

# EMPOWERING WOMEN BY A WAY OF MICROFINANCE - A STUDY OF SELF-HELP GROUPS OF DISTRICT OF HARYANA

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## Abstract

**Purpose-** The main purpose of this paper to evaluate the empowerment of rural women in Panipat District (Haryana) as a result of participating in micro finance programs.

**Research Methodology-** The study is taken in rural area of Haryana. Primary data is used for data collection. The study is conducted at SHGs and NGOs in Panipat district. 100 samples have been collected from the 10 areas that are selected for the purpose of the study. Descriptive statistical analysis such as mean, standard deviation, percentage etc. was carried out and chi-square tests were also used wherever necessary.

**Findings-** The study reported that 82 respondents informed that they move independently to other places without the support of male members of the family. But only 69 respondents to express their views freely in the family as well as in groups and 79 respondents expressed that they were able to discuss issue freely with bankers, govt. officers, NGOs and others.

**Implications-** The implication of this paper is that it helps the women to understand the factors that need to be improved to empower yourself. It helps to identify their strengths and weakness at their position.

**Originality-** This paper provides a study of empowerment of women by a way of microfinance self help groups in Panipat district.

**Keywords-** Empowerment, Microfinance, self help groups and Women.

## 1.1 Introduction

Microfinance program in India is growing quickly and receiving increasing attention from the financial institutions, non-governmental organizations (NGOs) and the Government, as an instrument that can change lives of the poor. Microfinance is measured as a development tool to improve poverty in Asian, African and South American countries. Microfinance gives quick and tangible effects to the poor people, specifically women. Microfinance, when extended to people, especially women, in rural areas tied with supporting activities like training, raw material supply, marketing of products leads to investment in micro enterprises, women may develop entrepreneurs, generate main or additional income to the family, poverty is reduced, and development takes place and the women get the self-assurance to go for enterprising activities with social, economic, and political empowerment and with her increased knowledge and awareness, development takes place.

SHG is a very good information and this encourages poor people to protect small amounts and use money carefully in emergencies like unexpected health problems, natural calamities etc. They deposit money into bank and they get interest for that money. Whenever they take loan they are charged at a very low rate than interest given on deposit amount. Self-Help Groups are usually informal groups whose members have a common observation of need and importance towards collective action. It leads women to develop the habit of raising loans, form savings, instructed with a sense of belongingness, habit of carefulness and discipline among themselves

Microfinance is the provision of financial services to low income clients who traditionally lack contact to banking and related services. It helps in reaching out to the helpless parts of the society like women, SC, ST which are outside the purview of proper institution. It is a form of financial development that has primarily focused on improving poverty through providing financial services which support poor to take up income making activities and secondly it focuses on women empowerment. Micro finance is defined as provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for allowing them to increase their income levels and improve living standards. Micro finance has expanded a share of importance in financial sector of India through Self-help groups. The provision of micro financial support to women, on one hand can increase their household wealth through income generating activities initiated through such assistance, and on the other, can empower women

Empowerment literally means making someone powerful; facilitating the weak to achieve strength, enabling someone to challenge inequality and domination. Empowerment is a process which makes the powerless to acquire and control over power through awareness, capacity building, participation in decision making, acquiring information, attaining confidence and self-employment. Empowerment of rural women through micro finance does not limit itself to financial empowerment through improvements in income, savings and living conditions and development in financial management capability and financial security. This is where the mechanism through which these rural women graduate themselves for accessing micro finance comes into the fray.

## 1.2 Review of literature

**Awojaki (2014)** analysed that empowerment of Nigerian women as a result of participating in micro finance programmes. It was found that increase in women income & household condition very well. They concluded that micro finance institution charged high interest rate to their clients. It may be included large scale data and charged low interest rate to their clients.

**Jain & Nai (2013)** concluded that performance of SHG groups in rural area and the positive and negative impact on members of SHGs after joining them. To study the interest of rural woman towards SHG, it was

found that Joining after SHGs has helped in the significant reduction of poverty, have made the women members feel more independent; has increased their standard of living. It may be included secondary data.

**Johnson (2017)** analysed that women empowerment through vocational training and poverty eradication. There was a positive result about the women participation in vocational training. It may be included need more policy to increase women wage.

**Lokhande (2013)** focused to find out whether micro finance really contributed to the socioeconomic empowerment of group members and study had focus on understanding socio-economic status of group members on Pre and post joining the groups approach. The study concluded that poor, discriminated and underprivileged women if join the groups, can come out of poverty. It may be included bank and training facility.

**Raj (2014)** concluded that growth trends in women empowerment in recent yr. and launch the government scheme to empower women. It was found that improve the growth of Indian women by NGO self-help group, government assistance etc. we take majors to large sample size.

**Ringkuist (2013)** analysed that members of a micro finance program were more empowered than non-members of micro finance. It was found that 90% women are more empowered and married women have a negative effect compared to single women. It may be included provide to bank facility and small sample size.

**Sahoo (2013)** analysed that demographic factor of the sample respondents, and women empowerment through SHGs. They concluded that economic gains derived by the members after joining the SHGs and to examine the social benefits derived by the members. The reason of joining SHGs, purpose of loan, repayment of loan, income, savings, expenditure and powers in important decisions are analysed in women empowerment.

**Tirkey & Masih (2013)** concluded that examine the level of women empowerment through entrepreneurship development. They concluded that after taking entrepreneurial activities women entrepreneurs are earn for their family and taking part in the society activity as well as taking decisions also on behalf of their family. On the other hand self-help groups play an important role in women empowerment.

### 1.3 Objective of the study

The present study was undertaken to evaluate the empowerment of rural women in Panipat district (Haryana) as a result of participating in micro finance programs.

## 1.4 Research methodology

For each aspect of empowerment, a set of variables were selected to assess the level of empowerment among the respondent. The study is taken in rural area of Haryana. Primary data is used for data collection. Primary data has been collected through structured questionnaire. SHGs of Panipat district were taken for the study, 4 Self Help Groups were identified from Panipat district, and 25 members from each SHG were selected randomly. The study is conducted at SHGs and NGOs in Panipat district. 100 samples have been collected from the 10 areas that are selected for the purpose of the study. Descriptive statistical analysis such as mean, standard deviation, percentage etc. was carried out and chi- square tests were also used wherever necessary. Data analysis was done using statistical package for social science (SPSS) version 21.

## 1.5 Analysis and data interpretation

To evaluate the impact of microfinance among rural women in three dimensions of empowerment i.e. economic, social and political and for each aspect of empowerment, a set of variables were selected to assess the level of empowerment among the respondents.

Table 1 Empowerment of women

S.NO	Variable	VG	G	A	L	VL	Mean	S.D.
<b>Economic features:- 2.656</b>								
1.	Increase in income	15	38	37	9	1	2.43	.891
2.	Undertaking income generating activities	13	28	33	24	2	2.74	1.031
3.	Improvement in savings	7	44	24	21	4	2.71	1.008
4.	Reduction of dependency on money lenders	10	33	32	21	4	2.76	1.026
5.	Reduction of poverty in the family	14	30	35	20	1	2.64	.990
<b>Level of participation in decision making in the following household decision:- 2.6625</b>								
1.	Increment in savings	12	34	32	20	2	2.66	.997
2.	Reduction in expenses	15	43	20	21	1	2.50	1.020
3.	Children's education	18	24	29	26	3	2.72	1.129
4.	Able to deal with the financial crisis of the family	8	35	30	26	1	2.77	.962
<b>Social empowerment:- 2.555</b>								
1.	Moving independently	14	42	26	11	7	2.55	1.086
2.	Expressing views freely	17	17	35	30	1	2.81	1.080
3.	Able to discuss freely with bankers /govt./other	16	40	23	20	1	2.50	1.020
4.	Increase standard of living	18	40	30	12	0	2.36	.916
<b>Protest against the social impurities:- 2.718</b>								

S.NO	Variable	VG	G	A	L	VL	Mean	S.D.
1.	Alcoholic use	15	24	37	16	8	2.78	1.133
2.	Drinking water problem	8	41	28	21	2	2.68	.963
3.	Dowry	15	29	32	23	1	2.66	1.027
4.	Able of fellow group members by husbands	18	33	27	21	1	2.54	1.049
5.	Suicide problem	12	25	27	30	6	2.93	1.130
<b>Participated in rallies on:- 2.5575</b>								
1.	Women's day	19	34	26	21	0	2.49	1.030
2.	Child labour abolition	20	33	33	12	2	2.43	1.008
3.	Education day	11	36	32	20	1	2.64	.959
4.	Others	8	40	30	21	1	2.67	.933
<b>Political empowerment:- 2.6625</b>								
1.	Women's participation in gram Sabah meetings	16	25	38	21	0	2.64	.990
2.	Right to vote	29	25	27	19	0	2.36	1.097
3.	Able to cast votes independently	5	49	27	19	0	2.60	.853
4.	Others	2	24	44	27	3	3.05	.845

In this section, effectiveness of microfinance in terms of empowerment is analysed and the opinion of the respondents is presented in the Table1. The study reported that majority of the respondents (90 respondents) informed that microfinance increased the income of the family and the increase in income by microfinance is an important indicator of women empowerment. It is interesting to observe that majority of the respondents (88 respondents) opined that microfinance increase standard of living, which helps them to improve the personality and many of the respondents indicated that they joined the SHGs to increase the status. SHGs and microfinance resulted in improving decision making ability of women in family related matters, respondents play a moderate role in decision making to expenses, and their role is high with regard to children's education and savings related decisions. When people are economically empowered, they are ready to face the suicide problem the study reported that 64 respondents out of 100 respondents expressed that they are unable to face the suicide problem. But on an average, the results in table no. 1 display that the women in rural area feel empowered and the importance of the roles that Microfinance is playing in their lives can be summarised as follows:

### 1 Economic features:- (2.656)

The important change that the microfinance has level brought in the lives of rural women as the average score of the variables measured in economic features i.e. increase in income, undertaken income generating

activities, improvement in savings, reduction of dependency of money lenders, reduction of dependency on money lenders.

## **2 Level of participation in decision making in the following household decision:- (2.6625) & Political empowerment:- (2.6625)**

It is the important change that the microfinance has level brought in the lives of rural women as the average score of the variables measured in level of participation in decision making in the household decision i.e. increment in savings, reduction in expenses, children education, able to deal with the financial crisis of the family & measured in political empowerment i.e. women participation in gram Sabah meetings, right to vote, able to cast votes independently and others.

## **3 Social empowerment:- (2.555)**

It is the important change that the microfinance has level brought in the lives of rural women as the average score of the variables measured in social empowerment i.e. moving independently, expressing views freely, able to discuss freely with bankers/govt./others, increase standard of living is the lowest among the variants/ indicators chosen to measure women empowerment.

## **4 Protest against the social impurities:- (2.718)**

It is the most important change that the microfinance has brought in the lives of rural women as the average score of the variables/ statements measured in protest against the social impurities i.e. alcoholic use, drinking water problem, dowry, able to fellow group members by husbands and suicide problem is the highest among the variants/ indicators chosen to measure women empowerment.

## **5 Participated in rallies on:- (2.5575)**

It is the important change that the microfinance has level brought in the lives of rural women as the average score of the variables measured in participated in rallies i.e. women days, child labour abolition, education day, other.

An empowered individual will move to other places without the support of others, it is an indicator of empowerment. The study reported that 82 respondents informed that they move independently to other places without the support of male members of the family. But only 69 respondents to express their views freely in the family as well as in groups and 79 respondents expressed that they were able to discuss issue freely with bankers, govt. officers, NGOs and others. One of the main objectives of the microfinance program is to improve the social assertiveness of members, and this is indicated by their protest against social evils like drinking, abusing wife, dowry, child labour etc.

## 1.6 CONCLUSIONS

The present study shows that, in Panipat district, SHGs have played the great role in increase in income through women empowerment by making them financially strong. It has also been found that the SHGs created confidence and social and economic self-reliance of the members. Rural women were able to vote independently without any direction from their husbands and there is a high level of participation in Gram Sabah meetings. There is a high level of economic empowerment among women as compared to political empowerment and there was a poor level of social empowerment. Women SHGs are doing different kinds of small business for earning money to improve their social status. So the government provide various financial schemes to improve their earning capacity as well as their standard of living. They are facing lot of problems in the society in the aspects of to fulfil their individual needs, to express their views freely in the family as well as in groups. The study inferred that group association and access to financial services certainly brings positive changes among group members leading to their economic empowerment.

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