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A Novel Approach for The Empowerment Group Using Micro Finance Technology

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Abstract

Women entrepreneurs' play an important role in local economies, and women undertake a large percentage of micro-enterprises in developing countries. Rural women frequently have primary responsibility for agricultural production, in addition to domestic responsibilities and childcare. In developing countries like India where the economic status of women is very pathetic especially in rural areas and opportunities of earning are very less in this scenario the Self Help Groups (SHGs) have paved the way for economic independence of rural women. The participation of women in Self Help Groups (SHGs) made a significant impact on their empowerment, both in social and economic aspects. This study addresses women empowerment through self-help groups in Thavasimadai Panchyat, Sanarpatti Block, Dindigul district of Tamilnadu. The information required for the study has been collected from both the primary and secondary sources. Purposively Sampling method has been followed. Among the total 50 groups; one per cent 5 groups were randomly selected, each group consists of 12 members, totally 60 respondents were selected for the study. This study is essentially empirical. It aims at identifying and describing the various changes among the members before and after joining the SHG's. The data was collected through a structured interview schedule through 60 SHG members in the study area. Average and percentage analysis was carried out to draw a meaningful interpretation of the results.

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1. Introduction

Women are key in society, and their role is very important in the world. They have a significant contribution not only in the family but also in society. In developed and most of the developing countries, both men and women work together in the same positions, and they contribute politically, socially, economically without gender imbalance. However, some countries would have influenced by social, cultural and religious rigid they are unable to give equal opportunity to the women in all sphere. Therefore, nowadays, women empowerment is an important context in the world. Women empowerment means giving lawful power or authority to perform (Dash, 2013). If women were empowered, they would be able to participate in the planning and decision making and contribute to the development programs individually. Women empowerment is defined as a process to enhance women's capacity for self-determination to meet their practical needs and needs by achieving equal rights, power and authority and resources like men in the society as well as economy.

The Impact of Micro Finance & Micro Enterprise

Micro Finance has evolved as a key instrument to afford financial and non-financial facilities to poor people in developing countries. It focuses on microcredit, savings and insurance and other financial and non-financial services to the low-income people of a country. Microenterprise is an effective instrument of social and economic development. The microfinance is agenda for empowering poor women. Micro enterprises are an integral part of a planned strategy for securing the balanced development of the economy of poor women.

Entrepreneurship is a prime solution to the growing employment among rural women. It helps to generate employment for several people within their social system. Entrepreneurship development among women helps to enhance their capabilities and increase decision-making status in the family and society as a whole. Women entrepreneurs play an important role in local economies, and women undertake a large percentage of micro-enterprises in developing countries. Increasingly women in urban and rural areas are successfully turning to self-generated employment in small-scale enterprise activities in the informal sector to support their households.

Rural women frequently have primary responsibility for agricultural production, in addition to domestic responsibilities and childcare. These responsibilities place heavy demands on women's time, and microenterprise activities can potentially increase the workload of women. SHG is promoting micro enterprise through micro-credit intervention.

Women Empowerment through Entrepreneurship

The word empowerment means giving power. According to the Smelser & Baltes (2001), it means having the capacity and the means to direct one's life towards desired social, political and economic goals or status. Therefore, women empowerment means giving the capacity and means to direct women's life towards desired goals. Empowerment is a process by which women gain greater control over resources (income, knowledge, information, technology, skill and training), challenge the ideology of patriarchy and participate in leadership, decision-making process, enhance the self-image of women to become active participants in the process of change and to develop the skills to assert themselves.

The emergence of women entrepreneurs and their contribution to the national economy is quite visible in India. Women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. According to of statistics women in India 2010, the proportion of main female workers to total population in percentage is 16.65 in rural areas and 9.42 in urban areas this shows overall less contribution of women in work but more percentage of women

workers in rural areas. Women in entrepreneurship have been largely neglected both in society in general and in the social sciences (Kimbu & Ngoasong, 2016). Not only have women lower participation rates in entrepreneurship than men, but they also generally choose to start and manage firms in different industries than men tend to do. They were engaged in starting individual or joint income generation programme with the help of self-help group. This will not only generate income for them but also improve the decision-making capabilities that led to overall empowerment.

2. Materials and Methods

Microfinance programme in India is growing rapidly and receiving increasing attention from the financial institutions, non-governmental organizations (NGO's) and the Government, as an instrument that can transform the lives of the poor. Microfinance took roots in 1992-1993 with the launching of the Self Help Group – Bank Linkage Programme (SHG-BLP) by the National Bank of Agriculture and Rural Development (NABARD).

Nayak (2018) study on the impact of self-help groups (SHGs) has revealed that although they provide women with access to money, they do not ensure her entitlement to the use of the resources or assets that the money provides. The study was conducted to understand women's perception about the changes that have taken place in their lives after joining SHG, especially in terms of empowerment and poverty alleviation; raising issues of gender justice and assess the extent to which the sponsoring agencies provide an enabling environment in terms of education and learning opportunities. While the study found no evidence to suggest that participation in SHGs had led to a substantive increase in income, but participation has increased women's burden of work. The study shows that if poor women have access to financial resources, it does not automatically mean that they will be able to negotiate their position in the world. Educational inputs that enable women to engage with the world critically are necessary for their empowerment.

Aruna & Jyothirmayi (2011) examined the concept of micro-enterprise in the development of women entrepreneurship and to assess the impact of micro-entrepreneurship in operational performance. The random technique was used to select 39 micro-enterprises and 195 micro-entrepreneurs for the study. The researcher suggests that there is a need for effective training, the teaching of leadership skill and managerial aspects to the micro-entrepreneurs. The headship rotation is essential to carry out once in a year for the smooth function of the micro-enterprise. Need-based training to members on modern techniques of production and management is essential. The study concludes that poverty eradication is possible through women entrepreneurship development and empowerment, and also there is a need to upgrade the technical skills.

Neelaiah & Reddy (2013) did an empirical study on SHG-Micro Finance as a new tool to combat poverty. This study was conducted in Madurai district. Out of 13 blocks, three blocks were randomly selected using a proportionate probability sampling technique. Two hundred sample women members were selected, data collected and analyzed through the direct personal interview method. This study empirically evidenced that credit plus service of microfinance has positively correlated with the improving household expenditure, income, assets and employment. The poor, those who engaged in SHG may break the vicious cycle of poverty and significantly improved the quality of life and social status.

Microfinance programs are treated as a key strategy in addressing the development issues across nations since the last three decades as well as to help to lift them out of poverty and make them full participants in their country's social and economic development (Uppal, 2011).

The objectives of the study are (i) to identify the relationship between microfinance and women empowerment in the study area; (ii) to find out the impact of microfinance on women empowerment in the study area; and (iii) to suggest suitable policy measures for socio-economic empowerment of rural women as well as effective and efficient functioning of SHG's.

Methodology

The study is mainly focused on the role of microfinance in the empowerment of women self-help group at Thavasimadai Panchayat, Sanarpatti block, Dindigul District. Right from the socio-economic background of the women self-help group members and the empowerment levels were associated with SHG's were studied.

Sources of data

The study used the primary data related to socio-economic conditions & empowerment factors of women self-help group members, group savings, revolving funds, the direct loan from the bankers, empowerment gained through the status from before & after joining in SHG's, internal lending and other pieces of information were collected from the respondents of the SHG members at Thavasimadai Panchayat, Sanarpatti block, Dindigul District and analyzed.

Nature of the Study

This study is essentially empirical. It aims at identifying and describing the various changes among the members before and after joining the SHG's.

Data Collection Procedure

The required data were collected by using an interview schedule covering the aspects of socio-economic conditions and the empowerment factors etc.

Sampling Method

Dindigul district is the native block of the researcher. Hence it was selected Purposively Sampling method was used to collect data from the respondents. There is the number of self-help groups in Dindigul district. The researcher was selected based on the condition that they should hold (i) registered self-help groups, (ii) SHG enterprise. Among the total 50 groups; one per cent 5 groups were randomly selected, each group consists of 12 members, totally 60 respondents were selected for the study.

Scope and Limitation of the Study

The study was conducted only in the area of Thavasimadai Panchayat, Sanarpatti block, Dindigul District and in the random selection of SHG members. The data were collected from female members alone. The study depended on oral answers given by the respondents. Thus, the limitation was

associated with short period constraints, data collection, findings, and recommendations were relevant to only SHG Members located in the selected Panchyat of Dindigul District.

3. Results and Discussions

The microfinance and the self-help group concept facilitate the women groups to enter into micro-enterprises. The microfinance intervention both by Government and the non-government organization, has created much impact among the women's lives. Hence, this study analyses the socio-economic conditions & women empowerment of SHG members.

Table 1: Socio-Economic Background Of The Respondents

Socio-demographic details		N=60 (per cent)
Age group	21-30	1 (2)
	31- 40	36 (59)
	41- 50	20 (33)
	Above 50	3 (6)
Educational status	Illiterate	2 (4)
	Up to Secondary	18 (30)
	Up to Higher Secondary	37 (60)
	Under Graduation	3 (6)
Occupational Status	Agriculture	41 (69)
	Private Employment	2 (3)
	Self Employed	3 (5)
	Home Maker	14 (23)
Monthly Income of the Respondents	Less than Rs.3000	4 (8)
	Rs.3001 - Rs.5000	7 (14)
	Rs.5001 - Rs.10000	33 (72)
	Above Rs.10000	3 (6)
Monthly Expenditure of the Respondents	Less than Rs.5000	10 (22)
	Rs.5001 - Rs.10000	31 (68)
	Rs.10001 & Above	5 (10)

Source: Primary data collected from the field in September – 2019

The age of the respondents shown in the first row of table no1. A majority of the respondents (60 per cent) were falling in the age group of between 31-40 years. Thirty-three per cent of the respondents were falling in the age group of 41-50. It is noted that women's are keenly interested in taking part in income generation activities towards women empowerment, especially in rural areas.

The second row pointed out that the Education status of a woman is a key factor in human development, and it is also important for women empowerment. Sixty-one per cent of the respondents were completed their higher secondary level. Only 30 per cent of the respondent has completed their studies up to secondary level. Four per cent of the respondents were found to Illiterate category followed by 6 per cent of the respondents were completed theirs under graduation. This study founds the education level among the SHG respondents were better.

The third row highlights the occupation pattern of the respondents in the study area. Among the total respondents, 69 per cent were engaged with agriculture, followed by only 5 per cent of the respondents were performed as self-employed. Twenty-three per cent of the respondents were not

engaged in any type of occupation instead of homemakers. They will make their participation only in SHG meetings and dividing themselves in terms of private loans and a direct loan from banks.

The fourth row indicates the monthly income of 46 respondents. The remaining 14 respondents were homemakers. Thus, the analysis made only 46 respondents. Among the respondents, 72 per cent were earning between Rs.5001 to Rs.10000 per month. Fourteen per cent of the respondents were earning between Rs.3001 to 5000 per month. Eight per cent of the respondents were earning less than Rs.3000 per month. The respondents spent the money on food, education, medical, entertainment and travel. The last row highlights the monthly expenditure pattern of the respondents in the study area. Sixty-eight per cent of the respondents were spent between Rs.5001 to Rs.10000, followed by 22 per cent of the respondents were spent less than Rs.5000. Only 10 per cent of the respondents were spent towards their expenditure as Rs.10001 and above.

Table 2: Respondents Role & Activities in Self Help Groups

Self Help Group Activities		N=60 (per cent)
Reasons for Joining in SHG's	To get loan	3 (4)
	To raise status in society	42 (72)
	To start own enterprise	3 (4)
	To repay old debts	2 (4)
	To promote savings	10 (16)
Received Revolving Fund	Less than Rs.10000	48 (80)
	Rs.10001 - Rs.20000	9 (16)
	Above Rs.20001	3 (4)
Respondents received Direct Loan from Banks	Less than Rs.100000	56 (94)
	Rs.100001 & Above	4 (6)
Respondents Loan Portfolio	Medical	12 (20)
	Education	28 (47)
	Enterprise Activity	4 (6)
	Repay Old Debts	1 (2)
	Agricultural Activities	6 (10)
	Food & Clothing	9 (15)
Respondents savings habits apart from SHG activities	Banks & Post Office	35 (58)
	Jewells	14 (23)
	Chit funds - Local Savings	11 (19)

Source: Primary data collected from the field in September – 2019

By joining the self-help groups, the women gain 100 per cent confidence, freedom and respect in the family as well as in the society. On the first row of Table 2 describes the major reasons for joining the SHG. Money is essential for life. Seventy-one per cent of the respondents were stated that they want to raise their status in the society by engaging themselves through self-help groups followed by only four per cent of the respondents stated viz., to get loans, to start their enterprise and to repay their old debts. Only 16 per cent of the respondents were focused on promoting their savings habit through their self-help groups. The second row reveals that the respondents received the revolving fund through their SHG's. Eighty per cent of the respondents were received less than Rs.10000, followed by 15 per cent of the respondents received between Rs.10001 to Rs.20000. Only four per cent of the respondents were received above Rs.20001.

The third row indicates that the respondents received their direct loans from their respective banks in the study area. Ninety-four per cent of the respondents were stated they were received Less

than Rs.100000 towards their SHG groups, followed by six per cent of the respondents were obtained Rs.100001 and above. The net amounts were divided and distributed among themselves based on their heads.

The composition of the loan portfolio is shown in the fourth row. Forty-seven per cent of the respondents spend the loan amount for their children's education, 20 per cent of the respondents allotted the loan amount on medical purposes. Ten per cent and 15 per cent of the total respondents were spending the loan amounts on agricultural and food and clothing. The respondents allotted six per cent of enterprise activity. The respondents have used two per cent of the total loan amount for repayment of the old loan and some other miscellaneous purpose, related to festivals and family functions respectively.

The other mode of saving by the respondents is shown in the last row. Fifty-eight per cent of the respondents saved in banks, post office and LIC in addition to group savings. Twenty-three per cent of the respondents were saved in the form of jewels, and 19 per cent were in the form of chit funds - local savings. None of the respondents was interested in savings in the form of Land. Thus, the SHG members were developed their savings habit, and they were invested in useful sources like LIC, banks, jewellery and post offices.

Table-3: Respondents Attitude towards Indicators of Empowerment

Loan Portfolio	Respondents	%
Economic Independence		
Agree	12	19
Strongly Agree	48	81
Total	60	100
Improved Standard of Living		
Agree	55	91
Strongly Agree	5	9
Total	60	100
Breaking social, religious and cultural barriers		
This Agree	18	30
Neutral	38	64
Agree	4	7
Strongly Agree	0	0
Total	60	100
Self Expression-Decision Making		
Neutral	4	7
Agree	8	13
Strongly Agree	48	79
Total	60	100
Village Politics		
Yes	6	11
No	54	89
Total	60	100

Source: Primary data collected from the field in September – 2019

Table 3 explains the Respondents Attitude towards Indicators of Empowerment in the study area. Among the major indicators, five of the important indicators were described below in this following segment. The major points were discussed below.

a) Eighty-one per cent of the respondents stated that they were strongly agreed towards their economic independence in the formation of society while after they were joining in SHG activities.
b) Ninety-one per cent of the respondents felt their life was under improving standards compared to the Non-SHG member's life. Through the involvement of the SHG, their life was sharpened, they added.
c) Sixty-four per cent of the respondents were neutralized on the aspects of breaking social, religious and cultural barriers instead of social taboo. Thirty per cent of the respondents felt they disagreed about this tenure. It indicates these 30 per cent may have forward/positive thinking to change the status of this society from the point of women empowerment through their SHG activities. They did not focus on these types of barriers for their life sustenance.
d) Seventy-nine per cent were strongly agreed about decision-making ability in the SHG activities. They were feeling to express their expressions and ideas for empowerment activities.
e) Eighty-nine per cent of the respondents were not interested in participating in the village politics like Panchyat president/chairman etc.

Major Findings, Suggestions, Epilogue

Major Findings

a) Only 6 per cent of the women spotted in the age group of above 50.
b) Ninety-three per cent of the respondents fell under the category of married.
c) Ninety-six per cent of the respondents belong to the nuclear family.
d) Ninety-five per cent of the self-help group consists of 12 members. Five per cent of the group consists of 15 members.
e) Twenty-three per cent of the respondents were not engaged in any type of occupation instead of homemakers.
f) Only 6 per cent of the respondents were earning their income as above Rs.10000 per month.
g) 91 per cent of the respondents stated that their income, household and property were increased after joining in SHG
h) Eighty-four per cent of the respondents meet once on a fortnightly basis. The other members were attending group meetings either once in a month (8 per cent) or once in a week (8 per cent).
i) Ninety-one per cent of the respondents participate in the group meetings without fail, but only 2 per cent of the respondents were scoring less than 70 per cent of attendance.
j) Majority of the respondents (65 per cent) were accessing the private loan between 5-10 times.
k) Twenty per cent of the respondents were taken a private loan at least than five times.
l) In total, 82 per cent of the respondents have received training through their SHG groups.

4. Conclusion

Microfinance through SHG is accepted as a key mantra for attaining and maintaining sustained and long-term economic growth all over the world. Today microfinance is striving to match the convenience and flexibility of informal sector while adding flexibility and continuity. The study confirms that as an anti-poverty tool, microfinance has its limitations to reach the bottom of the poor. Though different studies at various places and points of time differ in their conclusion, the present study acknowledges that despite bottlenecks, microfinance is capable of graduating struggling poor from their shackles and helps to upscale them to a better living and playing a significantly positive role in upgrading women empowerment. Based on the discussion and conclusion presented, some suggestions are presented as follows (Thapa, 2006).

First, the Government should organize training programmes to develop skills, professional competencies, leadership, and information about marketing and finance at the village level. Second, women generally hesitate in going through the procedural formalities in extending loans imposed by

the banks. They face problems in preparing project reports and completion of other paperwork. The banks should simplify the application forms for women. Third, the awareness schemes or advertisement programs should be enhanced, especially in the regional languages. Fourth, the revolving fund and economic assistance has not been utilized properly due to SHG member's home-based needs and also for their consumption. It should be monitored properly by the bank authorities.

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