

ROLE OF MICRO FINANCE ON EMPOWERMENT OF TRIBAL WOMEN

(A study of tribal areas of Dungarpur)

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ABSTRACT

Dungarpur is one of the smallest district (in area) of Rajasthan (3770 km) and has a population of 0.87 million most of the people practicing subsistence agriculture and they are socially and economically backward. Almost 70% of total population is tribal. The tribal includes mainly Bhils, Garasia, and Damors and they are mostly found in the hilly, Undulating regions, inhabiting widely dispersed villages consisting of structural hamlets (Phalas) along the hill slopes. The landholdings are small and marginal, which means that the agricultural crops could support a farmer's family for barely four months. Most of the people depend on agricultural, labour and many have to migrate to other areas to search a work. The objective of the study is to examine the social and economic impact of Micro Finance programme on women. 5 variables have been used in this research to study the social and economic impact of micro finance on women empowerment. It would develop good living standard in tribal areas.

Key words: *Micro finance, women empowerment, SHGs, Domestic violence, financial independence.*

Introduction of Micro Finance:-

The origin of microcredit, and therefore microfinance is credited to Dr. Muhammad Yunus, who founded the Grameen Bank in 1983. In India, however, financial services especially for the rural poor also had a parallel evolution, starting from the earliest cooperative societies in 1890 to the escalating microfinance sector of today, dominated by Self Help Groups (SHGs), which have emerged as micro level financial intermediaries. **Micro finance** is the supply of loans, savings, and other basic financial services to the poor. In other words micro finance means providing very poor families with very small loans (micro credit) to help them engage in productive activities or grow their tiny business. The impact assessment of microfinance programmes in Rajasthan and elsewhere clearly indicates the change in income level of beneficiaries; reduction of dependence on moneylenders; increase expenditure/ investment on children education, health, agricultural inputs, increase in production and most important the increased awareness and self confidence among poor.

Micro Finance due to its inherent qualities of timely supply of financial services and flexibility of products can give impetus to potential sectors such as animal husbandry, wool and mutton processing, Information Technology, tourism etc. In addition to harnessing potential sectors of development, microfinance helps in reaching out to the vulnerable segments of the society like Women, SC and ST, which are outside the purview of formal financial institutions.

Empowerment

According to Sahay, the actual definitions offered for "empower" are (i) to give power or authority to; (ii) give ability to; enable; permit.

'Power' is the key word of the term 'empowerment', which means having control over material assets like land and finance, intellectual resources like knowledge; information (Apte, 1995). Empowerment emphasizes not only

increasing the power of the individual but also the quality of life for the individual, the efficiency and autonomy of the individual (Lowe, 1996).

Empowerment has several other dimensions such as social, economic, psychological and political. Social empowerment connotes formation of social capacities such as health, education, freedom and opportunities for realizing one's potentialities. Economic empowerment implies entitlement to employment, income, property, productive resources and benefits regardless of gender differences. Psychological empowerment signifies confidence building, acquisition of a sense of efficacy and ability to overcome feeling of helplessness. Political empowerment implies equal say in the decision-making process in the power structure at all levels from local to global.

Among the various approaches, the empowerment approach in development programmes is considered best. This approach is modeled to "power" itself and gain control over the self, the resources and freedom to decide. This process of gaining control over the self, the resources and the decision-making power may be termed as empowerment.

Women Empowerment

According to Kapoor (2002), "Women's empowerment could cover resource material, human and intellectual like knowledge, information, ideas and financial resources like money and access to money and control over decision mankind in home, community, society and nation and to gain "power".

Economic empowerment has been described as the ability to engage freely in any economic activity. When the right to earning and savings, entrepreneurship skill, marketing ability, managerial capacity and ownership of assets were experienced by women, it could be approved that they are on the process of economic empowerment (Sharma, 2000). Economic empowerment endorses women's sense of work, the right to determine choices, the power to control their own lives within and outside home and their ability to influence the direction of social change.

Self Help Groups (SHGs)

In the socio-economic empowerment of women in India the Self Help Groups (SHGs) have been playing a dynamic role. They have demonstrated that what an individual woman cannot achieve can very well be achieved when women of similar background join together. They provide a great opportunity for the convergence of various activities and organisations intended to promote the empowerment of women. The groups while aiming at promotion of savings and credit also act as pressure groups to address social and economic issues such as education, health and lack of access to natural resources.

Objectives of the study:

1. To assess the empowerment of tribal women of Durgapur district as a result of participating in micro finance.
2. To study the impact of micro finance on financial independency and living standard of women.

Review of work already done on the subject

There are many studies conducted previously on the impact of micro finance. Researches worldwide have shown the impact of micro finance and its effects on economic, social and political life style of people. Some of the important researches are as follows:

Savita Shankar (2013). "*Financial Inclusion in India: Do Microfinance Institutions Address Access Barriers*"?. In this study author found that while MFIs do break down many barriers to financial inclusion, there are limitations in the extent of their outreach to those excluded. First, MFI penetration in the country is skewed and excludes some areas neglected by the banking sector, suggesting a need for policy incentives to encourage expansion to those areas. Second, even in areas in which MFIs operate they are unable to provide services to some financially excluded individuals on account of their methods of operation. To provide greater and more long lasting access to more individuals there is a need for MFIs to consider adopting more flexible operating models and to offer portability of accounts. **Ondoro O. Charles and Omena Dorine (2012)** investigate the effects of micro finance services on the financial empowerment of youth in Migori county in Kenya. The study reveals the effects of micro finance on savings by youths, effects of investment by youth, and effects on financial management skills of youth in Migori County. Author concluded that the no much effects on the savings, income and recipients of the credit facility. **Singh Shalini and Dapan Kalpna,** "*Educating women through Self Help Groups: a case study of Humana People to*

PeopleIndia, Alwar, Rajasthan” (2012). The paper involves the effects of microfinance in empowering women through education and mass awareness. The aims were to the study of the social, political and economical impact of the awareness campaigns and mass education started by self help groups. This paper explains the concept of women empowerment and the relation between microfinance and women empowerment. The paper also analyze the role of self help groups in educating women and helping in their economical, social and political empowerment As explained by **Das Kanti Sanjay (2012)** the role of SHG as financial intermediary for enhancing women empowerment. The study shows the realistic experience and observation to beneficiaries of SHG of Nago an district of Assam and Dhapukuri development block. The study shows that the SHG- bank linkage of micro finance programme has intense influence on the economic status, decision making power, knowledge & self worthiness of women participants. The paper focused on various determinants and indicators of women empowerment focusing on women who have availed the loan facility is written by **Khan Rana Ejaz and Noreen Sara (2012)**, micro financial institution written by He also indicates one important tool to success of micro finance i.e. the loan should be utilized by females only. Loan utilization by female has better effects of micro finance on empowerment as compared to the loan utilized by other member of family. Author express the five indicators to measure the women empowerment these are:- child health, education, selection of spouse of children, purchase of basic goods and decision of house hold savings In this article author suggested that women empowerment can be enhanced by increasing the amount of loan and the loan should be utilized by women. The study conducted by **Noreen Sara(2011)**, explore the socio economic determinants of women empowerment in which he discussed the other variable which affects the women empowerment like age, education of husband, father’s inherited assets, marital status, no. of sons alive.etc.. study reveals that status of women empowerment can be improved by providing micro finance loan for income generating activity.

Sarumathi S. and Mohan K (Sept 2011) in this paper study has been conducted in Pondicherry region by using primary and secondary data. The primary data have been collected by field survey and secondary data from NGOs reports and other documents. Author has described the role of micro finance in women empowerment with three dimensions namely psychological, social, and economical. Author focused on the performance of self help groups, problem faced by the members of SHGs and the freedom of women members, to study the role of micro finance in women empowerment. **Chengappa Manjula Balthajira**, paper attempts to focus on the role of NGOs in women empowerment through micro finance. Study shows NGOs are instrument in building a network of micro enterprises in rural areas and are providing counseling services to women entrepreneurs. **Naganagound S.P (2011)**, in this paper author put his efforts to appraise the performance of the micro finance through stree Shakti programme of Karnataka at the district level. Stree Shakti programme was focused on empowerment of rural women and making them financially, socially, and politically capable. **Khavul Susanna (2010)** In this paper author introduce the topic of micro financing to a wider audience of management researchers and identify opportunities for future research in this new and growing area. The study shows that the serving loan facilities to poor by traditional financial institutions are risky and expensive. They have limited information on the creditworthiness & reliability of specific individuals. It presents micro finance as a solution on traditional financial institution for lending capital to poor.

Hypothesis

H₀= there is no significant difference in the status of tribal women before availing of micro finance and after availing of micro finance in Dungarpur District.

H_a= there is significant difference in the status of women before availing micro finance and after availing micro finance in Dungarpur District.

Methodology

Sources of Data: structured questionnaire have been filled from SHGs members .

Method of Data Collection: The study has been undertaken in tribal areas of Dungarpur. Both primary and secondary data have been used. Primary data is enumerated from a structured questionnaire in the study region. Secondary data is collected from NGOs’ reports, NABARD report, and other documents. 2 Self-Help Groups were selected for study from Dungarpur district.

Sampling Method:

Two SHGs were selected randomly for the study from tribal areas of Dungarpur

Sample Size:

From the different sampling groups 2SHGs have been selected. There were 25-30 members in each group.

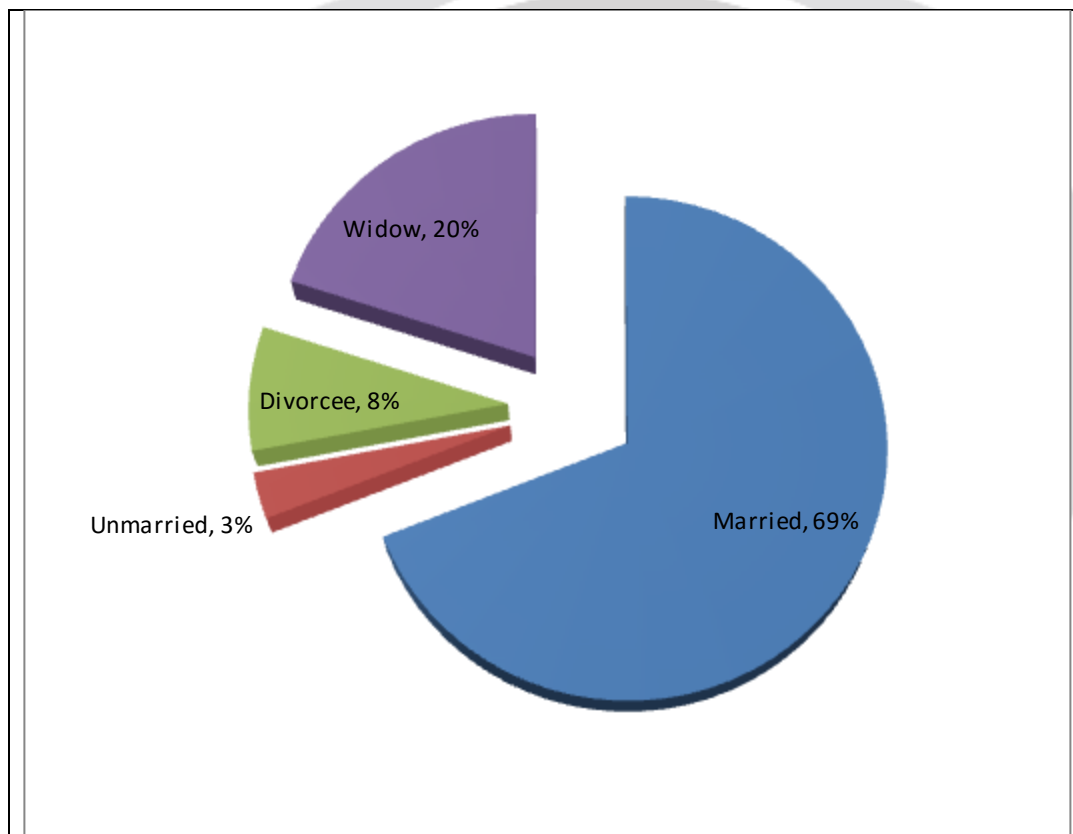
Statistical tools used:

Paired t-test has been used to analyze the four variables, like:-Living standard, financial independency, women empowerment, domestic violence. Tabulation and percentage analysis has been also used to analyze and interpret the data.

Analysis and Interpretation

Demographic profile of Respondents:

Below pie Chart depicts that out of 50 Respondents, 69% women were married, 20% widow, 8% divorcee, and 3% were unmarried.



SChart-1: Marital Status of Respondents

In this study out 50 respondent, Total 31% respondent were literate and 69% were Literate.

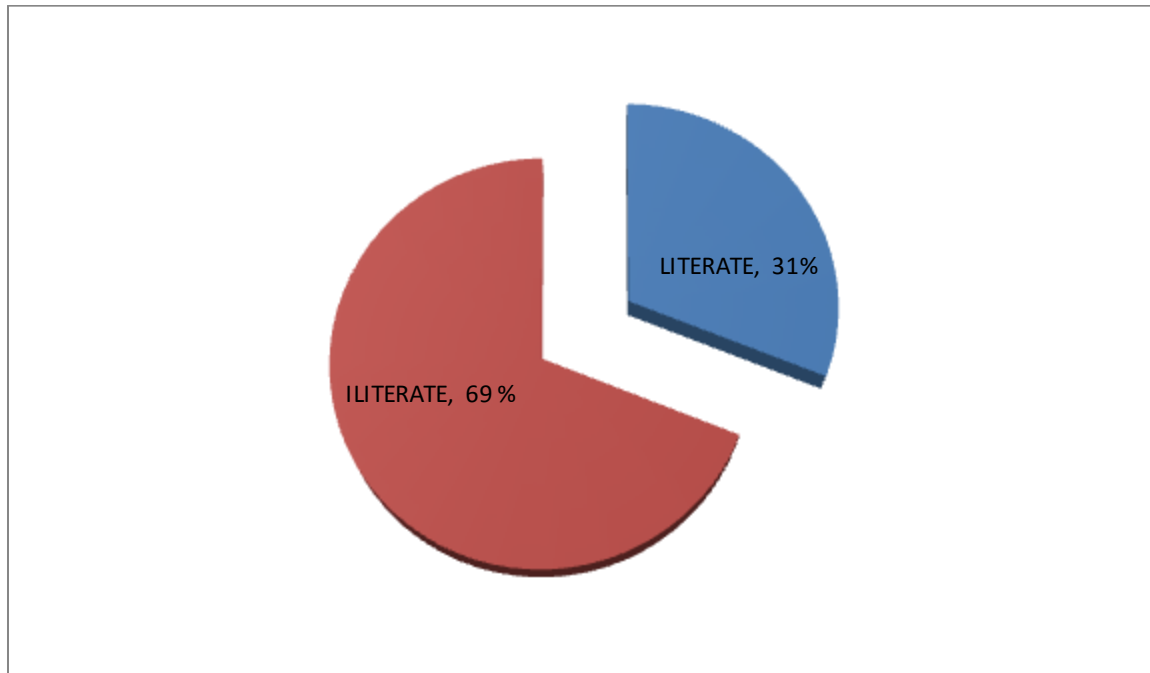


Chart-2: on basis of literacy of Respondents

Out of 50 Respondent, 23% were residing in slum areas and 77% were residing in developed colonies.

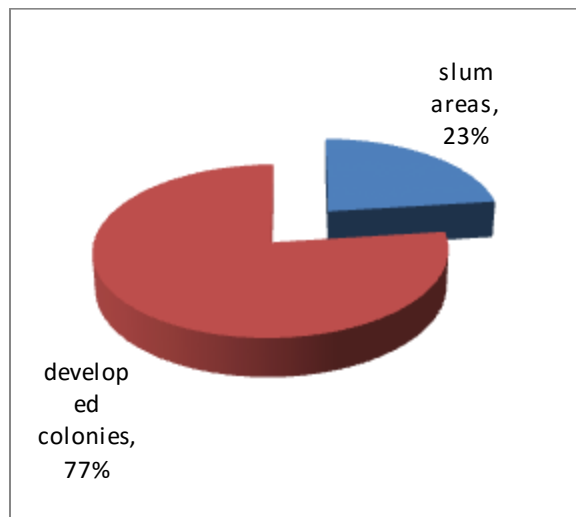


Chart-3: Living conditions of Respondents

All respondents were from different caste groups, 29% were from SC, 23% ST, 36% from OBC and 12% from other.

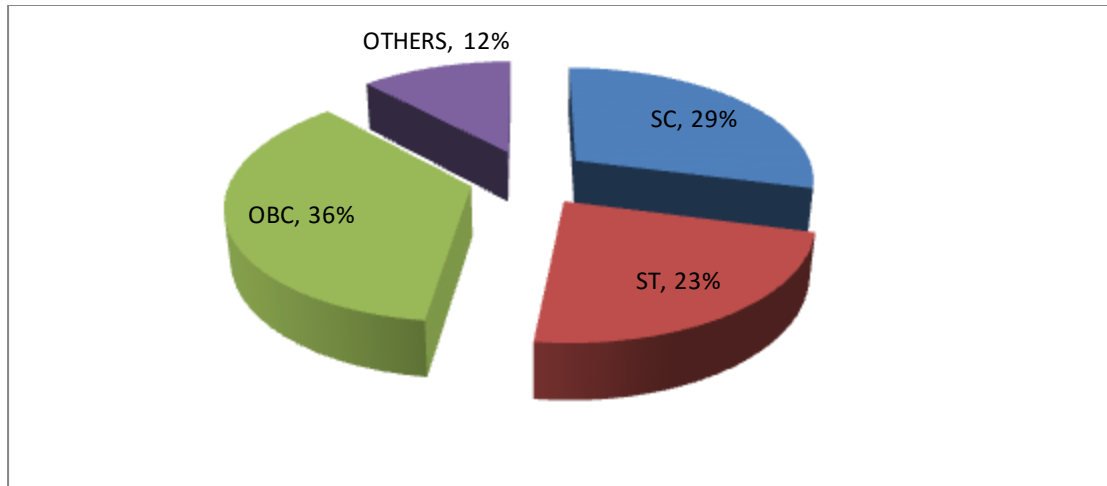


Chart-4: On the basis of caste

Paired t-test

In this research 4 variables have been analyzed by using Paired t- test.

t-Test: Paired Two Sample for Means		
	<i>before</i>	<i>after</i>
Mean	16.46	28.62
Variance	11.27387755	27.75061
Observations	50	50
Pearson Correlation	0.326225746	
Hypothesized Mean Difference	0	
Df	49	
t Stat	16.40128828	
P(T<=t) one-tail	7.73855E-22	
t Critical one-tail	1.676550893	
P(T<=t) two-tail	1.54771E-21	
t Critical two-tail	2.009575199	

Table -1 t-test on Living standard

Table No. 2 depicts that critical value of 't'(1.677224) is greater than the 't' tabulated value (16.4012). Therefore the Null hypothesis is rejected that means Micro finance improve the living standard of women.

t-Test: Paired Two Sample for Means (financial independency)

	<i>before</i>	<i>after</i>
Mean	19.06	32.26
Variance	24.26163	27.58408
Observations	50	50
Pearson Correlation	0.461672	

Hypothesized Mean Difference	0	
df	49	
t Stat	-17.6521	
P(T<=t) one-tail	3.52E-23	
t Critical one-tail	1.676551	
P(T<=t) two-tail	7.04E-23	
t Critical two-tail	2.009575	

Table No. 2 depicts that critical value of t' 1.67 is greater than tabulated value of t (-17.0932). Therefore the Null hypothesis is rejected that means Micro finance improve the financial position of women after participating in SHGs.

t-Test: Paired Two Sample for Means women empowerment)

t-Test: Paired Two Sample for Means		
	<i>before</i>	<i>after</i>
Mean	16	29.58
Variance	23.18367	26.330204
Observations	50	50
Pearson Correlation	0.341968	
Hypothesized Mean Difference	0	
Df	49	
t Stat	-16.814	
P(T<=t) one-tail	2.74E-22	
t Critical one-tail	1.676551	
P(T<=t) two-tail	5.48E-22	
t Critical two-tail	2.009575	

Table-3 t-test on variable “women empowerment”

Table No. 3 depicts that critical value of ' t ' (1.677224) is greater than the tabulated value of t . (-17.0932). Therefore the Null hypothesis is rejected that means Micro finance improve the socially and economic status of women and make them socially and economically empowered.

Findings: ·

- It is noticed that all the respondents agreed that micro finance brought improvement in their living standard.
- Maximum number of respondents accepted that microfinance has brought economic development directly and indirectly happiness and peace in the family.
- Majority of the respondents expressed that their awareness about environment improved after taking part in micro finance programs actively.
- Respondent feels them socially and economically strong. As they can take their own decision freely and contribute their suggestions in major family issues.
- It is found that microfinance made them aware about necessity of children education of tribal women
- Women are economically and socially empowered after joining SHG and getting micro finance.

- Women are given full freedom to express their opinions as they are now aware about the social and economical changes in society.
- It was found that there is an appreciable positive change in coordination between groups and within group leaders and decision making among respondents. There is a significance improvement in the income of the respondents after joining SHG.

Conclusion

Thus concluding as per the analysis, it is found that the null hypothesis "there is no significant difference in the status of tribal women before availing of micro finance and after availing of micro finance in Dungarpur District" is rejected. Micro Finance has played a significant role in the development of the tribal women in every aspect whether it is financial independence or living standard. Thus, the findings show that the tribal women have been benefited by the micro finance which proves that the alternative hypothesis, "there is significant difference in the status of women before availing micro finance and after availing micro finance in Dungarpur District", has been accepted.

Self Help Groups performing well in tribal area of Dungarpur after participating in micro finance. The study concludes that microfinance brought psychological and social empowerment and economic empowerment. Micro improves the living standard of women by increasing their family's income. It also helps to make women aware about the education and literacy. Impact of micro finance is appreciable in bringing confidence, courage, skill development and empowerment. After availing micro finance women feel free to move with their groups and leaders. It leads them to participate on various social welfare activities with good co operation. As Micro finance increases the family's income and status of women which reduces the domestic violence in family and bring happiness and peace.

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