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Impact of Micro Finance on Rural Women Empowerment in Patan Region, India

¹Chhaya Patel, ²Shakti B. Dodiya

¹Assistant Professor, ²Assistant Professor

Department of Business Management

Sankalchand Patel University, Visnagar Gujarat (India)

Abstract: This study basically attempts to analyze the impact of microfinance services in empowering the rural women. The study is also meant to obtain insights regarding factors empowering rural women through microfinance services and which factors influences most and what extent. Respondents of Patan region, india are approached with structured questionnaire by following a non-probabilistic convenience sampling technique. ANOVA was used to test hypotheses through SPSS version 16. Major findings include Most of the SHG members are illiterate and some of them have taken primary education, so NGOs and Government should undertake programs to provide basic education and training programs. The Government and NGOs should firstly undertake awareness programs to teach rural women what is SHG and what are the best use of it. After that they should motivate more number of women to join the SHGs.

Keywords: Social Empowerment, Political Empowerment, Economic Empowerment, Microfinance, Socio-Economic, Women Empowerment

I. INTRODUCTION

In the process of socio-economic development of any country, the empowerment of women plays a major role. In the context of national development, women's participation in economic activity is of crucial importance. Though women comprise of the 48% of the country's population, yet they are among the poorest of the poor, they are among the malnourished and underfed most of them have no say in any matter in their household. Thus women even day continue to the most helpless being in the society. In general Banks or any Financial Institutions do not give money to the poor and women, in particular. It is mainly because women do not have any collateral securities to offer and they find the bank proceeding to complicated. With the increase in the literacy rate among the women, it necessitates the society to empower them and make them self-reliant.

The early Nineties saw that reshaping of strategies of socio-economic development and the emphasis gradually shifted from "Development" to "Empowerment". In this regard the government has taken up the theme of women empowerment as one of measures to tackle the socio-economic backwardness.

Empowerment is an ongoing and dynamic process, which enhances women's and other marginalized and alienated group's ability to change the structures and ideologies that keep them subordinates. It is the process of making present power structure more inclusive, including all women and men, senior citizens, Dalits, Indigenous people and people with disabilities. Empowerment is, therefore, clearly concerned with power, and particularly with power relations and distribution of power between individual and groups.

Among the financial institutions serving poor household around the world, the micro finance programs have emerged as important players. These programs typically make available small loans and sometimes large loans, available to households lacking access to formal sector bank. The premise behind such targeting is to folds:

1. Microfinance is an effective tool in improving women's status and
2. Overall household welfare is likely to be higher when microfinance is provided to women rather than men.

II. REVIEW OF LITERATURE:

Rajeshkhar d. (2000): conducted a study on “micro finance programs and women’s empowerment: A study of two NGO’S from Kerala”, and found that micro finance programmers are important institutional devices for providing small credit to the rural poor in order to alleviate poverty, Micro finance programmes initiated by SHG’s expected by non- governmental organization in several parts of India, have the potential to minimize the programmes of inadequate access to banking services to the poor.

Dwarakanath. H. D. (2002) in this study analyzed that the characteristics and development of self help groups in the state of Andhra Pradesh and found that SHGs were mainly using the loan facilities from the cooperative credit banks, commercial banks, mahila banks and maheswaran banks, and had produced more than 50 varieties of products –such as candelas, carpets, coir items, pickles, etc. in this study , the researcher found that women groups started to educate their Owen group members, and they realized the important of literacy. SHGs have a greater vision for their family, and also aimed to create awareness regarding the socio-economic and political conditions in ranga reddy district of Andhra Pradesh.

T. Anita Prasad (2005) in her study on ‘EMERGING TRENDS IN MICRO FINANCE- a case study of swayam krishi sangam’ found that the requirements of rural poor are very small and often unpredictable. These people are bankable, almost all poor households need to save and have the inherent capacity to save, if they are properly motivated. There is increased competition among MFIs and hence, the interest rates charged have become cut-throat. It was found that Swayam Krishi Sangam has brought microfinance to the door steps of the rural poor, who otherwise had to be at the door steps of a bank, 90% of their employees were the rural poor, who understood the problems of their region, and were willing to take initiatives for the socio- economic development of their native place. Very young and enthusiastic employees who were in the age group of 22 to 28 years are a major strength of SKS. Their services are technology driven.

Shailaja Gajjala (2005) in her study on ‘MICRO FINANCE ; a case study’, examined the differences between micro savings and micro credit. The findings of the study were mainly on Indian public sector banks in the area of micro finance. The findings of the study revealed that micro finance gives banks link at the community level, from which financial and non-financial benefits accrue to the banks, the borrower and the community. Andhra Pradesh is home to the most profitable micro finance organizations, and the maximum numbers of WSHGs (Women self help centre) in the country.

M. V. S. Mahendra. (2011) In his study ‘ Empowerment Of Women Through Microfinance – A case stud of Ranga Reddy District, AndraPradesh’ , found that All the members of SHGs are not equally educated, so the NGOs should provide basic education and training to them. Repayment of loan among the members of SHG is quick, there for, the banks may reduce the interest rates. There was lack of efforts to market products produced by members of SHGs so Government should organize trade fairs at regular intervals.

K. Rajendran and Dr. R. P. Raya (2011) in their paper ‘Does Microfinance Empower Rural Women? – A Study in Vellore District, Tamil Nadu Examined that, rural women were able freely to discuss issues freely with bankers and government officials and NGOs. Women’s role in decision making in children’s education had improved. There was negligible social empowerment as a result of participating in Microfinance through the SHG programme.

III. STATEMENT OF PROBLEM

The above brief review of literature has shown that microfinance empowered rural women in many aspects of their life. Very few studies have been conducted in Patan about the impact of micro finance on the empowerment of rural women. Hence, the study was undertaken in Patan Region to assess the impact of microfinance on women empowerment.

IV. OBJECTIVES OF THE STUDY:

To evaluate the empowerment of rural women in Patan Region, Gujarat as a result of participating in micro finance programme.

HYPOTHESES:

The following hypotheses are proposed to evaluate empowerment of respondents in Patan Region (Gujarat)

H1: There is no significant difference between the age and empowerment of women.

H2: There is no significant difference between the educational status of the respondents and empowerment.

H3: There is no significant difference between the loan amount and empowerment.

V. RESEARCH METHODOLOGY

Sampling Design:

To collect the data we have selected Patan Region, we have visited different villages of Patan to gather the data through questionnaire.

Data Collection:

To perform the Analysis of Microfinance Impact on Rural Women Empowerment, we have selected the two method of data collection

1. Primary Data by filling the questionnaire form the rural women of SHGs
2. Secondary Data has been collected from various secondary, Journals, Websites, past reports etc.

Analysis of Data & Tools:

Descriptive statistical analysis such as mean, percentage etc. was carried out and ANNOVA test were also carried out whether necessary. The objective of the research is to evaluate the impact of microfinance in three dimensions of empowerment viz. economic empowerment, social and political empowerment. For each aspect of empowerment, a set of variables were selected to assess the level of empowerment.

Economic Empowerment:

The status of women is connected with their economic position, or status which depends on their participation in economic activities such as ability to access credit, role in decision making in financial matters etc.

The following variables have been used to access the economic empowerment among the respondents as a result of Microfinance.

- Increase in Income
- Increase in Saving
- Increasing in Income Generating Activities
- Reduction of Poverty in the Family
- Reduction of Dependency on Money Lenders
- Ability to meet the financial crisis in the family
- Role in decision making related to savings, expenses and Child Education

Social Empowerment:

Social Empowerment is a gradual process a cumulative effort of economic and political empowerment. But without social empowerment it is very difficult to achieve economic and political empowerment. Independent mobility, freedom of expression view in the house, groups as well as in other places, social interaction with outsiders and assertiveness to fights against in justice and problems are the indicators of the social empowerment. With this background the following variables had been selected to assess the impact of the social empowerment among the respondents.

- Assertiveness in participating protest against Alcoholic abuse by male members of the family, environmental pollution,
- Drinking water problem, Dowry related problems and abuse of women by their Husbands.
- Participation in rallies for Women's Day. Child Labor Ablution.
- Moving to other places independently without the support of male member
- Expression of Views in family as well as in groups.
- Interaction with Bankers / Govt. Officers and NGOs.

Political Empowerment:

Participation of women in political process at the gross root level enhances their social status and it helps to solve the local problems, particularly drinking water, health, education, child development, social security for aged, disabled and in grass root legal planning,

Based on the above facts, the following variables were used to assess the empowerment of women.

- Participation in gram Sabha Meeting.
- Voting independently.
- Participation in election as contestants.

VI. RESULTS AND DISCUSSION

The study reported that majority of the respondents (36 %) that microfinance increased the income of family and increase in income is one the important factor of economic empowerment. It can be seen that majority of the respondents (44%) have seen moderate improvement in savings. It can be seen from the table that majority (56%) respondents have seen the improvement in income generating activities which is the source of additional source microfinance reduced dependency on money lenders and it also reduced the level of poverty in family.

Microfinance enhances the decision making power of women in family matters, respondents play moderate role in decision relating to expenses, and their high role with regard to children's education and savings-related decisions. When people are economically empowered, they are ready to face the financial crisis in the family; the study reported they are now more able to deal with financial crisis. An empowered individual will freely move from one place to another place without support of others, the study reported that moderate amount of improvement in this area. There is moderate to good amount of improvement in expressing their views freely. The study shows that there is good improvement in participation in protests against evils of society such as dowry and alcohol consumption.

Women's participation in gram sabha has increased but as far as casting vote is concerned the improvement is still required.

Results of Descriptive

Table 6. 1: Statics of Study Variables (Empowerment of Women)

Sr No	Variable	VP	P	M	G	VG	Mean	Std. Deviation
1	Increase in income	0	8	24	36	32	3.92	0.94415
2	Improvement in saving	0	4	44	30	22	3.7	0.86307
3	Undertaking income generating activities	0	0	32	56	12	3.8	0.63888
4	Reduction of dependency on money lenders.	0	6	42	36	16	3.62	0.83029
5	Reduction of poverty in the family	0	4	58	34	4	3.38	0.63535
6	Level of participation in decision making in the following house decisions.							
	Savings	0	4	58	34	4	3.38	0.63535
	Expenses	2	4	44	46	4	3.46	0.73429
	Children's education	2	0	44	30	24	3.74	0.89921
	Able to deal with financial crisis of the family	0	6	60	26	8	3.36	0.72168
7	Social Empowerment							
	Moving independently	2	16	56	24	2	3.08	0.7516
	Expressing views freely	2	8	62	28	0	3.16	0.65027
	Able to discuss freely with bankers/ Govt. officers/NGOs and others	0	10	40	38	12	3.52	0.83885
8	Microfinance helped the members to participate in protests against							
	Illicit liquor sales/ alcoholic	2	8	48	40	2	3.32	0.74066
	Pollution	2	2	50	46	0	3.4	0.63888
	Drinking water problem	28	6	30	36	0	2.74	1.22574
	Dowry	26	6	38	30	0	2.72	1.16128

	Abuse of fellow group members by husbands	14	14	38	24	10	3.02	1.16916
9	Participation in rallies on Women's day	14	18	32	30	6	2.96	1.14214
	Child labour abolition	14	16	34	26	10	3.02	1.18649
10	Political empowerment							
11	Women participation in Gram sabha meetings.	12	6	28	22	32	3.54	1.31258
12	Able to cast votes independently	4	34	28	34	0	3.92	0.92229

Source: Primary Data (VP= Very poor, P= poor, M=Moderate, G=Good, VG= Very Good, All figures are in percentage)

Result Analysis

Empowerment: Women have started taking part in gram sabha and they more number of women are able to cast vote independently it can be seen by political empowerment (3.74). As far as economic empowerment is concerned it can be seen that the results are not as good as political empowerment but there is considerable reduction in dependency on others for money and savings have increased. Social empowerment is one of the main factors of empowerment which shows moderate results (3.09) this is the area they should work of empower the women.

Table 6. 2: Empowerment

	N	Minimum	Maximum	Mean	Std. Deviation
Economic Empowerment	50	2.78	4.33	3.5956	.40516
Social Empowerment	50	2.10	4.00	3.0940	.44143
Political Empowerment	50	1.50	5.00	3.7400	1.02639
Valid N (list wise)	50				

(Source: Output of SPSS)

Hypothesis Testing

H1: There is no significant difference between the age and empowerment of women.

The study states that there is no significant relationship between age and empowerment of women as null hypothesis will be accepted as $p > 0.05$

H2: There is no significant difference between the educational status of the respondents and empowerment.

The study reported that Education and The Women Economic Empowerment has significant relationship ($p < 0.05$), so here we will reject the Null Hypothesis. So we can conclude that there is significant relation between Education and Its Women Economic Empowerment. As far as social and political empowerment is concerned we will accept the null hypothesis as $p > 0.05$.

H3: There is no significant difference between the loan amount and empowerment.

Economic empowerment: the study states that there is no significant relationship between Loan Amount and Economical empowerment of women as null hypothesis will be accepted as $p > 0.05$. Social empowerment: the study states that there is significant relationship between Loan Amount and Social empowerment of women as null hypothesis will be rejected as $p < 0.05$. Political empowerment: the study states that there is significant relationship between Loan Amount and Political empowerment of women as null hypothesis will be rejected as $p < 0.05$.

Table 6.3 Effect of Age on Empowerment

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Economic Empowerment	20-30 years	5	3.4889	.39753	.17778	2.9953	3.9825	3.00	3.89
	30-40 years	26	3.5299	.38273	.07506	3.3753	3.6845	2.78	4.11
	40-50 years	18	3.7284	.43656	.10290	3.5113	3.9455	2.78	4.33
	above 50	1	3.4444	.	.	.	.	3.44	3.44
	Total	50	3.5956	.40516	.05730	3.4804	3.7107	2.78	4.33
Social Empowerment	20-30 years	5	3.3000	.26458	.11832	2.9715	3.6285	2.90	3.60
	30-40 years	26	3.0731	.50085	.09822	2.8708	3.2754	2.10	4.00
	40-50 years	18	3.0667	.40293	.09497	2.8663	3.2670	2.20	3.50
	above 50	1	3.1000	.	.	.	.	3.10	3.10
	Total	50	3.0940	.44143	.06243	2.9685	3.2195	2.10	4.00
Political Empowerment	20-30 years	5	4.4000	.65192	.29155	3.5905	5.2095	3.50	5.00
	30-40 years	26	3.8654	.98547	.19327	3.4673	4.2634	2.00	5.00
	40-50 years	18	3.3889	1.10554	.26058	2.8391	3.9387	1.50	5.00
	above 50	1	3.5000	.	.	.	.	3.50	3.50
	Total	50	3.7400	1.02639	.14515	3.4483	4.0317	1.50	5.00

Table 6.4 ANOVA of Age and Empowerment

		Sum of Squares	df	Mean Square	F	Sig.
Economic Empowerment	Between Groups	.509	3	.170	1.037	.385
	Within Groups	7.534	46	.164		
	Total	8.043	49			
Social Empowerment	Between Groups	.237	3	.079	.390	.760
	Within Groups	9.311	46	.202		
	Total	9.548	49			
Political Empowerment	Between Groups	4.863	3	1.621	1.595	.204
	Within Groups	46.757	46	1.016		
	Total	51.620	49			

(Source: Output of SPSS)

Table 6.5 Effect of Education on Empowerment

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum	
					Lower Bound	Upper Bound			
Economic Empowerment	Illiterate	5	3.2444	.43318	.19373	2.7066	3.7823	2.78	3.89
	Primary	20	3.5167	.35188	.07868	3.3520	3.6813	2.78	4.00
	intermediate	21	3.7672	.37664	.08219	3.5957	3.9386	3.00	4.33
	Degree and above	4	3.5278	.49171	.24585	2.7454	4.3102	3.00	4.00
	Total	50	3.5956	.40516	.05730	3.4804	3.7107	2.78	4.33
Social Empowerment	Illiterate	5	3.0000	.12247	.05477	2.8479	3.1521	2.80	3.10
	Primary	20	3.1500	.45480	.10170	2.9371	3.3629	2.30	4.00
	intermediate	21	2.9905	.48053	.10486	2.7717	3.2092	2.10	3.60
	Degree and above	4	3.4750	.09574	.04787	3.3227	3.6273	3.40	3.60
	Total	50	3.0940	.44143	.06243	2.9685	3.2195	2.10	4.00
Political Empowerment	Illiterate	5	3.6000	.22361	.10000	3.3224	3.8776	3.50	4.00
	Primary	20	3.8000	.92338	.20647	3.3678	4.2322	2.00	5.00
	intermediate	21	3.5714	1.23780	.27011	3.0080	4.1349	1.50	5.00
	Degree and above	4	4.5000	.70711	.35355	3.3748	5.6252	3.50	5.00
	Total	50	3.7400	1.02639	.14515	3.4483	4.0317	1.50	5.00

Table 6.6 ANOVA of Education and Empowerment

		Sum of Squares	df	Mean Square	F	Sig.
Economic Empowerment	Between Groups	1.378	3	.459	3.170	.033
	Within Groups	6.666	46	.145		
	Total	8.043	49			
Social Empowerment	Between Groups	.913	3	.304	1.620	.198
	Within Groups	8.636	46	.188		
	Total	9.548	49			
Political Empowerment	Between Groups	3.077	3	1.026	9.972	.414
	Within Groups	48.543	46	1.055		
	Total	51.620	49			

(Source: Output of SPSS)

Table 6.7: Effect of loan amount on empowerment

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Economic Empowerment	less than 5000	4	3.7778	.50511	.25256	2.9740	4.5815	3.11	4.33
	5000-10000	5	3.9556	.25577	.11438	3.6380	4.2731	3.56	4.22
	10000-15000	22	3.5606	.41358	.08818	3.3772	3.7440	2.78	4.22
	15000-20000	11	3.4141	.32619	.09835	3.1950	3.6333	2.78	3.89
	more than 20000	8	3.6250	.41121	.14539	3.2812	3.9688	3.00	4.22
	Total	50	3.5956	.40516	.05730	3.4804	3.7107	2.78	4.33
Social Empowerment	less than 5000	4	2.9250	.29861	.14930	2.4498	3.4002	2.60	3.30
	5000-10000	5	2.5200	.52631	.23537	1.8665	3.1735	2.10	3.40
	10000-15000	22	3.1455	.45116	.09619	2.9454	3.3455	2.20	4.00
	15000-20000	11	3.1727	.33791	.10188	2.9457	3.3997	2.40	3.60
	more than 20000	8	3.2875	.28504	.10078	3.0492	3.5258	2.90	3.60
	Total	50	3.0940	.44143	.06243	2.9685	3.2195	2.10	4.00
Political Empowerment	less than 5000	4	2.8750	1.03078	.51539	1.2348	4.5152	2.00	4.00
	5000-10000	5	2.9000	.82158	.36742	1.8799	3.9201	2.00	3.50
	10000-15000	22	3.6818	.98253	.20948	3.2462	4.1174	1.50	5.00
	15000-20000	11	4.3182	.81464	.24562	3.7709	4.8655	3.00	5.00
	more than 20000	8	4.0625	1.05009	.37126	3.1846	4.9404	2.50	5.00
	Total	50	3.7400	1.02639	.14515	3.4483	4.0317	1.50	5.00

(Source: Output of SPSS)

Table 6.8: ANOVA of Amount of loan and empowerment

		Sum of Squares	df	Mean Square	F	Sig.
Economic Empowerment	Between Groups	1.177	4	.294	1.928	.122
	Within Groups	6.867	45	.153		
	Total	8.043	49			
Social Empowerment	Between Groups	2.188	4	.547	3.344	.018
	Within Groups	7.361	45	.164		
	Total	9.548	49			
Political Empowerment	Between Groups	11.105	4	2.776	3.083	.025
	Within Groups	40.515	45	.900		
	Total	51.620	49			

(Source: Output of SPSS)

FINDINGS AND CONCLUSION:

- Age has no significant relationship with empowerment.
- Out of 50 respondents 40% have taken primary education and 42% respondents have done intermediate.
- Through field Survey we found that, women were not fully aware of the SHGs And Micro finance, They consider it as an insurance scheme i.e. if they are in need of money, the team leader will provide them out of their savings.
- We found that some of the member was not having their own deposit books, and no interest was paid by the leader to them for 1 year deposit, and only par value was returned to them. On the other hand all the papers of SHGs were well maintained by leader but no auditing was there.
- We also found that only group leaders were very enthusiastic, initiators, risk takers and ready to work for goodness of the village, but those leaders were backed up by husband or family. And some of them were widows.

LIMITATION OF THE STUDY:

The study has only 50 respondents and is confined to Patan Region only, limitations of place may be there in results, and the survey can be expanded in whole North Gujarat for better results. More funds will be required to do such big research where we are lacking right now.

ACKNOWLEDGEMENT:

It is a great opportunity for us writes about subject like **Impact of Micro Finance on Rural Women Empowerment in Patan Region** at the time of preparing this research paper we are gone through different books and website which help us to get acquainted with new topics. We are actually focusing on those topics which are important for us to understand about this subject easily.

We acknowledge with gratitude to our My Parents, Family, and Friends. Who has always been sincere and helpful in making us understanding the different system of legal research and conceptual problems in our research paper.

Apart from us this research paper will certainly be immense importance for those who are interesting to know about this subject. I hope they will find it comprehensible.

We have tried hard and soul to gather all relevant documents regarding this Topic. we don't know how far we are able to do they. Furthermore we don't claim all the information in this research paper is included perfectly. There may be shortcoming. Factual error, mistaken opinion which are all mine and we are alone responsible for those but we will try to give a better volume in future.

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