

The Myth and the Reality of Women Development through Microfinance

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ABSTRACT

In a patriarchal society like ours, by the term women empowerment or women development we simply mean the transfer of power of any kind from men segment of a society to women segment of the same society. There is no denying the fact that women empowerment is a process and not a product, a state of continuous raising of socio-economic power in such a manner that women become able to organize themselves to increase their own self-confidence in every sphere of their life, to assert their independent right to make choices and to control over resources which will assist in challenging and eliminating their own socio-economic-political subordination. In this study we tried to examine about the myth and reality of women development achieved through the working of the SHGs among the poor women of the rural area. To give the objective a clear shape we have concentrated our study in the Ratua-1 Block of Chanchal Sub-division of Malda District of state of West Bengal. The study is based on primary data. Five point Likert scale has been used to get the result. We have analysed the data with the help of a simple statistical tool like percentage. Chi-square test has been used to test the result. It is found that that employment, income, education of the respondent have increased, they have also succeeded in achieving better access after participation in SHG activities. Again, increased self confidence and exposures of the members achieved through participation in SHG have succeeded to gain higher status in the society and to raise voice against social exploitation.

Key Words : Empowerment of women, Microfinance through SHGs, Self-employment, Quality of life, Income, Access to education

INTRODUCTION

In a patriarchal society like ours, by the term women empowerment or women development we simply mean the transfer of power of any kind from men segment of a society to women segment of the same society. There is no denying the fact that women empowerment is a process and not a product, a state of continuous raising of socio-economic power in such a manner that women become able to organize themselves to increase their own self-confidence in every sphere of their life, to assert their independent right to make

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choices and to control over resources which will assist in challenging and eliminating their own socio-economic-political subordination. United Nations define it as the process by which women take control and ownership of their lives through expansion of their choices (United Nations, 2001).

The origin of microfinance is credited to Dr. Muhammad Yunus who had founded the Grameen Bank in 1983. In India we had a parallel financial services for the rural poor starting from the cooperative societies in 1890 to the present day SHGs dominated financial intermediaries. Microfinance can be defined as the supply of loan, savings and other basic financial services to the poor. It is meant to provide very poor families with very small loan or micro credit to engaged them in productive activities that is to say to grow their tiny business. Half of the total population of India constitute the women. Most of them are unskilled. They are economically and socially dependent on their male counterpart. This restrict their prospect for socioeconomic empowerment. According to the 2011 census, 8.6 per cent of India being the second largest tribal dominated area after Africa. Different researches show that the poorest of the poor are the rural tribal and therefore, development of these group is to be very much concentrated in the process of socio-economic development. The Self-Help Groups (SHGs) are linked to the bank for micro credit. SHGs act as a great boost to make the poor self-sufficient. The micro finance through the SHGs is one of the important tools for improving the socioeconomic levels the tribals of rural India.

Micro finance through SHGs is now recognized as the key strategy for addressing the issues of poverty alleviation and women's empowerment. The provision of savings enables them to contribute small savings regularly and the amount thus accumulated gives a sense of security and reduce their vulnerability. The funds created by their small savings can be avail for consumption purposes. This have a positive impact on their well-being and access to basic need. When these funds are used for income generating activities it will contribute to the employment generation, income increase and asset acquisition. The non-credit support in the form of training is expected to stability of employment and income security.

Micro finance through SHGs is now recognized as a key strategy for addressing issues of poverty alleviation and women's development. Micro finance in the form of Self help group (SHG) linkage model has been enable the rural women to

1. Contribute to their families' well being through savings and borrowings.
2. Generate self employment and income which is instrumental in reducing poverty.
3. Improve the quality of life of the rural women by providing easy finance.
4. Shift from debt-trap of informal credit sources to formal credit system.

Review of Literature:

A large numbers of studies have been made internationally as well as nationally on the working if the micro finance and SHGs. Some of these have been summarized as under-

Hashemi et.al (1996) show that women's access to credit increases their asset holding in their own names. It also increases their purchasing power, political and legal awareness. The study also show that the group based micro-credit programs through SHGs can reduce the numbers of cases of men's violence against women. This is because the microfinance through SHGs makes the life of women more public.

Otero (1999) points out that microfinance is instrumental in creating access to productive capital and market for the poor and thereby helps them to move out of poverty.

Gurumoorthy (2000) finds that microcredit through SHG is a feasible alternative to the rural women which makes them entrepreneur and encourage them to enter into entrepreneurial activities.

Dadhich (2001) explained that a properly designed and effectively implemented microfinance can alleviate poverty and empower women as well. Thus it can be a viable economic and financial tool.

Yunus (1997) pointed out in his study that to make a poverty free economy, micro credit is not enough. The poor people is to be linked to markets, financial institutions and even multinationals.

Swaminathan (2007) in his study found that the absence of the formal rural credit sector can be filled by providing microcredit to the rural poor. Thus according to him Microcredit through SHGs can overcome the weakness in the formal banking system.

Sarumathi and Mohan (2011) show that microfinance through SHGs brought about a social empowerment and psychological change rather than economic empowerment. The role of microfinance is appreciable in the sense that it can build confidence and courage. It is also helpful in developing skill and empowering the rural poor women.

Rao (2002) found that the existing formal financial institutions have failed to provide finances to landless, marginalized and disadvantaged sections in the rural society. SHGs help the poorest of the poor to encourage savings and promote income generating activities through small loans and as a result the borrowers are able to overcome the vicious circle of poverty.

Objective of the study and study design:

The objective of the study is to examine about the myth and reality of women development achieved through the working of the SHGs among the poor women of the rural area.

Study area:

To give the objective a clear shape we have concentrated our study in the Ratua 1 Block of Chanchal Sub-division of Malda District of state of West Bengal.

Selection of group:

We have selected 9 SHGs under NRLM on the basis of random sampling method form the study area. These 9 SHGs covered three Gram Panchayets (GP) namely, Debipur, Ratua and Baharal. We try to present these through Table 1.

Table 1 : SHGS under different parameters		
Gram Panchayets	No. of Self-Help Groups	No. of Members/Households
Debipur	3	35
Ratua	3	37
Baharal	3	38
Total	9	110

Source: Primary data

METHODOLOGY

The present study is based on primary data collected from Ratua 1 Block of Malda district of west Bengal.

3 SHGs from three grampanchayets of this block have been selected in such a way that all groups have got 3rd dose of CC loan. Therefore, we have 110 BPL women from the 9 SHGs.

We have followed complete enumeration method. Specially prepared structured questionnaires have been used for the collection of desired data. The data has been collected during the year 2015. Five point Likert scale has been used to get the result. We have analysed the data with the help of a simple statistical tool like percentage. Chi-square test has been used to test the result.

We know that there are so many socio-economic factors that are related to the development or empowerment of the rural poor women. In our study we have considered six socio-economic indicators of the sample households to judge the women development in our study. These six indicators are

- (i) education
- (ii) self-employment
- (iii) income
- (iv) housing condition
- (v) status in the society
- (vi) voice against social exploitation.

To know the agreement level of the respondent we have used five point Likert scale such as Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (DA) and Strongly Disagree (SDA).

RESULTS AND DISCUSSION

Education :

In course of group activities through SHG the members of the group come to realization the importance of education.

To find this each and every sample respondent was asked if their education facility has increased after joining to SHG activities.

Table:2 : Access to Education			
Agreement level on Better access to Education			
Agreement Level	Code	Frequency	Percentage
Strongly agree	1	34	30.91
Agree	2	36	32.73
Undecided	3	22	20.00
Disagree	4	10	9.09
Strongly disagree	5	8	7.27
Total		110	100.00

Source: Field Survey 2015

Here, Calculated value of Chi-square (χ^2) =30.90

Table value of Chi-square (χ^2) at 5% level of significant with d.f. 4 = 9.49

Their response has been summarized in the following Table 2.

From the Table 2 it is found that 30.91 per cent of the SHG members strongly agree and 32.73 per cent of the respondents agree that they have now better access to education due to their joining to the SHG activities.

It is found that the calculated value of Chi-square between better access to education and microfinance is greater than the table value at 5% level of significance.

Thus, we can conclude that there exists a significant relationship between their SHG activities and better access to education due to joining in SHG activities.

Self employment:

One of the major problems in our society is the problem of unemployment. SHG activities open the opportunity of income supplementation and asset creation within the group as well as within the household. Their response on whether or not self-employment opportunity has increased due to financial support from joining in SHG has been summarized in the following Table 3.

Table 3 : Self-Employment potential			
Agreement level on Self-Employment potential			
Agreement Level	Code	Frequency	Percentage
Strongly agree	1	40	36.36
Agree	2	34	30.91
Undecided	3	10	9.09
Disagree	4	16	14.55
Strongly disagree	5	10	9.09
Total		110	100.00

Source: Field Survey 2015

Here, calculated value of Chi-square (χ^2) =36

Table value of Chi-square (χ^2) at 5% level of significant with d.f. 4 = 9.49

From the Table 3 it is found that 36.36 per cent of the respondents strongly agree and 30.91 per cent agree that their employment opportunity has increased due to involvement in SHG activities.

From the table it is found that calculated value of Chi-square is greater than the table value at 5% level of significance. Thus, we can conclude that microfinance through SHG activities have increased the employment opportunity of the members.

Income :

One of the major objects of SHG is to increase the income of its member.

To investigate this phenomenon of enhancement of income from both farming and non-farming activities they were asked whether their income has increased due to joining in SHG Their response has been summarized in the Table 4.

From the Table 4 it is found that 35.45 per cent of the respondents strongly agree and 33.64 per cent of the respondents agree that their income has grown up as a result of joining in SHG.

Table 4 : Response on Income			
Agreement level on Income			
Agreement Level	Code	Frequency	Percentage
Strongly agree	1	39	35.45
Agree	2	37	33.64
Undecided	3	16	14.55
Disagree	4	12	10.91
Strongly disagree	5	6	5.45
Total		110	100.00

Source: Field Survey 2015

Here, calculated value of Chi-square (χ^2) =41.18

The table value of Chi-square (χ^2) at 5% level of significant with d.f. 4 = 9.49

The calculated value of Chi-square is greater than the table value at 5% level of significance.

Therefore, we can conclude from the above that their income has increased due to their joining to the SHGs.

Housing Condition:

Besides income the other indicators that we use here to measure the quality of life are housing and sanitation. There is no denying that housing is one of the important factors that affect the quality of life and productivity of workers. Table 5 summarized their agreement level on improvement in housing condition and sanitation facility due to their joining to SHG activities.

Table 5 : Agreement level on Housing condition			
Agreement level on Housing condition and sanitation facility			
Agreement Level	Code	Frequency	Percentage
Strongly agree	1	29	26.36
Agree	2	39	35.45
Undecided	3	24	21.82
Disagree	4	16	14.55
Strongly disagree	5	2	1.82
Total		110	100.00

Source: Field Survey 2015

Here calculated value of Chi-square (χ^2) =35.36, and the table value of Chi-square (χ^2) at 5% level of significant with d.f. 4 = 9.49

From the Table 5 it is found that 26.36 per cent of the respondents strongly agree and 35.45 per cent agree that as a result of their joining to the SHG activities their housing condition and sanitation facility have improved. It is to be noted here that, only 14.55 per cent respondents disagree and 1.82 per cent respondents strongly disagree on the issue.

The calculated value of Chi-square is greater than the table value at 5% level of significance.

On the basis of the above we can say there is a significant relationship between their

SHG activities and improvement in their housing condition and sanitation facility.

Status in the society:

Microfinance through SHG is a collective or group activity. Their mutual co-operation develop a social behavior. In this respect each and every sample respondent was asked about their status in the society after joining SHG. Table 6 shows the agreement level of the respondents regarding improvement in status in the society of households and joining in SHG activities.

Table 6 clears us that 28.18 per cent of the respondents strongly agree and 32.73 per cent agree that their housing condition and sanitation facility have improved due to their joining to the SHG. It is to be noted that only 06.36 per cent of the respondents strongly disagree.

Table 6 : Status in the society			
Agreement level on Status in the society of households			
Agreement Level	Code	Frequency	Percentage
Strongly agree	1	31	28.18
Agree	2	36	32.73
Undecided	3	25	22.73
Disagree	4	11	10.00
Strongly disagree	5	7	6.36
Total		110	100.00

Source: Field Survey 2015

Here calculated value of Chi-square (χ^2) =28.72 and the table value of Chi-square (χ^2) at 5% level of significant with d.f. 4 = 9.49

The calculated value of Chi-square is greater than the table value at 5% level of significance.

Thus, we can say that there is a significant relationship between their SHG activities and improvement in status in the society.

Voice against social exploitation:

A self confident woman having awareness about her rights does not tolerate the undue troubles created by other member of the society. She is supposed to raise her voice against the common problems and exploitation against of any kind like child marriage, dowry, drug addiction, injustice and domestic violence. However, some of the women are hesitant and do not take these activities themselves and they remain lagged. Their response in this respect has been summarized in Table 7.

From the table 7 it is found that 25.45 per cent of the respondents strongly agree and 31.82 per cent respondents agree that they can now raise voice against any kind of social exploitation. From the table it is found that calculated value of Chi-square is greater than the table value at 5% level of significance.

Thus, we can conclude that they can raise their voice against social exploitation after joining in SHG activities.

Table 7 : Voice against social exploitation			
Agreement level on Voice against social exploitation			
Agreement Level	Code	Frequency	Percentage
Strongly agree	1	28	25.45
Agree	2	35	31.82
Undecided	3	26	23.64
Disagree	4	16	14.55
Strongly disagree	5	5	4.55
Total		110	100.00

Source: Field Survey 2015

Here, calculated value of Chi-square (χ^2) =24.81

Table value of Chi-square (χ^2) at 5% level of significant with d.f. 4 = 9.49

Conclusion:

Through this we have tried to investigate the impact of microfinance through participation in SHGs on the development of poor women members in our study area. We have considered six variables in this purpose as mentioned earlier.

It is observed that employment and income of the respondent have increased after participation in SHG activities. Not only that they have also succeeded in achieving better access of education and housing facility by joining in SHGs. Again, increased self confidence and exposures of the members achieved through participation in SHG have succeeded to gain higher status in the society and to raise voice against social exploitation. Except few almost all the respondents are benefited through joining in SHG.

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