

## **Women Empowerment through Micro Finance In Srivaikundam Taluk –Tuticorin District**

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**Abstract:** *The term micro finance refers to the practice of providing financial services such as micro credit, micro savings or micro insurance to poor people to alleviate poverty. Small loans are given to start the business of their own. These loans generate employment and income. Income from these businesses started with micro credit enables the borrowers to enjoy better housing, health care and education. When they earn additional income, they get hope for a better future. The global repayment of micro loan is higher than 95 percentages, which allows micro finance institutions to relend these funds to even more clients. By giving a hand up, micro finance enables one to break the cycle of poverty with in a single generation itself. From this study, it can be concluded that the women empowerment is greatly improved through the assistance of microfinance. It is also noted that the Self Help Groups (SHGs) can provide the expected benefits to the rural women folk if training is given on soil conservation, social forestry, dairy development and other allied occupations like horticulture, livestock, rearing, poultry keeping and fisheries.*

**Keywords:** *Micro finance; Women empowerment; Self help groups (SHGs); poverty.*

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### **I. INTRODUCTION**

Globalizations have presented new challenges for the realization of goals of women's equality, the gender impact of which has not been systematically evaluated fully. However, from the micro level studies that were commissioned by the Department of Women and Child Development, it is evident that there is need for re-framing policies for access to employment and quality of employment. Benefits of the growing global economy have been unevenly distributed leading to wider economic disparities, the feminization of poverty, increased gender inequality through often deteriorating working conditions and unsafe working environment especially in the informal economy and rural areas. Strategies are to be designed to enhance the capacity of women and empower them to meet the negative social and economic impacts, which may flow from the globalization process [1].

Empowerment is a process which gives women to challenge some situation. Empowerment is a process that could enable women to get enough strength to challenge their submissive social condition [2]. All development strategies and programs related to women development given due stress to women empowerment now.

Lack of power or disempowerment reflects in their less education level, less income, less control over their own income, less bargaining power in selling their own produce and labor, less participation in decision making body less access to production inputs and resources and employment opportunity than man. This leads to dependency of women on their male kin. This dependency makes them as a burden of a family and lowers their life cycle.

But the work participation rate of women is less than that of men. Despite efforts taken towards economic empowerment of women, majority of active women confine themselves to micro, small scale enterprises and the informal sector. Though women constitute half of world population, they are the largest group which is excluded from the benefits of social and economic development [3].

The level of income per month has been considered as the indicator of the economic empowerment. A successful economic development program should lead to higher level of income to its beneficiaries. Female empowerment can takes place through economic participation, economic opportunity, political empowerment, educational attainment and health and well being.

“Money says the Proverb, Makes Money. When you have got a little, It is often easy to get more. The great difficulty is to get that little”. Adam Smith.

The Micro credit Summit 2007 defines Micro credit as the extension of small loans to entrepreneurs too poor to qualify for traditional bank loans. It has proven as an effective and popular measure in the ongoing struggle against poverty, enabling those without access to lending institutions to borrow at affordable interest rates and start small business.

The Nobel committee has put poverty on the international agenda by awarding the peace prize to the Bangladesh Micro Credit Pioneer, Prof. Muhammad Yunus and his grameen bank. In its citation, the committee said “Lasting peace cannot be achieved unless large population groups find ways in which to break out of poverty. Micro credit is one such means...across cultures and civilizations, Prof. Yunus and grameen bank have show that even the poorest of the poor can work to bring about their development” The award of the peace nobel to Prof. Yunus and grameen bank is expected to provide a big boost to microfinance activities in India.

Women empowerment means that women cross all barriers – social and economic and they are able to enjoy the fruits of development process. Women are able to participate in decision making process and they are the beneficiaries in the democratic, economic, social and cultural spheres of life. Women come forward to work with men as equal partners for equality, sustainable development and communal harmony.

In almost all the developing countries Self Help Groups are considered as the best means for empowerment of women. India is not an exception to this fact. NGOs play a dominant role in organizing the Mahila Samajams. Mahila Samajams are organised for the participation of women in development activities [4].

Due to various reasons, women are the target of micro services. It is estimated that 70 per cent of world’s poor are women. Unemployment rate is higher among women. Informal sector activities are largely in the hands of women. Gender inequalities inhibit overall economic progress of countries. In those economies where gender inequalities are higher, there is high degree of poverty, slower economic growth, weaker governance and a lower living standard for the people. By helping the caretaker of the family with micro finance, they are enabled to earn additional income. These extra incomes help women to meet the requirements of children. Micro finance enables women to empower themselves [5]. Micro finance and the income generated through it help women to have greater say in decision making activities [6, 7].

The term Self Help Groups (SHGs) is generally used in India to refer to unregistered groups of 10 to 20 members involved primarily in savings and credit activities. A SHG is a group of about 20 people from a homogeneous class, who come together for addressing their common problems.

## **II. OBJECTIVES OF SHGs**

The main objectives of the SHGs are given below,

1. To sensitize women of target area for the need of SHG and its relevance in their empowerment process.
2. To create group feeling among them.
3. To enhance the confidence and capabilities of women.
4. To develop collective decision making among women.
5. To encourage habit of saving among women and facilitate the accumulation of their own capital resource base.
6. To motivate women taking up social responsibilities particularly related to women development.
7. To resolve conflicts through collective leadership and mutual discussion.
8. To provide collateral free loans with terms decided by the group at market driven rate etc.

## **III. RESEARCH METHODOLOGY**

This study is conducted in Srivaikundam Taluk of Tuticorin District. So many bank branches are there in this study area. The scholar has focused her attention on the self help groups which get micro financial assistance from State Bank of India branch of Srivaikundam Taluk. It is reported that during the accounting year 98 self help groups have taken revolving fund and financial assistance from State Bank of India of the study area. These groups have taken loan to extend of Rs. 91 lakh in 2008-09. Self Help Groups have a membership ranging from 12 to 20. The scholar has contacted 75 members of the self help groups who are active members of the group.

Basic Objective of this study is to examine whether it is possible to generate additional income and employment through micro finance in our study area and to analyze the ways in which they are empowered.

### **Sources of Data:**

The study is undertaken in rural areas of Tuticorin region (Srivaikundam Taluk). Both primary and secondary data’s are used. Primary data is enumerated from a field survey in the study region. Secondary data is collected from NGOs’ reports and other documents. One NGO is selected and six Self-Help Groups promoted by that NGO in rural areas of srivaikundam are taken for study. Areas (villages) covered under the study are:

1. Vallanad
2. Manakkarai
3. Alantha

4. Vasavappapuram
5. Murappanad
6. Singathakurichi

**Sampling Method:**

Cluster sampling and area sampling is followed. Since the members are large in number they are divided by groups and randomly selected for data collection.

**Sample Size:**

75 samples have been collected for the research from all the six rural areas of srivaikundam region.

**Method of Data Collection:**

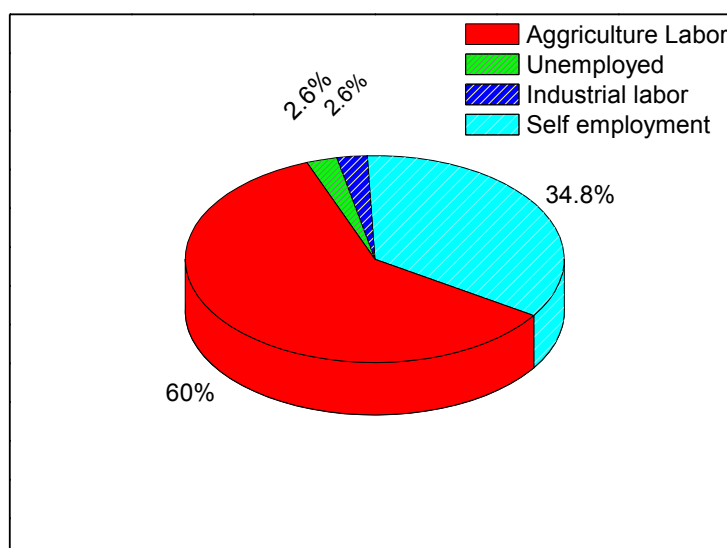
A structured interview schedule was prepared by the researcher and used for collecting data from the rural SHG women members who are engaged in Micro enterprises through microfinance.

**Limitations of the Study**

- The study is confined with the rural areas of Pondicherry. Hence the results may not be applicable to urban area SHG members.
- The data was collected only from those who engaged in income generating activities.

**IV. DATA ANALYSIS AND INTERPRETATION**

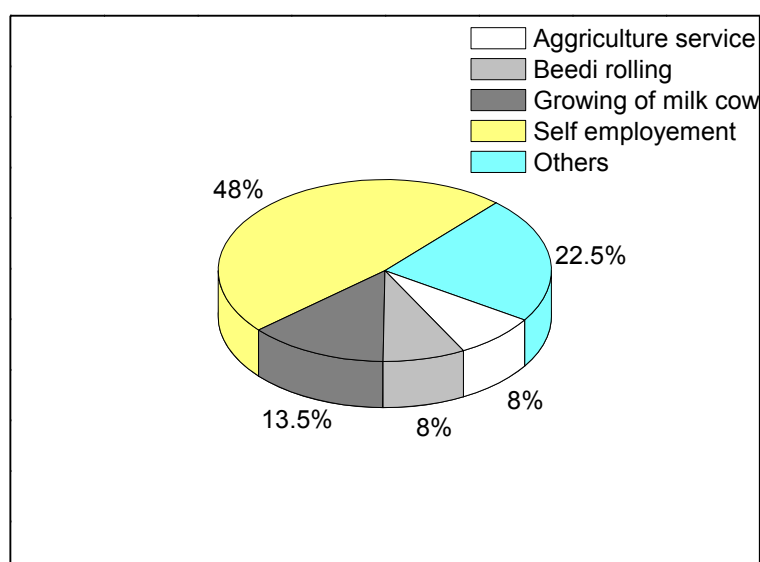
The respondents of this study are in the age group of 18 to 35. The experience of our respondents in self help group ranges from one year to eight years. The respondents are from various occupations. In the first place our respondents are classified on the basis of their occupation before they started using microfinance and it is presented in Figure 1.



**Figure 1 Occupational Structure of the Respondents before Availing Micro Finance**

**Source: Primary data**

It is clear that as many as 26 of our respondents were not having any employment till they have taken micro credit. Two of our respondents made a living through self employment. Two respondents have informed that they were daily wage earners in the cotton mill whenever peak work was available. Greater part of our respondents, i.e., 60 percent was agricultural laborers before they started taking micro finance. But there is a shift in the occupational structure of our respondents after they began to make use of micro finance. Occupation that is held by the respondents after availing micro finance is presented in Figure 2.



**Figure 2 Occupational Structures of Respondents after Availing Micro Finance**

**Source: Primary data**

It is assumed that occupation of the respondents have changed after they have taken micro finance. Formerly 26 of our respondents were unemployed. But now not even a single respondent is unemployed. This it shows the economic improvement of our respondents. There is occupational shift. 36 of our respondents are now self-employed. This enables us to understand that micro finance empowers our women to have better economic status and hold in decision making.

Income is one factor that decides the status of a person. The income of our respondents before availing micro finance is presented in Table 3.

**Table 3 Family Income of Respondents Before Availing Micro Finance**

Monthly income (Rs)	No. of respondents	Percentage
<500	2	2.6
500-1000	46	61.4
1000-1500	27	36
>1500	NIL	-
Total	75	100

**Source: Primary data**

The economic position of the respondents was very poor before they have taken micro finance. In the case of two of our respondents, it is reported that their monthly income was even less than Rs. 500 before they were the members of the SHG. In the case of 46 of our respondents, their monthly income was between Rs. 500 and Rs. 1000 during that period. Not even in single case, the income was greater that Rs. 1500 per month. There is considerable change in the income of our respondents after they started using micro finance. It is presented in Table 4.

**Table 4 Income of Respondents after Availing Micro Finance**

Monthly income (Rs)	No. of respondents	Percentage
<1000	Nil	-
1000-1500	30	40
1500-2000	20	26.6
>2000	25	33.4
Total	75	100

**Source: Primary data**

The incomes earned by our respondents have increased considerably after they have started using micro finance. Not even a single respondents now gets a monthly income of less than Rs. 1,000/-. 25 respondents have reported that they are now able to earn even greater than Rs. 2000 per month. 66.6 percentages of our respondents are now in the income group of Rs. 1000 to Rs. 2000 per month. Income earned by the respondents varies depending on the type of occupation undertaken by them.

Micro finance and its proper use give certain benefits to our respondents. Opinion of our respondents about the benefits received by them is presented in Table 5.

**Table 5 Benefits Received by the Respondents through Micro Finance**

Benefits	Opinion			Total
	Agree	No opinion	Disagree	
Increased saving habit	48	27	-	75
Accessibility of resource	36	14	25	75
Technical guidance	32	18	25	75
Other promotional assistance	47	22	6	75

**Source: Primary data**

Table 5 reveals that 48 of our respondents developed saving habit, 36 of them have access to larger quantum of resources, 32 have got technical guidance, and 47 are benefited through promotional assistance.

## V. EMPOWERMENT THROUGH MICRO FINANCE

Micro finance mainly focuses attention on empowerment of rural women and making them financially, socially and politically. The way in which our respondents are empowered is present in Table 6.

**Table 6 Empowerment of Our Respondents**

Benefits	Opinion			Total
	Agree	No opinion	Disagree	
Increase in family income	65 (86.6)	10 (10.3)	-	75 (100)
Skill up gradation	36 (48)	16 (21.3)	23 (30.7)	75 (100)
Awareness of banking operation	37 (49.3)	13 (17.3)	25 (33.4)	75 (100)
Improved standard of living	32 (42.6)	18 (24)	25 (33.4)	75 (100)
Better leadership and communication skills	38 (50.6)	21 (28)	16 (21.4)	75 (100)
Awareness in health education	42 (56)	13 (17.4)	20 (26.6)	75 (100)
Decision making in family and society	37 (49.3)	24 (32)	14 (18.7)	75 (100)

**Source: Primary data**

Opinion of respondents regarding empowerment through micro finance reveals that 88.6 per cent of the respondents are able to contribute towards the family income, 48 per cent of the respondents agree that they have got skill up gradation and 49.3 per cent of the respondents are now able to understand the banking operations. 42.6 per cent of the respondents feel that their standard of living has improved. 50.6 per cent of the respondents say that they got leadership and communication skills. 56 per cent of the respondents are now aware of health education and 49.3 per cent of the respondents agree that they now make decisions in community, village and in household. Thus micro finance has empowered them. It is in fact a loan which empowers our rural women economically, socially and in the micro level in their houses and in the micro level in the decision making process of the society as a whole [8, 9, 10].

Micro finance thus helps women to become powerful and through these individuals, groups and communities are able to take control of their circumstances and achieve their goals [11, 12]. It enables them to work towards helping themselves of empowerment in economic, psychological, social and political fields.

## VI. CONCLUSION

SHGs can provide the expected benefits to the rural women folk if training is given on soil conservation, social forestry, dairy development and other allied occupations like horticulture, livestock, rearing, poultry keeping and fisheries.

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