

Role of Micro-Finance in Women Empowerment: A Case Study of Kanas Block in Odisha

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ABSTRACT

Micro Finance is a critical anti-poverty tool which enables poorest people especially women to improve their life and living conditions. Women's empowerment enables them to equip with resources and enable them to life decisions. The present study area Kanas block is situated in perennially disaster prone district of Puri in eastern India. Kanas block is a bright example of impact of Micro-finance particularly on women empowerment. It has emerged as the most vital instrument of participatory development. The study is based on primary data collected through different qualitative and quantitative methods. The self help groups which is the most obvious manifestation of micro-credit in the area has not only given women access to economic freedom but also has instilled in them a notion of self respect and confidence and all these lead to complete women empowerment.

Key Words : Micro-finance, Women empowerment, Life decision

INTRODUCTION

Micro-finance is defined 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 so as to enable them to raise their income levels and improve their living standard. According to Kofi Annan "micro-credit is a critical anti-poverty tool, a wise investment in human capital when the poorest, especially women, receive credit, they become economic actors with power. Power to improve not only their own lives, but in a widening circle of impact, the lives of their families, their communities and their nations." The micro-credit programmes are not only a tool to alleviate poverty but also a means to rescue the rural poor from the greedy money lenders. A recent NSSO (2007) study shows that a vast 51% of rural poor have no access to credit at all, while 22% borrow from moneylenders and 27% from institutions. In such a situation micro-credit provides a

suitable alternative; one of the most important parts of micro-credit system is the self-help groups. It is a small informal and homogeneous group of not more than 20 members and all are women.

Women's empowerment is all about equipping and allowing women to make life-determining decisions through the different problems in society (Bayeh, Endalcachew, Jan, 2016). Empowerment as a concept was introduced at the International Women's conference at Nairobi in 1985. The Conference defined empowerment as 'a redistribution of social power and control of resources in favor of women'. Women's empowerment is all about equipping and allowing women to make life determining decisions. Economic independence is a vital part of women empowerment. Self-help groups play a major role in equipping rural women with economic independence and thereby enhancing their quality of life and access to decision making process. The present paper is an attempt to study

the role of micro-finance (SHG) in a relatively backward block of Odisha in eastern India.

In India self help groups form the grass root level unit of micro-finance movement. There are three basic objectives of micro-credit in India. Firstly, increasing women’s access to credit leads to economic empowerment thereby enhancing their respect in family .Secondly, their economic and social condition improves by effective access to financial services. Thirdly, organization of groups strengthens their socio-economic empowerment. SHGs have emerged as the most important instrument of participatory development and women’s empowerment.

Objective:

To study the role of micro-finance particularly SHGs in promoting women’s empowerment in economic, social and political arena.

METHODOLOGY

The study is based on primary data collected through both qualitative and quantitative methods. The survey was conducted from January to December 2018. Semi-structured interview, Focus group discussion, PRA were some of the methods used for data collection with a 25% sample size. The total number of respondents was 259 spanning across 21 SHGs in 07 Gram Panchayats. Data has been analyzed by using simple statistical techniques.

Study area:

Kanas block lies in Puri district of Odisha along 20.08043N latitude and 86.69025E longitude. The total geographical is 224.85 square kms. It has 28 Gram

panchayats and 214 villages. Total population of Kanas block is 142614 out of which 72183 are male and 70431 are female according to 2011 census (Fig. 1).

SELF help groups - An analysis:

The SHG is an association of people belonging to similar socio-economic characteristics residing in same locality. NABARD (1995) defined SHG as a homogeneous group of rural poor voluntarily formed to save whatever amount they can conveniently and mutually agree to contribute to a common fund from which they lend to group members for productive and emergent credit needs. SHG is the brain child of Noble laureate Prof Mohammed Yunus who started Grameen Bank of Bangladesh in 1975. In Odisha, these groups started functioning under the flagship programme for poverty alleviation and women empowerment named as Mission Shakti on 8th March, 2001. Subsequently SHGs were linked with other development and welfare programmes of Government of Odisha.

Self Help Groups normally consist of 10-15 persons (maximum 20) of similar outlook and social status. It promotes objectives like freedom from exploitation, economic improvement and raising resources for development. It has its own bylaw for proper functioning of the group. Each SHG constituted three office bearers: President, Secretary and Treasurer. Periodical meetings are conducted for discussion of problems. Each member regularly deposits a small amount of money to the group fund as decided by the group. Needy group members are provided loans from their own group savings with pre-decided interests and terms by the group.

SHG in the study area:

Primary data has been collected from a 25% of the sample of the study area with Purposive Sampling method. Table 1 reflects the List of Selected Gram Panchayats (G.P.). If we analyze the structure and composition of SHGs in Kanas block the following characteristics emerge:

- The average age of SHG members is between 30 to 40 years.
- About 52.89% of members are illiterate.
- About 84.94% of members are married.
- Very few Scheduled Caste (SC) members are there.
- Most of the women belong to families of agricultural laborers.

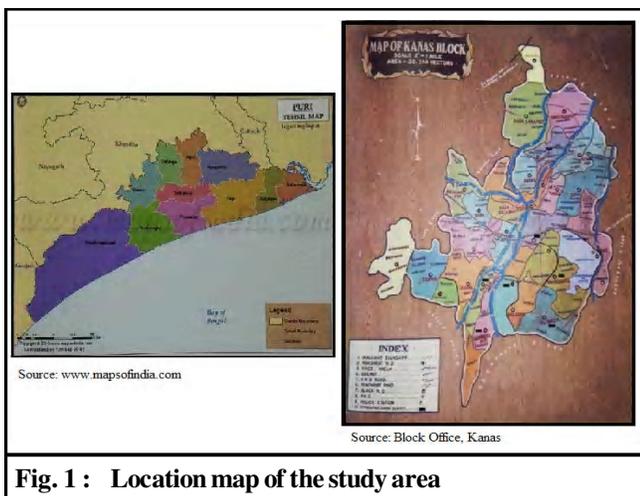


Fig. 1 : Location map of the study area

Table 1 : List of Selected Gram Panchayats (G.P.)

Sr. No.	Name of G.P.	SHGs	SHG Members
1.	Alibad	3	38
2.	Gadasahi	3	37
3.	Gadisagoda	3	32
4.	Gopinathpur	3	34
5.	Kadua	3	45
6.	Khanahata	3	31
7.	Pandikera	3	42

Source: Primary Data

– About 80.95% of the members have been trained for capacity building.

– Awareness level about social, economic and political conditions is very low.

– The motivational factors for joining SHGs is mainly economic like availing loans, promoting habit of saving, economic independence and social security.

But inspite of such humble moorings, the impact of the group formation and economic independence has helped tremendously in women empowerment of the area.

RESULTS AND DISCUSSION

Economic:

Self-dependence in Income Generation:

Table 2 gives an account of various income generating activities have been started by SHGs which helps them increase their income; making them self-dependent.

Influence over Economic Resource of the Family:

– Ability to influence her personal financial position: About 87.26% have reported that their financial position has improved after joining the group because of group saving and micro-credit.

– Share in family income: About 75.67% members have reported that their share in family income has improved.

– Asset ownership: About 40% have acquired

assets after joining SHGs.

– Role in financial decisions: About 53.67% have felt their role has improved in the financial decision making of the family.

Social:

SHGs have really contributed a lot for social empowerment of women. Social empowerment helps in making the real personage vibrant, including:

– Improvement in confidence levels while dealing with people: About 94.98% of members have felt they have enhanced their confidence levels.

– Know the technicalities of dealing with institutions: About 87.26% have improved economic decision making.

– Increased mobility: About 65.25% have increased mobility.

– Improvement in technical skills: About 56.75% have acquired technical skills by training.

– Independent decision making in both financial and social aspects of family: About 87.64% have now equal participation and decision making power in household. About 64.48% have equal importance as their husbands in decision regarding school and marriage of children.

– Increased social awareness: About 81.85% have participated in social awareness generation programmes like female literacy, female health, family planning etc.

Some SHGs have organized blood donation camps, immunization programmes and cleanliness drives for

Table 2 : Income generating activities started by SHGs

Sr. No.	Income Generating Activities	SHGs (n=21)	Percentage (%)
1.	Anganwadi Chatua	8	38.09
2.	Fishery	3	14.29
3.	Doormat making	3	14.29
4.	Goat rearing	2	9.52
5.	Black gram Noodle	5	23.80

Source: Primary Data

neighborhood areas. Most of them feel because of group interaction they have enhanced their networking skill at different levels and they have gained social respect.

Political:

The impact of political empowerment through SHGs is best exemplified in the last Lok Sabha elections in Odisha. In the study area also women have understood the importance and power of voting. Five SHG members have been elected in the Gram Panchayat elections. Many of the members have actively participated as campaigners in the Panchayat elections. The procedure of election in SHGs has helped them to understand it on a larger scale.

Empowerment status:

All the above components were considered for measuring empowerment status of women. It was categorized into two categories, namely, ‘has improved’ and ‘remained same’. About 82.24% of respondents reported that they were empowered after joining SHGs.

Conclusion:

SHG can play a major role in empowering women particularly in the rural sectors. It gives them access not only for income generation and economic upliftment but thereby instills in them a notion of self-respect and confidence. Empowerment is not only economic but also social and psychological. The SHG membership and

activities gives a psychological boost to the participants that they can also deliver at moments of crisis of the family both financially and otherwise. This self-satisfaction is the key to women empowerment. Hence, micro-credit and particularly Self Help Groups must be encouraged for a balanced development of society.

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