

The–Women Empowerment through Micro–Financing in India–A Case Study of Rural Women

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Abstract—Empowering women is one of the most crucial concerns of the Millenium Development Goals of the United Nation. In rural areas, as for their level of empowerment is concerned, it has been found that they enjoy freedom of mobility, ability to make small purchases economic security but little participation in the decision making process of economic and financial nature. Against their backdrop, Micro-finance has gained a lot of significance and momentum in the recent times, in accomplishing the goal of growth and poverty alleviation especially in rural areas. This study is aimed at analyzing the impact of micro-credit on socio-economic empowerment of women in the Ranchi District of Jharkhand in India. The present study is based on both primary and secondary data. The primary data was collected from field survey.

Keywords—MICRO-FINANCE, S.H.G. Women Empowerment, Financial Services, Jharkhand.

I. INTRODUCTION

WOMEN empowerment is viewed as a prerequisite for the process of any economic development in a country and even the world Bank has suggested that empowerment of women should be a key aspect of all social Development program (World Bank 2001) India being among the top 5 economies of that world by 2015 and on the other hand it has presence of 250 million poor forming 25% of the total population. Micro-Finance as a tool for poverty alleviation and improving socio-economic conditions of the poor especially rural women is evolving and making definite impact on socio-economic empowerment of women in rural India especially the tribal women of Ranchi district of India. Micro-Finance is a new method to meet the credit requirements in rural areas. Since the bank borrowing does not have any type of such collaterals, in the recent period, considerate emphasis has been placed on the promotion of micro-credit enterprises Micro-Finance programme through self-help group (SHG) has been effective in making positive social change to the group members. A Self Help Group (SHG) is a registered or unregistered voluntary association of poor (male or female) of 15 to 20, from the same socio-economic background involving primarily in saving and credit activities. A SHG can be a voluntary

association of all women group, all men group or even a mixed group. However over 90 percent of these groups have only women members. The SHGs are taking small loans out of the corpus available with the group. The group corpus consists of savings, government assistance and also bank loan. Micro services relevant for the poor population.

Micro Finance Schemes To provide financial assistance to the Self Help Group various schemes have been floated by the Government as well as Micro-Finance institutions, Non-Governmental organisations and Self Help Group. Small amounts received from these bodies are pooled together to enable women folk to pursue various part time income generating and livelihood assistance activities apart from being a full time home maker.

Objective of the study

The study aims to achieve the following objective:

- To know the level of empowerment of rural women in Ranchi District.
- To examine the extent of involvement of women in SHG
- To find out the role of SHG in Micro-Finance..

II. METHODOLOGY

In view of the objective of the study, ethnographic and survey research was undertaken. The primary data were collected through questionnaire. The field survey has been carried out in the rural areas of Ranchi District of the state of Jharkhand (India). At the end of 2013 a total of 6740 Self Help Group have been benefitting to 1,04,324 group members. Through random sampling technique 36 SHG and 252 respondents were selected for the groups in the aforesaid districts.

A. Economic Sustenance Activities Undertaken By The Respondents

All the respondents who were part of this study were pursuing various livelihood sustenance activities. In the process of earning a livelihood, the respondents availed financial grant in the range of Rs. 1500 to Rs. 11000 from SHGs and NGOs. The activities undertaken by the respondents include Pattaal making (Tree leaves utensils) (37%) rearing goats (6%) and pigs (19%), Fishery and poultry (6%) shops, and stalls (12%) and activities like lac worm rearing beauty parlours etc. In this process of earning an extra income to supplement their family income, they were

also able to discharge their responsibilities efficiently as home makers also.

B. Socio Economic Background Of The Beneficiaries

Age Social class, marital status, education, type of family, annual income and rate of interest etc. are some of the important variables that affect women in their empowerment and development. Table – shows the socio economic profile of the beneficiaries:

- 126 beneficiaries out of 252 respondents representing 50 percent were is the age group of 26 – 35 years. 25 is evident that 23.8 percent of the members belong to the age group of 36.45 years.
- The highest number of group members hails from backward class representing 43.7 percent, scheduled caste and scheduled tribes occupied with 44.5 percent and very few respondents i.e. 15 members belong to other community.

SN.	Variable	No. of Respondents	Percentage
1.	Age of the Respondents		
	< 25	50	19.8
	20-35	126	50.0
	36-45	60	23.8
	45 and above	16	6.4
	Total	252	100.0
2.	Social Class Members		
	S.C	64	25.4
	S.T	48	19.1
	B.C	110	43.7
	Others	30	11.9
	Total	352	100.0
3.	Marital Status of the Beneficiaries		
	Married	192	76.2
	Unmarried	46	18.3
	Widow	14	5.6
	Total	252	100.0
4.	Education Level of the Respondents		
	Illiterates	36	14.3
	Primary	120	47.6
	High School	90	35.7
	Graduates	06	2.4
	Total	252	100.0
5.	Type of the Family		
	Joint	76	30.1
	Nuclear	176	69.8
	Total	352	100.0
6.	Status of Respondents		
	House Wife	130	51.6
	Self Employment	78	31.0
	Labour	44	17.5
	Total	252	100.0
7.	Annual Income of the Family		
	Below 10,000	10	4.0
	10,000 – 15,000	36	14.3
	15,000 – 20,000	24	9.5
	20,000 – 30,000	140	55.6
	30000 above	42	16.7
	Total	252	100.0
8.	Rate of Interest		
	12	22	8.7
	11	130	51.6
	10	58	23.0
	09	42	16.7
	Total	252	100.0

9.	Opinion on the Interest Rate		
	Very High	22	8.7
	High	82	32.5
	Moderate	116	46.0
	Low	32	12.7
	Total	252	100.0

- Most of the women were reported as married representing 76.2 percent (192 out of 252). Proportion of unmarried girls was reported (18.3 percent) and widow beneficiaries have been reported only 5.6 percent.
- Very few beneficiaries were found poor in terms of education and literacy development. Only third respondents found living in joint families.
- Nearly one third members (130 out of 252) representing 51.6 percent was house wives. It was found that self employed women were 31 percent and 17.5 percent respondents were reported as labourers.
- Most of the families representing 55.6 percent (140 out of 252) belong to income level of Rs. 20,000 – 30,000 per annum (i.e) low. The remaining families are living below the poverty line or just above it.
- 152 beneficiaries representing, nearly 60 percent are paying more than 11% rate of interest on their borrowed amount. 50 respondents paying less than 10% rate of interest.
- 46 percentages of respondents were satisfied with existing rate of interest while 104 respondents representing 41 percent felt as high rate of interest.

C. Participation of Women in Group Functioning

SHGs would essentially form for the purpose of empowering the poor to take charge of critical decisions concerning their lives and improve its quality Women’s participation in SHGs in its various activities is important for meeting out the broad objectives of micro financing and effective functioning of SHGs. The participation of the selected women in their groups involving in various activities is shown in Table 2.

- It is inferred that 44.4 percentage of beneficiaries were joined in SHGs during the year 2012. 86 members representing 34.1 percent formed in the year 2003 and 54 women respondents joined the group after 2014
- 182 respondents (72.2 percent) out of 252 reveals that NGOs and friends are the main motivators to join the group. Only 13.5 percent were the self motivated group members.
- 162 out of 252 respondents were ordinary group members while 23.8 percent are acting as representatives and 15 members were the leaders of the groups.
- 06 beneficiaries representing 81.8 percent conveyed SHGs have been conducting weekly meetings.
- 218 respondents representing 86.5 percent attending meetings regularly and only 13.49 percent participated occasionally in the group meetings.

D. Thrift and Credit Performance of the SHGs

Thrift and Credit Performance of the SHGs is shown in Table 3

- There has been an increase of 29.4 percentage points and

1.6 percentage points in the savings amount of Rs. 50-Rs. 100 and Rs. 100-Rs. 200 during initial and present stage.

- Regarding balance amount to be paid by the beneficiaries. Most of the respondents reported that they have to pay dues up to Rs. 1000 (77 percent). While only a small proportion has to repay heavy dues (i.e.) more than Rs. 1000.
- 108 out of 252 beneficiaries (representing 42.9 percent) availed benefits while majority of the women members representing 57.1 percent could not get any benefit from development programmes.

SN.	Factor	No. of Respondents	Percentage
1.	Initial Savings Rate of Respondents		
	Below 50	138	54.8
	50-100	94	37.3
	100-200	20	7.9
	Total	252	100.00
2.	Present Savings Rate of Members		
	Savings Rate(in Rs)No. of Respondents		Percentage
	Below 50	60	23.8
	50-100	168	66.7
	100-200	24	9.5
Total	252	100.0	
3.	Balance amount to be Paid		
	Less than 500	78	31.0
	500-10000	116	46.0
	1000-1500	42	16.7
	1500-2000	16	6.4
Total	252	100.0	
4.	Did you receive Benefit Under Governments Schemes		
	Yes	108	42.9
	No	144	57.1
	Total	252	100.0

E. Analysis and Interpretation

- Age is not the criteria for SHG membership and any person who is unemployed can become member of the SHG
- SHG membership is not based on the education qualification. About 8.1 percent of the beneficiaries are falling in the education level that is HIGH School and less than High School and they could not have jobs due to low education qualification.
- SHG membership is for unemployed and it is not for a specific age group, education level and caste
- Micro financing is directly oriented to the rural poor, as 79 percent of respondents are below poverty line
- Most of the members have taken loans from SHG's are housewives followed by self employment.
- 52 percent respondents opined that high rate of interest charged by the banks.
- SHGs are formed with the idea of mobilizing small savings from members. Loan facility is available for all the members and there are no restrictions on taking loan.
- The groups change the women from housekeeper to organizer, manager and decision maker. Women learn skill and ability from the group activities.
- SHGs provide the poor women the access to economic recourses like money and hereby they enable the women to spend them on productive and consumption needs.

- SHGs are not just a financing system but for social and economic change, especially for women.

F. Suggestions

- Emphasis should be given to SHGs formation and group lending rather than individual lending.
- There is a need to have proper regulating authority at each level saving, depositing, lending of money, which will help in long term sustainability of the sector and in avoiding any misuse of money.
- There is need to evolve new products by the banks commensurate with the requirements of women.
- Strong marketing network is essential for effective and proper marketing of product and services of micro enterprises linked SHGs. They need marketing support and institutional capacity to handle marketing activities independently.
- As women are an important part of the community, building their capability to manage communities and community project should be enhanced. Education is a good channel for women empowerment and poverty.
- It is suggested to increase the ceiling limit of the loan to Rs. 25,000. The interest rate on the loan amount should be brought down to some extent.
- The members of all the self help groups need to undergo training programmes related to accounting, motivation etc. It helps them in better understanding of need of relation between micro financing and relation maintenance with members for smooth functioning

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