sample respondents were employed and after joining SHG this proportion increased to 96%.

Hypothesis: "There is no significant change in the Monthly income of women SHG members before and after joining SHG"

Table 6: Monthly Income before and after Joining SHG - Test

Monthly Income	N	Mean	SD	t	Df	Result
Before	200	823.00	1103.70	-38.08	199	***
After	200	3696.50	1470.39			

Inference

Highly significant difference in the monthly income of women SHG members was found before and after joining SHG ($t = -38.08$, $p < 0.001$). The average income of women SHG members before joining SHG was Rs. 8323 per month which has increased to Rs. 3696 per month after joining SHG.

Hypothesis: "There is no significant change in the Monthly savings of women SHG members before and after joining SHG"

Table 7: Monthly Savings before and after Joining SHG – Test

Monthly Savings	N	Mean	SD	t	Df	Result
Before	200	70.00	112.53	-20.06	199	***
After	200	560.50	357.25			

Inference

Highly significant difference in the monthly savings of women SHG members was found before and after joining SHG ($t = -20.06$, $p < 0.001$). The average savings of women SHG members before joining SHG was meager Rs. 70 per month which has increased to an average value of Rs. 560.

Hypothesis: “There is no significant change in the economic status of women SHG members after joining SHG”

Table 8: Economic Status of Women SHG Members after Joining SHG-test

N	Mean	SD	t	df	Result
200	4.11	0.31	50.74	199	***

Inference

Test results given above shows that the economic status of respondents has changed significantly above average value ($t = 50.74$, $p < 0.001$). Hence it can be concluded that the economic status of women SHG member has risen significantly after joining SHG.

Findings

- Membership of self help group is vital factor for determine empowerment women socially and economically as long period membership show more empowered and less period membership show slow empowered.
- The savings of individuals increased after their becoming members of the SHG. This indicates the role of SHGs in improving the thrift habits of its members.
- Financial status improved significantly women become financial independent and are able to help their family members, they can batter take care of their kids. They can buy good cloths for their children and for them as well. Their awareness regarding social issues also increases significantly. SHG members now can participate in discussions regarding political matters, social issues etc. they can now talk to anyone in the society with more confidence. They can participate in family matters and have their say. They can take their own decision regarding financial and social issues. Therefore becoming SHG members has improved the life of SHG members significantly after becoming SHG members.
- Highly significant difference in the employment status of women SHG members was found before and after joining SHG ($Z = 12.99$, $p < 0.001$). Earlier 34% of sample respondents were employed and after joining SHG this proportion increased to 96%.

Conclusion

Microfinance is multifaceted and works in an integrated system. There are many stake holders and each one has a definite role to play. In the core there is client. There is a second level called micro level where MFIs, NGOs, SHGs and Grameen work to provide financial support to individual client. Based on the descriptive study and on the analysis of the data collected from the study area i.e. Udaipur cluster. The study revealed that access to microfinance has contributed immensely to the economic empowerment of women through improvement in their businesses. The

study shows that access to microfinance has improved the status of women both at the family level and in society as a whole. At the family level, the study reported an improvement in household income and standard of living of the family. In last Majority of the SHGs are repaying their loan to the bank promptly, transaction costs of the banks are very low and lending to the poor through SHGs is profitable to banks. To put it in a nut shell, after becoming members of SHG the socio-economic conditions and standard of living of the members and their families greatly improved. Savings and educational status are related. It may be assumed that educated members are more aware of the need for saving.

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