

A STUDY ON THE ROLE OF MICROFINANCE AND SELF HELP GROUPS IN THE WOMEN EMPOWERMENT WITH SPECIAL REFERENCE TO KAKODONGA BLOCK IN GOLAGHAT DISTRICT OF ASSAM.

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Abstract: Microfinance is an economic development tool whose objective is to assist the poor to work their way out of poverty. Women empowerment is a process in which women challenge the existing norms and culture, to effectively promote their well being. The participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment both in social and economical aspects. This study addresses women empowerment through self help groups in Kakodonga Block of Golaghat district of Assam. The information required for the study has been collected from both the primary and secondary sources A Random sampling method has been followed. Average and percentage analysis was carried out to draw meaningful interpretation of the results. Chi – Square test used to find whether the two attributes are associated or not. The results of the study revealed that the SHGs have had greater impact on both economic and social aspects of the beneficiaries.

Key words: Woman Empowerment, SHG, Kakodonga, Golaghat, Assam

1. Introduction: Microfinance is an economic development tool whose objective is to assist the poor to work their way out of poverty. The micro-finance programme in India is popularly known as the Self-Help Group –Bank Linkage Programme and NABARD sponsored SHG-Bank linkage programme is the single largest micro-finance programme in the world. Microfinance is powerful weapon to remove the poverty and empowerment of women in rural areas. Self Help Group plays a pivotal role in social transformation and social economic betterment of rural women. Assam is a flood affected area where people cannot depend purely on agriculture all through the year. Thus non-farm activities like poultry activities, piggery, weaving, small business etc., give immense scope for women to earn their livelihood when they do not have income through agricultural activities. Banks in association with NGOs give training to SHG members in all these activities. The Government of Assam encourages the SHG activities and marketing of their product.

2. Objectives of the study:

In our present study the following objectives are proposed.

1. To study the socio-economic condition of the respondents and their family characteristics.
2. To analyze the savings and credit dimensions of the respondents.
3. To study the functioning and performance of the SHGs in the district.
4. To examine the level of satisfaction of the SHG members in SHG activities.
5. To explore future strategies and to suggest measures for the better management of Self Help Groups.

3. Methodology: The present study was conducted in the Golaghat District of Assam. This district was selected purposively because the district is the home district to the researcher. From this district a development block viz. Kakodonga was selected for our present study. The study is based on primary and secondary data. Primary data were collected by interview schedule method. Secondary data were collected from websites, official sources, published and unpublished data etc. The sample size is one hundred twenty respondents constituting all categories of Self Help Group members from Kakodonga Block.

4. Analysis:

4.1 Socio economic profile of the respondents:

In this paper an attempt has been made to examine the impact of micro finance with respect to poverty alleviation and socioeconomic empowerment of women. By supporting women's participation, microfinance helps to empower women, thus promoting gender equality and improving household wellbeing.

Education leads to knowledge and self-confidence. Entrepreneurship is also determined by the education. Education plays a vital role in decision making. Many Micro Finance Institutions have found illiteracy to be a major stumbling block for their clients. Thus it is important to increase literacy rates among the women folk.

Table: 4.1.1

classification of the respondents based on their age:

| Age | No. of Respondents | Percentage |
|----------------------|--------------------|------------|
| Below 30 years | 32 | 26.6 |
| 31 years to 40 years | 46 | 38.3 |
| Above 40 years | 42 | 35 |
| Total | 120 | 100 |

Source: Primary Data

Age is an important factor which determines the efficiency of an individual. Table-4.1.1 reveals that out of total respondents taken for the study, 26.6% of them belong to the age group of 30 years, 38.3% of the respondents are in the age group of 31 to 40 years, and remaining 35 % of them belong to the age group of above 40 years. Thus it can be inferred that majority of the respondents falls in the age group of 31 to 40 years.

Table: 4.1.2

Classification of the respondents based on their educational qualification:

| Education level | No. of Respondents | Percentage |
|------------------|--------------------|------------|
| Illiterate | 11 | 9.1% |
| Primary | 25 | 20.83% |
| Secondary | 42 | 35% |
| Higher Secondary | 30 | 25 % |
| Graduate | 12 | 10 % |
| Total | 120 | 100 |

Source: Primary Data

From Table- 4.1.2 it is observed that majority of the respondents (35%) have secondary level of education while 25% of them have Higher Secondary level of education, 20.83% have primary level of education, and 10 % have Graduate level of education. It is clear that among 120 respondents there are only 9.1% are illiterate.

Table: 4.1.3

Family status of the self help group members:

| SI No. | Marital Status | No. of Respondents | Percentage (%) |
|--------|----------------|--------------------|----------------|
| 1 | Joint | 37 | 30.8 |
| 2 | Nuclear | 83 | 69.2 |

| | | | |
|-------|--|-----|-----|
| Total | | 120 | 100 |
|-------|--|-----|-----|

Table-4.1.3 exhibits that out of the total respondents taken for the study, 30.8% of them are joint family while the remaining 69.2% of the respondents are nuclear family. Thus majority of the respondents are nuclear family.

Table: 4.1.4

Classification of the respondents based on their occupational background:

| Occupational Background | No. of Respondents | Percentage |
|-------------------------|--------------------|------------|
| Agriculture | 34 | 28.3% |
| Business | 19 | 15.8% |
| Housewife | 54 | 45% |
| Others | 13 | 10.8% |
| Total | 120 | 100 |

Source: Primary Data

From table-4.1.4 it has been found that out of the 120 respondents, 28.3% respondents are engaged in agriculture, 15.8% are in business, while 45% are housewives and 10.8% are others. Thus it is clear from the table that majority of the respondents are housewives.

The main aim of microfinance is to empower women. 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.

Table: 4.1.5

Period of functioning of self help groups of the respondents:

| Period of joining of the respondents in SHGs | No. of Respondents | Percentage (%) |
|--|--------------------|----------------|
| Less than one year | 12 | 10 |
| One year to three years | 54 | 45 |
| Three years to five years | 36 | 30 |
| More than 5 years | 18 | 15 |
| Total | 120 | 100 |

Source: Primary Data

From Table -4.1.5 it is observed that there are 10% of the respondents whose period of joining SHGs is less than one year, 45% of the respondents are working with SHGs from one year to three years, 30% of the respondents are working with three to five years while 15% of the respondents are working with SHGs from more than five years.

Table: 4.1.6

Reason for joining self help groups:

| Statement | No. of Respondents | Percentage (%) |
|-------------------------------------|--------------------|----------------|
| To attain economic independence | 43 | 36 |
| For savings | 66 | 55 |
| To get recognition from the society | 7 | 5.8 |
| For passing time | 4 | 3 |
| Total | 120 | 100 |

Source: Primary Data

Regarding the reason for joining in self help group as member, from table-4.1.6 it is evident that 55% of the respondents opinion for enriching the saving, the second importance for to attain the economic independence (36%), 3% for passing time and there are 5.8% of the respondents only whose opinion is to get recognition from the society. Therefore it can be inferred that most of the respondents are joining Self help Groups for saving purpose.

Table: 4.1.7

income level of the respondents before and after joining in the self help groups:

| Monthly income | No. of respondents before joining SHG | Percentage (%) | No. of respondents after joining SHG | Percentage (%) |
|----------------|---------------------------------------|----------------|--------------------------------------|----------------|
| Less than 1000 | 13 | 10.8 | 8 | 6.67 |
| 1000-1500 | 19 | 15.8 | 22 | 18.33 |
| 1500-2500 | 40 | 33.75 | 42 | 35 |
| Above 2500 | 48 | 40 | 48 | 40 |
| Total | 120 | 100 | 120 | 100 |

Source: Primary Data

The above table shows that the income level of the respondents has increased from 15.8% to 18.33% after joining the self Help Groups in the income group Rs 1000-1500. Similarly the income level of the respondents has increased from 33.75% to 35% after joining the self Help Groups in the income group Rs 1500-2500. Thus, SHGs are not treated as financial system but they are formed with a view to social and economic change of the rural people especially for the rural women.

Loan facility is available for all the members without any restriction. Table 4.1.8 clearly indicates that 100% of the respondents have taken loan from SHGs.

Table: 4.1.8

Respondents based on loans/subsidy taken:

| Loans/Subsidy | No. of Respondents | Percentage (%) |
|---------------|--------------------|----------------|
| Yes | 12 | 100 |
| No | --- | --- |
| Total | 120 | 100 |

Source: Primary Data

The utilization of loan itself will determine whether microfinance programme is contributing towards empowerment of women or not. If the loan taken from the SHG is is invested in some productive activity then surely it is contributing towards alleviation of poverty and empowerment of women. But simply if the loan amount is spent on current consumption, then it may deteriorate the economic condition of the women.

Table: 4.1. 9

| Subsidy Utilized | No. of Respondents | Percentage (%) |
|--------------------|--------------------|----------------|
| Agriculture | 18 | 15 |
| Poultry activities | 8 | 6.67 |
| Piggery | 25 | 20.83 |
| Weaving | 14 | 11.6 |
| Small Business | 6 | 5 |
| Family expenses | 49 | 40.83 |
| Total | 120 | 100 |

Source: Primary Data

From table 4.1.9 it is seen that 15% of the respondents took loan for agricultural purposes, 6.67% of the respondents took loan for Poultry activities, 20.83% for piggery, 11.6% for weaving, 5% took loan for small business and 40.83% i.e. majority of the respondents are utilizing the loan for family expenses.

Table: 4.1.10

Level of satisfaction with self help group activities:

| Benefits | No. of Respondents | Percentage (%) |
|------------------------------------|--------------------|----------------|
| To great extent | 76 | 63.3 |
| To some extent | 16 | 13 |
| Neither satisfied nor dissatisfied | 15 | 12.5 |
| Not at all satisfied | 13 | 11.2 |
| Total | 120 | 100 |

Source: Primary Data

The above table shows the level of satisfaction of the members of SHG. 63.3% of the members are highly satisfied and 13% of the members are satisfied. 12.5% of the members are neither satisfied nor dissatisfied. The remaining 11.2% are not at all satisfied with the activities of SHG.

Testing of Hypothesis:

H_{01} : There is no significant relationship between educational qualification and the membership period of the SHG members.

H_{02} : There is no significant relationship between age and the level of satisfaction with the activities of SHGs.

H_{03} : There is no significant relationship between marital status and membership period in SHGs.

H_{04} : There is no significant relationship occupation status and membership period in SHGs.

Table: 4.1.11

association between age & level of satisfaction, education and level of satisfaction & marital status and membership period:

| Factors | Calculated Value of χ^2 | Table Value | Degree of Freedom | Result at 5% Level |
|--|------------------------------|-------------|-------------------|--------------------|
| Educational qualification & membership period of the SHG members | 17.57 | 21.026 | 12 | Not Significant |
| Age & Satisfaction Level of the SHG members | 51.67 | 12.592 | 6 | Significant |
| Marital status & membership period in SHGs | 5.47 | 7.815 | 3 | Not Significant |
| Member's occupation & membership period in SHGs | 12.97 | 16.919 | 9 | Not significant |

The calculated values of χ^2 for educational qualification vs. membership period, marital status vs. membership period and member occupation vs. membership period are found to be less than their respective tabulated values of χ^2 . These indicate that there is no significant relationship between educational qualification and membership period, marital status and membership period, member occupation vs. membership period. The calculated value of χ^2 for age vs. satisfaction level is found to be greater than its respective tabulated value which implies that there exists significant relationship between age and satisfaction level of the SHG members.

5. Findings: The following are the major findings of the study.

- 5.1 Majority of the respondents of Self Help Group members belong to the age group of 31 to 40 years.
- 5.2 Majority of the respondent's have secondary level of education
- 5.3 Majority of the respondents are nuclear family
- 5.4 Majority (45%) of the respondents are house wives.
- 5.5 45% of the respondents have joined SHGs in 1 to 3 years.
- 5.6 Majority (55%) of the respondents' opinion regarding for enriching the saving for joining Self Help Group.
- 5.7 Income of the SHG members has increased after joining the Self Help Group.
- 5.8 Majority of the respondents have taken loans/subsidy from SHGs.
- 5.9 There is no significant relationship between educational qualification and membership period of the SHG members.
- 5.10 There exists significant relationship between age and satisfaction level of the SHG members.
- 5.11 There is no significant relationship between marital status and membership period of the SHG members.
- 5.12 There is no significant relationship between member's occupation and membership period of the SHG members.

6. Suggestion:

- 6.1 Self Help Group is powerful tool to enrich the saving activities and poverty alleviation. As such the Government and NGO's should have to take necessary steps to popularize the benefits of Micro Finance programme among the poor women in rural areas in Assam.
- 6.2 In order to strengthen the women empowerment, female literacy is to be promoted.
- 6.3 Government should introduce more schemes and these should be communicated and advertised in proper way so that it can reach the Self Help Groups.
- 6.4 Rotation and responsibility has to be made compulsory so that it can lead to women empowerment.
- 6.5 Meetings and seminars are to be organized on a regular basis where the members will get a chance to exchange their views and be able to develop their group strength by interactions.

7. Conclusion:

Thus it can be concluded from the above study that microfinance is playing a vital role in the social, psychological as well as economic empowerment of women in the Kakodonga Block of Golaghat district. Microfinance loan availment and its productive utilization found to be having a profound role and impact on women empowerment. Microfinance is accepted as a key mantra for attaining and maintaining the sustained and long-term economic growth in all over the world. Reaching poor people on massive scale with popular products on a continuous basis involves rethinking the basic assumptions and making the changes. Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity.

Though different studies conducted at various levels show different conclusions, it can be acknowledged from the present study that despite of bottlenecks, microfinance is capable of helping the poor to upscale themselves to a better living and playing a significantly positive role in upgrading women empowerment.

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