

ROLE OF SELF HELP GROUP (SHG) THROUGH MICRO FINANCE FOR WOMEN'S EMPOWERMENT

(An Empirical study in Udaipur cluster)

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ABSTRACT

Micro finance through Self Help Group (SHG) has been predictable globally as the current device to warfare poverty and for rural improvement. Micro finance and SHGs are effectual in tumbling poverty, empowering women and generating awareness which finally answers in sustainable progress of the nation. This paper formulates a challenge to appraise the efficiency of microfinance on empowerment of women. The main objective of the study is to assess the socio economic impact of microfinance in the empowerment of women. The study is undertaken in Udaipur cluster. Both primary and secondary data's are used. Primary data is enumerated from a field survey in the study region. Secondary data is collected from NGOs' reports and other documents. The researcher has used Mean, Standard Deviation, t-test, Z-test, ANOVA test for analysis purpose. Population of study is women who are associated with Self Help Groups (SHG's). The survey was carried on around 200 respondents from different SHGs of Udaipur district, Rajasthan and the investigation was completed to study the empowerment of women through microfinance. The outcomes powerfully express that on an average, there is a significant increase in women empowerment of the Self Help Groups members.

Keywords: Microfinance, women's empowerment, Non Governmental Organization, Self Help groups.

INTRODUCTION

Microfinance refers to the stipulation of monetary services to poor or low income clients, including customers and the self –employed. The term furthermore refers to the performance of sustainable distributing those services. A glimpse at microfinance's accomplishments and inadequacies in serving women along with their families to get away of poverty shows that macro-level structural transformations not just more microfinance--are required to facilitate conquer poverty. Microfinance is a perception that is helping the poor to benefit of and produce prospects for economic growth. In India, microfinance has overflowed the efforts of rural progress; women empowerment and wealth production by provided that small scale savings, credit, insurance and further financial services to poor and low income households.

Microfinance accordingly serves as resources to empower the poor and affords a precious device to facilitate the economic expansion procedure.

Microfinance has come to assist a chief task in numerous gender and progress approaches because of its direct affiliation to both poverty improvement and to the empowerment of women. Women are the majority of critical essentials of the social stuff and in performance a critical function in the socioeconomic circumstances of Rajasthan. Microfinance programs like the SHGs in India have been endorsing for their optimistic economic impact and the faith that they empower women. The foremost intention of the study is to seem into the function of microfinance in the empowerment of women. The conclusions of the study believe performance the economic, political, and social profit of microfinance liberation to women in addition up to its impact in enhancing their wakefulness and knowledge. In adding together, the study besides recognizes the challenges women face with MFI. In accumulation, the consequences of the study will present as a cause of information for people that require meaningful the accountability of MFI in the empowerment of women.

REVIEW OF LITERATURE

Microfinance and Its Operation

Khan, Mohammad Ariujjaman; Rahaman, Mohammad Anisur (2007) highlighted the microfinance models which use the group lending methodology for reducing poverty and how effective these models have been in raising the living standard (income, saving etc.) of the poor people in Bangladesh. The various methodology studied in this report are group lending, individual lending, credit unions, village banking and Self Help Groups/Associations. Chittagong district was chosen for study since it had substantial microfinance activity in the past few years.

Abhijit Banerjee, Esther Duflo (2011) showed on the various schemes of microfinance institutions in order to help the poor. This paper revealed the effectiveness of the schemes launched by such institutions and its impact on the core poor.

Kapilananda Mondal (2014): the founder & CEO VSSU, brought out interesting facts in his article 'Community Development through Innovative Microfinance' published in Microfinance Barometer 2014: he has brought out that the microfinance sector in India has recently onlooker the terrible impact of extreme spotlight on numerical achievements. Improvement does not follow any scientific formulae of progress; it requirements to be client focused, process-oriented, and have a holistic approach with sustainable impact as its goal.

Women empowerment

Kabeer (2001) explained the defined empowerment as the expansion in people's ability to make strategic life choices in a context where this ability was previously derived to them. It helps to distinguish

empowerment from other closely related concepts i.e., the idea of process or change from a condition of disempowerment, to that of empowerment.

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.

Women empowerment and microfinance

Namboodiri and Shiyani (2001) found to examine the potential role of self help groups in terms of reach linkage with banks for savings and credit for the weaker sections of the rural households. They conclude that the system evolved through the self help groups for collecting savings, group consumption credit, integrating social and economic goals among small groups has the potential not only for financial deepening in the rural areas but also for the empowerment of women in particular.

Vadde, S. (2012)⁹ analyses the operating system of SHGs for mobilization of saving, delivery of credit to the needy, management of group funds, repayment of loans, in building of leadership, establishing linkage with banks and social benefits derived by the members. The findings shows that the Self-Help Group (SHG) bank linkage programme in past eighteen years has become a well known tool for bankers, development agencies and even for corporate houses.

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 role of Self Help Group through microfinance for women empowerment.

OBJECTIVES OF THE STUDY

- ❖ To study the performance of SHGs in Udaipur cluster.

HYPOTHESES FRAMED FOR THE STUDY:

H01: There is no significant relationship between the Educational status of the respondents and Empowerment.

H02: There is no significant change in the EMPLOYMENT status of women SHG members after joining SHG

H03: There is no significant change in the Monthly income of women SHG members before and after joining SHG

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

Education:

Table2: Distribution of respondents according to education

| Education | N | % |
|--------------|------------|---------------|
| Illiterate | 135 | 67.50 |
| Primary | 48 | 24.00 |
| Middle | 6 | 3.00 |
| Secondary | 11 | 5.50 |
| Total | 200 | 100.00 |

This table shows (2) majority (67.50%) of them belonged to the category of Illiterate. 24.00 % of them studied primary level of education and only 5.50% of them were educated secondary school level. It is notice that only 3.00% were educated middle class level. Most of the women are illiterate. The most astonished part in the study is that the level of middle and secondary education is least that somewhere hinders the respondents in their exposure and developmental activities.

Employment:

Table 6: Employment status of beneficiary

| Employment status | N | % |
|--------------------|------------|---------------|
| Housewife | 22 | 11.00 |
| Self Employed | 156 | 78.00 |
| Employed elsewhere | 22 | 11.00 |
| Total | 200 | 100.00 |

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.

TESTING OF HYPOTHESES:

H01: There is no significant relationship between the Educational status of the respondents and Empowerment.

Empowerment of Women and Education

| Education | N | Mean | SD | F | df | Result |
|--------------|-----|------|------|------|--------|--------|
| Illiterate | 135 | 4.29 | 0.25 | 6.81 | 2, 197 | ** |
| Up to Middle | 54 | 4.34 | 0.22 | | | |
| Secondary | 11 | 4.57 | 0.21 | | | |

Inference: Highly significant relationship between education and empowerment of women was found ($F=6.81$, $p<0.001$). From the table given above it can be observed that empowerment of women is increased significantly with education also. Women those who are comparatively more educated were found to be more empowered as compared to those who are less educated or illiterates.

H02: There is no significant change in the EMPLOYMENT status of women SHG members after joining SHG

Table 21: Employment Status before and after joining SHG

| 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%.

H03: There is no significant change in the Monthly income of women SHG members before and after joining SHG

Table 24: 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.

Findings

1. As our field survey included some villages and NGOs it was found that almost 67.50% of respondents were illiterates and 34% had their primary education and with middle education were 3.00% and with secondary education, were 5.50%. Majority of women group are from self help Group. The illiterate and poorest of the poor are not sufficiently represented in SHGs.

2. Regarding their employment status of beneficiary, 11.00% of women who were housewife, 78.00% of women who were self employed and 11.00% of women were employed elsewhere. Regarding their current

monthly family income, 12.00% of women were belongs between up to Rs 2000, 28.00% of women were beneficiary in between Rs 2000- Rs 4000, 12.00% of women were beneficiary in between Rs 4000-Rs 6000, 19.50% of women were beneficiary in between Rs 6000-Rs 8000, 18.50% women were beneficiary in between Rs 8000-Rs10000 and 10.00% women were beneficiary in between Rs 10000-Rs 12000.

3. There is significant increase in the income of the respondents after they have become members of the SHG. The role of SHGs in enhancing the income generating habits of its members is glaring in the present study. The savings of individuals increased after their becoming members of the SHG.

4. Microfinance service and employment of women beneficiary are interdependent which clearly states that the service provided by microfinance institutions has helped for employment of women beneficiary. services may be in form of training, Business start-up, availing loans and credits, providing respondents skill development programmes, marketing linkages, exposure tours etc. There exists a Significant Relationship between Women empowerment and their income, savings, acquisition of assets and the resultant decision making power.

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. There is increase in the number of women beneficiaries in SHG and there is considerable awareness among them and they understand the importance of participation which gives them a sense of belongingness. This study shows that women are aware about importance of education, savings and how they help their family financially by doing job.

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