



Impact of micro credit on women empowerment

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Abstract

The words of Crowther, "Empowerment means to give somebody the power or authority to act"¹. Women empowerment means an all round development which includes their physical, socio-economic and political development. Without the full and equal participation of women, there can be no sustainable human development.

"Microcredit is the expansion of very diminutive loans to the entrepreneurs and to others living in poverty that are not measured bankable". SHG is a charitable form of organization. It admits any woman to become its member. The members of SHG should be the residents of the particular area. At the same time, the members should be above 18 years of age. They should attend the meetings properly. In this chapter an attempt has been made to study the socio economic conditions of the SHG members.

Keywords: SHG-self-help groups, microcredit, empowerment

1. Introduction

Microcredit is a tool for socio-economic development. There is an imperative need of empowering women particularly in rural areas. The formation of Self Help Groups and microcredit will enhance their socio-economic position in the society.

"There is a vital need of empowering women mainly in rural areas. The formation of Self Help Groups and microcredit will build up their socio-economic point in the society".

"The achievement of micro credit initiatives has often been accredited to their exacting meeting point on empowering women and encouraging their self confidence through developing their own means of income". Various case studies show that there is a positive relationship between credit availability and women's empowerment. It is observed that majority of rural women who are connected with self help group activity optimistically succeeded to gain them empowered. SHG is a suitable means for the empowerment of women.

1.2 Statement of the problem

Alleviation of poverty, the core of all developmental efforts has remained a very complex and critical concern for developing countries. It is in this context Self-Help Groups have emerged and the concept of micro credit came in to existence. To what extent micro credit is helping the poor women for their empowerment? To find out the answer for this question, the present study is undertaken. An attempt is made in this study to find out the impact of micro credit on women empowerment.

1.3 Review of literature

A lot of literature is available on women empowerment, which are written by Indian and foreign authors. Hence, an attempt is made to review the important studies undertaken in India. Articles published in research journals, doctoral thesis

submitted to various Indian and foreign universities and papers presented in national and international seminars have been reviewed. It is hoped that the review will be helpful in identifying the research gaps in the area of women empowerment and to determine the method that should be adopted for the present study.

Malhotra A, in his paper entitled, "Measuring women's empowerment as a variable in international development", constructed a list of the most commonly used dimensions of women's empowerment, drawing from the frameworks developed by the various authors in the different fields of social sciences. Allowing for overlap, these frameworks suggest that women's empowerment needs to occur along multiple dimensions including. Economic, Socio-Cultural, Familial/interpersonal, legal and political. Since these dimensions cover a broad range of factors, women may be empowered within one of this sub-domains.¹⁰

1.4 Objectives of the Study

1. To trace the history of micro credit and practices followed by SHGs.
2. To analyses the impact of micro credit on women empowerment among the members of women SHGs in Ettayapuram Taluk, Tuticorin district.
3. To offer suitable suggestions based on the findings of the study.

1.5 Scope of the study

The study covers the impact of micro credit on income, expenditure, owning assets and level of the SHG members, which is studied on the basis of primary data collected by the researcher. The present study aims at analyzing the opinions of the SHG members regarding the micro credit provided by the Pandian Grama Bank, in the Ettayapuram Taluk, Tuticorin district. It aims at analyzing the impact and opinions of the beneficiaries on micro credit. The study covers only women

SHGs. It does not include men and youth SHGs.

1.6 Methodology

The present study is based on both primary and secondary data, primary data have been collected by conducting interview among 140 members in Ettayapuram Taluk. The secondary data have been collected from books, journals, news papers, magazines, and internet.

1.7 Sampling Design

A convenient random sample has been used. Totally Ettayapuram Taluk has 156 Self Help Group and 2795 SHG members. Out of which 5 per cent of members have been selected, thus 140 members have been selected to this study. The present study covers the impact of micro credit on women empowerment among the members of women SHGs in Ettayapuram Taluk, Tuticorin district.

1.8 Limitations of the study

The present study is subject to the following constraints and limitations:

1. The area of study is limited to Ettayapuram Taluk only. So it cannot be generalized.
2. The study only limited to women SHG members.

1.9 Statistical tools used

Various statistical tools are used in analyzing the primary data. The following statistical tools are used to analyze and interpret the data collected.

1. Percentages
2. Chi-square test
3. Sign test

1.10 Opinion of members about creation of house hold assets

In order to know whether the SHG members have acquired the house hold assets like Jewelry, Radio, TV, and Watch, Cycle and the like after joining the SHG, the respondents were asked their opinion. The opinion of the members regarding the purchase of these assets is shown in Table 1.

Table 1: Opinion of members about creation of household assets

S. No	Items	Yes	No	Total
1	Jewelry	22 15.71%	118 84.29%	140 100%
2	Radio	68 48.57%	72 51.43%	140 100%
3	TV	33 23.57%	107 76.43%	140 100%
4	Watch, Cycle	95 67.86%	45 32.14%	140 100%

Source: Primary Data

Table 4 shows the details about the creation of house hold assets after joining the SHG. Out of 140 members 22 respondents [15.71%] have purchased the Jewelry, 68 respondents [48.57 %] have purchased the Radio, 33 respondents [23.57%] have purchased TV, and 95 respondents [67.86%] have purchased the assets like Watch and Cycle. More than two- third of the respondents [67.86%] have acquired the assets like watch and cycle after joining the SHG.

Table 2: Opinion of members about creation of household assets – sign test

S. No	No of + sign	No of - sign	N	Z	Result
1	22	118	140	-8.11	Significant
2	68	72	140	-0.34	No significant
3	33	107	140	-6.25	Significant
4	95	45	140	+4.22	Significant

Source: Primary Data

It is understood from Table 2 that the Z value is within the acceptance region of null hypothesis [$Z = -1.96$ to $+1.96$] for the item number 2. This indicates that there is no significant difference in the responses of the members regarding the purchase of Radio after joining the SHG and for the remaining items 1, 3 and 4 the Z value is not within the acceptable region of null hypotheses. This indicates responses of the members regarding the purchase of house hold assets like Jewelry, TV, Watch, and Cycle after joining the SHG.

1.11 Opinion of members about creation of business assets

In order to know whether the SHG members have acquired the house business assets like Agricultural land, Building, Cattle, Poultry birds, and sheep's / Goats and the like after joining the SHG, the respondents were asked their opinion. The opinion of the members regarding the creation of these assets is shown in Table 3.

Table 3: Opinion of Members about Creation of Business Assets

S. No	Items	Yes	No	Total
1	Agricultural land	32 22.86%	108 77.14%	140 100%
2	Building	12 8.57%	128 91.43%	140 100%
3	Cattle	28 20%	112 80%	140, 100%
4	Poultry birds	26 18.57%	114 81.43%	140 100%
5	Sheep's/ Goats	82 58.57%	58 41.43%	140, 100%

Source: Primary Data

Table 3 shows the details about the creation of business assets after joining the SHG out of 140 members 32 respondents [22.86%] have acquired the Agricultural land, 12 respondents [8.57%] have acquired Building, 28 respondents [20%] have acquired Cattle, 26 respondents [18.57%] have acquired Poultry birds and 82 respondents [58.57 %] are acquired Sheep's, Goats.

1.12 Classification of respondents on the basis of their opinion scores on microcredit

The respondents were classified into three categories with high, medium and low levels of opinion on microcredit.

Table 4: Classification of Respondents on the Basis of Opinion Scores on Microcredit

S. No	Level of opinion	No. of Respondents	Percentage to Total
1	High	22	15.71
2	Medium	92	65.71
3	Low	26	18.57
Total		140	100

Source: Primary Data

It is seen from Table 4 that out of 140 respondents 65.71 per cent of the respondents have a medium level opinion, 18.57 per cent of the respondents have a low level opinion and 15.71 per cent of the respondents have a high level opinion.

In order to analyze the SHG members opinion on Bank officials, the following 10 statements have been used.

1. Bank employees co-operated well
2. Bankers are not demanding securities
3. Bank employees do not demand personal favors
3. Sanction the loan without any delay
4. Additional interest not charged

Table 5: Classification of respondents on the basis of opinion scores on bank officials

S. No	Level of opinion	No. of Respondents	Percentage to Total
1	High	26	18.57
2	Medium	91	65
3	Low	23	16.43
Total		140	100

Source: Primary Data

It is seen from Table 4.11 that out of 140 respondents 65 per cent of the respondents have a medium level opinion, 16.43 per cent of the respondents have a low level opinion and 18.57 per cent of the respondents have a high level opinion.

1.13 Opinion of respondents on the effect of loan on the over all quality of life

Table 6: Opinion of respondents on the effect of loan on the overall quality of life

S. No	Opinion	No of respondents	Percentage to Total
1	Improved	132	94.29%
2	No change	8	5.71%
Total		140	100

Source: Primary Data

Table 4.32 reveals that 94.29 per cent of the respondents felt that after getting the loan their overall quality of life has been improved and the remaining 5.71 per cent of the respondents felt that no change is acquired on the overall quality of life after getting the loan.

More than nine-tenth of the respondents [94.29%] felt that after getting the loan their overall quality of life has been improved.

1.14 Summary of findings

- Majority of the respondents [72.86%] have no formal education. Out of 140 respondents, 82 respondents belong to the category of 'can sign'.
- Majority of the sample respondents [67.14%] are collies.
- Majority of the respondents [96.43%] have been satisfied with the membership in the SHG.

1.15 Suggestions

- The SHG members who generate less income through micro enterprises should be helped to get more income through credit facilities and entrepreneurial skill development programmes.

- A separate bank for SHGs should be started for the empowerment of women at village level, block level and district level.

1.16 Conclusion

Empowering women is the pre-requisite for creating a good nation, when women are empowered, society with stability is assured. Empowering of women is essential as their thoughts and their value systems lead the development of a good family, good society and ultimately a good nation. In spite of various constitutional safeguards and legislative measure as well as number of programmes and policies initiated by the government for the betterment of women, no significant development took place in the socio-economic conditions of women and they are still lagging behind men in their participation in the process of development. Without the full and equal participation of women, there can be no sustainable human development. Low socio- economic status of women and less empowerment of women is an intense socio-economic problem not only at national level but also at the global level that requires a long – term multi-pronged strategy to be carried on continuously.

2. References

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