



WOMEN EMPOWERMENT THROUGH MICRO -FINANCE: AN EMPIRICAL STUDY

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Abstract

Micro finance in addition to providing direct support for tens millions of women delivers entrepreneurial education, there by seeding widespread entrepreneurial culture around the world. One of the most popular goal of most of the development programmes and especially of micro finance programmes is empowerment of women. Empowerment is closely related to the concept of power which can be understood in terms of 'power to', 'power within', 'power with' and 'power over'. Empowerment can be judged at various levels such as at individual level, family level and collective level. The paper concludes that empowerment of women through micro finance in Obulavaripalli mandal in Kadapa district of Andhra Pradesh.

INTRODUCTION

In India, the Task force on supportive policy and regulatory framework for Micro-finance has defined Micro-finance as the "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 enabling them to raise their income levels and improve living standards". While exclusively covering the poor, it lays emphasis on graduating borrowers from the pre-micro enterprise stage to the post-micro enterprise stage with the support of financial and non-financial services. Thus, while the definition of Micro-finance may be "minimalist" the intent is to support what may be described as a Micro-finance plus approach.

OBJECTIVES OF MICRO-FINANCE

Micro-finance as a miniscule but potentially significant and effective credit delivery system seeks to achieve the following broad range and multi faceted objective to meet the credit needs of rural poor, including the non-bankable and landless.

- Support financial services to the rural poor, particularly enterprises who have not been able to secure the needed services from the formal financial system.
- Provide lendable and capacity building funds in respect of enterprises and various types of other grass root level Micro-finance institutions.
- Support all initiatives for upscaling of the SHG-bank linkage programmes through thrift-related banking activity.
- Build up expertise in Micro-finance activities
- To help build-up mutual trust and confidence between the bankers and the rural poor.

To evolve supplementary strategy for meeting the credit needs of the poor by combining flexibility, sensitivity and responsiveness of informal credit system with the strength of technical and administrative capabilities and financial resources of the formal credit institution.

MICRO-FINANCE AND SELF-HELP GROUPS (SHGS)

One of the innovations being tried out in the field of rural credit in many developing countries including India to help the rural poor, especially women, to gain better access to credit facilities is the attempt to promote micro level savings and credit self-help groups (SHGs). The rural poor are being encouraged both by non-government organizations (NGOs) and formal rural financial institutions to organise themselves in to small solidarity groups which enable them to overcome many of the hassles they face while dealing with the formal credit agencies. In India, the formal rural financial institutions like commercial banks and regional rural banks are in to the promotion of SHGs as a matter of NABARD's (National Bank for Agriculture and Rural Development) new policy of improving the institutional credit delivery system for the rural poor through adopting innovative practices. The NGOs are interested in the concept of SHGs as a part of their strategy towards creating alternate peoples institutions, which can help, supplement their developmental activities as well as help attain bigger goals like poverty alleviation and empowerment of women.

Access to institutional credit for the rural poor is considered important from two main angles. The availability of capital may help rural poor acquire new assets and technology leading to higher employment and income generation and productivity enhancement. Second easy and timely availability of institutional credit may also help them get out of the clutches of the exploitative moneylenders, which in itself is considered as a better-off situation for them.

Despite many policy thrusts in the past under institutional lending, effective access to credit has remained elusive for the rural poor like small and marginal farmers, landless labourers and artisans. The collateral based lending policy has been one of the

major hurdles faced by the poor and asset less. Even specialized institutions created for the rural poor like the regional rural banks (RRBs) or programmes like integrated rural development programme (IRDP) implemented for the poor could not succeed fully in reaching and improving the access of the rural poor. While programmes like IRDP were best with many design related problems leading to leakages. The RRBs continued with the conventional collateral based lending leading to their failure as institutional reform for the rural poor.

The neo classical economists analysing the rural financial markets in the developing countries attribute the failure institutional agencies to reach effectively the poor mainly to the subsidised cheap credit policy. To them, the failure is due to the inability of the intuitional agencies to cover higher marginal costs associated with serving large number of small borrowers who get eliminated in the process.

Innovations like SHGs, which help overcome some of the above problems in reaching the rural poor, therefore, become important. The SHGs have acquired policy significance in many developing countries following the success of Grameen Bank of Bangladesh in adopting group-based approach to its credit and savings programmes. The five member groups of Grameen Bank organised on the principle of self-selection stand as guarantee for the borrowings of their members. This eliminates the need for producing any collateral by the poor and landless. The peer monitoring which is the result of group liability ensures better loan utilisation and recovery. Besides targeting the poor quite effectively, the Grameen Bank has been able to consistently achieve very high recovery rates. Further, the Grameen Bank, through group based approach, has also been able to successfully integrate regular savings into its lending programme.

OBJECTIVES OF THE STUDY

The specific objectives of the study are:

1. To examine and analyse the functioning of the selected SHGs in Obulavaripalli mandal
2. To study and analyse the perceptions of selected Self-Help Group Members, and
3. To draw conclusions and to give suggestions wherever necessary for the purpose of improving the working of the Self-Help Groups in the Mandal.

METHODOLOGY AND SAMPLING

Kadapa district is in the state of Andhra Pradesh, India. **Kadapa** (Kadapa in vernacular) is a city with a population of 343,054 and a municipal corporation. It is the headquarters of the Kadapa District. It is the second largest district in India after Ladhak (a district in the state of Kashmir).

Both primary and secondary data have been collected, analyzed and presented in the form of tables. Secondary data have been collected from the records of DRDA office, Kadapa; NABARD regional office, Hyderabad; and office of the Chief Planning Officer, Kadapa. Primary data have been collected from the selected self-help groups and the members by using two separate pre-tested schedules – group schedule and member schedule. For empirical investigation and analysis have been selected 100 self-help group beneficiaries at Obulavaripalli Mandal in Kadapa district of Andhra Pradesh. Which is one of the backward mandals in Kadapa district of Andhra Pradesh . Since efforts were also made to findout the impact of microfinance of SHGs in ensuring economic empowerment.

Tools and techniques

The data so collected have been analysed and presented in the form of tables. Measures of central tendency and percentages have been calculated in the process of analysis.

ANALYSIS

Table: 1,Category-Wise Selected Self-Help Group Members

S.No	Category	No of Members	Percentage
1	OC	28	28.0
2	BC	42	42.0
3	SC	18	18.0
4	ST	12	12.0
	Total	100	100.0

Source: Field Survey

Table 3.2 shows category-wise number of members selected. Out of 100 members selected 42 (42.0 per cent) members belong to Backward Classes (BC) category, 28 (28.0 per cent) members belong to Open Category (OC), 18 (18.0 per cent)

members belong to Scheduled Castes (SC) category and 12 (12.0 per cent) members belong to Scheduled Tribes (ST) category.

Table: 2, Literacy Level of the Selected Self-Help Group Members

S.No	Literacy Level	No. of Members	Percentage
1	Illiterates	23	23.0
2	Can Sign Only	52	52.0
3	Primary Education	18	18.0
4	Secondary Education	07	7.0
	Total	100	100.0

Source: Field Survey

Literacy level of the selected self-help group members is given in table 3.3. Of the 100, 23 (23.00 per cent) members are illiterate, 52 (52.00 per cent) members can sign only, 18 (15.3 per cent) members are educated up to primary level and only 7 (7.00 per cent) members are educated up to secondary level. To conclude literacy level of the SHG members is very low.

Table: 3, Type of House of Selected Self-Help Group Members

S. No	Type of House	No. of Members	Percentage
1	Hut	12	12.0
2	House with Tiled Roof	34	34.0
3	House with Concrete Roof	51	51.0
4	House with Metal Sheets Roof	3	3.0
	Total	100	100.0

Source: Field Survey

Type of house of the respondents shows their financial position and living condition. Table 3.6 shows 12 (12.0 per cent) members live in huts, 34 (34.0 per cent) members live in houses with tiled roofs, and 3 members i.e., 3.0 per cent live in houses with metal sheet roofs. All these are in a way either temporary or semi-permanent houses. The remaining 51 (51.0 per cent) members live in pucca houses i.e., houses with concrete roofs.

Table: 4, Total Land Holding of the Selected Self-Help Group Members

S. No.	Land Holding (in Acres)	No. of the Members	Percentage
1	0	37	37.0
2	1	8	8.0
3	2	30	30.0
4	3	12	12.0
5	4	6	6.0
6	5	3	3.0
7	6	1	1.0
8	7	1	1.0
9	8	1	1.0
10	9	1	1.0
---	Total	100	100.0

Source: Field Survey

To study further, the economic backgrounds of the SHG members land holding details of the respondents have been collected. The details of the land holding of the members, collected, are shown in table 3.7. The table shows that as many as 37 (37.0 per cent) members do not have any land. In other words they are landless labourers. More than 56 per cent of the members have one to three acres each. Remaining 7.0 per cent of the members hold 4 to 9 acres each. This shows that the members in general are either landless or small farmers. They are poverty-stricken and deserve help under some poverty alleviation scheme or the other.

Table: 5,Details of Irrigated Land Held by the Selected Self–Help Group Members

S. No.	Irrigated Land Holding (in Acres)	No. of Members	Percentage
1	0	90	90.0
2	1	3	3.0
3	2	4	4.0
4	3	1	1.0
5	4	1	1.0
6	6	1	1.0
---	Total	100	100.0

Source: Field Survey

As mentioned above irrigation facilities are meager in Obulavaripalli mandal. Some of the land is irrigated under canals, tanks and bore wells. Information has been obtained about the irrigated land held by the members.

The details of the irrigated land held by the members are shown in table 3.9. As many as 90 (90.0 per cent) members do not own any irrigated land. The remaining ten per cent of the members own irrigated land one to six acres each. The highest irrigated land holding by the members is six acres. Only one has six acres of irrigated land.

Table: 6,Primary Occupation of the Selected Self–Help Group Members

S. No	Occupation Description	No. of Members	Percentage
1	Assisting the Family in Farm Work	24	24.0
2	Working as an Agricultural Labour	61	61.0
3	Housewife	0	0.0
4	Rearing Animals/Animal Husbandry	4	4.0
5	Other Occupation	11	11.0
---	Total	100	100.0

Source: Field Survey

Information relating to primary occupation of the selected self-help group members has been collected and presented in table 3.10. There are mainly three primary occupations. They are (a) assisting the family in farm work, (b) working as an agricultural labour, and (c) rearing animals/animal husbandry. Twenty four per cent of the members assist the family in farm work, 61.0 per cent of the members work as agricultural labour, and a mere 4.0 per cent of the members rear the animals. Eleven per cent of the members have stated that they are engaged in other occupation. But they have failed to provide details.

Table: 7,Secondary Occupation of the Selected Self–Help Group Members

S. No	Occupation Description	No. of Members	Percentage
1	Assisting the Family Farm Work	21	21.0
2	Working as an Agricultural Labour	15	15.0
3	Housewife	29	29.0
4	Rearing Animals/Animal Husbandry	27	27.0
5	Other Occupation	8	8.0
---	Total	100	100.0

Source: Field Survey

Information relating to secondary occupation of the selected self help group members has also been collected and presented in table 7. There are mainly four secondary occupations on which the members are engaged. They are (a) assisting the family in farm work, (b) working as an agricultural labour, (c) house wife, and (c) rearing animals/animal husbandry. More than twenty one per cent of the members assist the family in farm work, for 15 per cent of the members “agricultural labour” is the secondary occupation, 29 per cent are house wives, and 27.7 per cent of the members rear the animals in addition to doing something as their primary occupation. Of course 6.7 per cent of the members have stated that they are engaged in other occupation. Details of other occupation are not available.

Table: 8, Monthly Savings by the Selected Self-Help Group Members

S. No.	Savings per Month (in Rs.)	No of Members	Percentage
1	20	2	2.0
2	30	5	5.0
3	40	46	46.0
4	50	28	28.0
5	60	4	4.0
6	80	7	7.0
7	100	8	8.0
---	Total	100	100.0

Source: Field Survey

One of the objectives of the SHGs is to inculcate the habit of saving among poor. Self-help is the best help. "Save to survive" is the slogan. To find whether the SHGs have achieved their objective of inculcating the habit of saving among its members or not, information regarding savings per month by the members has been collected and presented in table 3. It is found that all the members are saving something per month. The amount varies presumably on the basis of their family earnings. The assumption is if the personal/family income is more savings are more. Five members i.e., 2.0 per cent of the members save @ Rs.20 per month, 5.0 per cent of the members save @ Rs.30 per month, 46.7 per cent of the members save @ Rs.40 per month, 28.3 per cent of the members save @ Rs.50 per month, 4.0 per cent of the members save @ Rs.60 per month, 7.0 per cent of the members save @ Rs.80 per month, and 8.0 per cent of the members save @ Rs.100 per month. A majority of the members (74 per cent) are saving Rs.40 to Rs.50 per month.

Table: 9, Members' Participation in the Discussions at the Group Meetings

S. No.	Members Participation in the Discussions	No. of Members	Percentage
1	Active	47	47.0
2	Passive/Inactive	53	53.0
---	Total	100	100.0

Source: Field Survey

The above table shows that, forty seven (47.0 per cent) members say that they actively participate in the discussions at the group meetings and other 158 (52.7 per cent) members say that do not participate actively in the discussions at the group meetings.

Table: 10, Reasons for Inactive Participation in the Discussions by the Selected SHG Members

S. No.	Reasons for Inactive Participation	No of Members	Percentage
1	Poverty	15	15.0
2	Illiteracy	12	12.0
3	Other Reasons	2	2.0
4	Not Applicable	71	71.0
---	Total	100	100.0

Source: Field Survey

The table 10 indicates that, Only 29.0 per cent of the members could give reasons for inactive participation in the discussions. As many as 15 (15.0 per cent) members selected said that poverty is the reason for inactive participation in discussions, 12 (12.0 per cent) members said that illiteracy is the reason for inactive participation and other 2 (2.0 per cent) members said that they could not participation for unspecified reason for inactive participation in the discussions at the group meetings.

Table: 11, Type of Economic Activity taken up by the Selected SHG Members

S. No.	Type of Economic Activity	No of Members	Percentage
1	Sheep/Goat Rearing	8	8.0
2	Milk Animals	25	25.0
3	Agriculture Investment	19	19.0
4	Fruits/Flowers/Vegetables Vending	7	7.0
5	Weaving	5	5.0

6	Tailoring	4	4.0
7	Petty Shop	4	4.0
8	Street Wise Cloth Vending	5	5.0
9	Hotel/Tiffin Centers	2	2.0
10	Others Activity	8	8.0
11	Not Applicable	13	13.0
---	Total	100	100.0

Source: Field Survey

Table 11 shows the economic activities taken up by the selected self help group members.

CONCLUSIONS

The conclusions drawn on the basis of the analyses of the data collected from the members selected through “members schedule” are given hereunder.

- 1. Category of the Selected Self-Help Group Members:** All the categories of the people are there as members in self-help groups. OCs and BCs are almost in equal number (OC 28.0 per cent and BC 42.0 per cent), SC members constitute 18.0 per cent and STs constitute 12.0 per cent. It can be considered as a fair representation of different social categories.
- 2. Literacy Level:** Many are either illiterates or less educated. Approximately a quarter of the members selected (23.0 per cent) are illiterates and 52.00 per cent of the members ‘can sign’ only. ‘Secondary level’ is the highest level of education they possess.
- 3. Type of the House:** Nearly half of the members selected live in a way either in temporary or semi-permanent houses.
- 4. Land Holding:** Members in general are either landless or small farmers. They are poverty-stricken and deserve help under some poverty alleviation programme or the other.
- 5. Primary Occupation:** Information relating to primary occupation of the selected self-help group members shows that many of the selected self-help group members are agricultural labour.
- 6. Secondary Occupation:** All are house wives but some in addition to their primary occupation work as agricultural labourers, rear animals, etc.
- 7. Regularity of Savings and Meetings:** Amount saved is paid by the members regularly with in the given time. All the members, selected, have said that meetings are held regularly.
- 8. Issues Discussed at the Group Meetings:** Issues relating to income generating activities, savings, and disbursement of loans are generally discussed at the meetings of the self-help groups. The members do not generally discuss issues relating to recovery of loans and social issues at the meetings.
- 9. Member’s Participation in the Discussions:** As many as 53.0 per cent of the members do not participate actively in the discussions at the group meetings. Slightly less than half of the members actively participate in the discussions at the group meetings (47.0 per cent).
- 10. Reasons for Inactive Participation in the Discussions:** Only 29.0 per cent of the members could give reasons for inactive participation in the discussions. Poverty (15.0 per cent), illiteracy (12.0 per cent), and others (2.0 per cent) are the reasons for inactive participation in the discussions at the meetings.
- 11.** As many as 87.0 per cent of the members say that they have taken up the economic activity by taking the loan.

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