



IMPACT OF MICROFINANCE ON RURAL WOMEN EMPOWERMENT IN NORTH GUJARAT REGION

1.0 RESEARCH METHODOLOGY

To analyze the present scenario of the Microfinance Impact on Rural Women Empowerment in North Gujarat Region, We have form the following research objectives and sub objectives of the study. Research Methodology also includes the data collection method s and models used to analyze the data.

1.1.1 Sampling Design:

To collect the data three districts were selected namely Sabarkantha, Patan and Banaskantha from north Gujarat Region. 50 Respondents were selected from each district. In Sabarkantha we have visited some of the villages of Prantij Taluka, namely Anvarpura, Limla, Katpur, Balisana, Unchha. In Patan we have visited Aghar, Paldi, Para, Saghodiya, Runi. In Banaskantha we have visited lalwada, Asheda.

1.1.2 Data Collection:

To perform the Analysis of Microfinance Impact on Rural Women Empowerment, we have selected the two method of data collection 1. Primary Data by filling the questionnaire form the rural women of SHGs 2. Secondary Data has been collected from various newspapers, Journals, Websites, past reports etc.

1.1.3 Analysis of Data & Tools:

Descriptive statistical analysis such as mean, percentage etc. was carried out and ANNOVA test were also carried out whether necessary.

1.1.4 Economic Empowerment:

The status of women is connected with their economic position, or status which depends on their participation in economic activities such as ability to access credit, role in decision making in financial matters etc.

The following variables have been used to access the economic empowerment among the respondents as a result of Microfinance.

- Increase in Income
- Increase in Saving
- Increasing in Income Generating Activities
- Reduction of Poverty in the Family
- Reduction of Dependency on Money Lenders
- Ability to meet the financial crisis in the family
- Role in decision making related to savings, expenses and Child Education

The study reported that majority of the respondents informed that micro finance increase the income of the family and the increase in income by micro finance is an important indicator of women empowerment, it is interesting to observe that the majority of the respondents opined that micro

finance enhanced the savings of women, which helps them to meet urgent family needs and many of the respondents indicated that they joined the SHGs to save the money.

Micro finance helped to undertake income- generating activities, and the income- generating activities generates.

1.2 Research Objective:

1.2.1 Main Objective:

“To Study of the Impact of Microfinance on Rural Women Empowerment in North Gujarat Region”

1.2.2 Sub Objectives:

To know status of member to increase in income of member being as a part of SHGs

To know Level of improvement in the saving of the member

To Know Level of undertaking income generating activities of SHGs

To Know status of the reduction of dependency of member on the Money Lenders

To know Level of reduction of poverty in the family

To know Level of Participation in decision making in the Savings, Expenses, Children Education

2.0 Microfinance

Microfinance is usually understood to entail the provision of financial services to micro-entrepreneurs and small businesses, which lack access to banking and related services due to the high transaction costs associated with serving these client categories. The two main mechanisms for the delivery of financial services to such clients are (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group.

In some regions, for example Southern Africa, microfinance is used to describe the supply of financial services to low-income employees, which is closer to the retail finance model prevalent in mainstream banking.

3.0 REVIEW OF LITERATURE:

- Rajeshkhar d. (2000): conducted a study on “micro finance programs and women’s empowerment: A study of two NGO’S from Kerala”, and found that micro finance programmers are important institutional devices for providing small credit to the rural poor in order to alleviate poverty, Micro finance programmes initiated by SHG’s expected by non- governmental organization in several parts of India, have the potential to minimize the programmes of inadequate access to banking services to the poor.
- Dwarakanath. H. D. (2002) in this study analyzed that the characteristics and development of self-help groups in the state of Andhra Pradesh and found that SHGs were mainly using the loan facilities from the cooperative credit banks, commercial banks, mahila banks and maheswaran banks, and had produced more than 50 varieties of products –such as candelas, carpets, coir items, pickles, etc. in this study, the researcher found that women groups started to educate their Owen group members, and they realized the important of literacy.
- T. Anita Prasad(2005) in her study on ‘ EMERGING TRENDS IN MICRO FINANCE- a case study of swayam krishi sangam’ found that the requirements of rural poor are very small and often

unpredictable. These people are bankable, almost all poor households need to save and have the inherent capacity to save, if they are properly motivated. There is increased competition among MFIs and hence, the interest rates charged have become cut-throat. It was found that Swayam Krishi Sangam has brought microfinance to the door steps of the rural poor, who otherwise had to be at the door steps of a bank, 90% of their employees were the rural poor, who understood the problems of their region, and were willing to take initiatives for the socio-economic development of their native place. Very young and enthusiastic employees who were in the age group of 22 to 28 years are a major strength of SKS. Their services are technology driven.

5.1 Reliability Statistics

Cronbach's Alpha	N of Items
.916	21

The Cronbach alpha co-efficient is an indicator of internal consistency of the scale. A high value of Cronbach alpha co-efficient suggest that the items that make the scale "Hang together" and measure the same underlying construct. A value of cornbach alpha above 0.70 can be used as a reasonable test of scale reliability. In over study the cronbach's Alpha is 0.916 (>0.70) so the scale is reliable and it means that one may expect to find the same result if the measurement is repeated.

Table : 5.1 Item Statistics

	Mean	Std. Deviation	N
Status of increase in income as being part of SHG	3.66	0.834	150
Improvement in savings	4.07	0.711	150
Level of undertaking income generating activities	3.1	0.833	150
Status of reduction of dependency on Money Lenders	3.33	0.755	150
Level of Reduction of Poverty in the Family	3.29	0.805	150
Participation in Decision of Savings	3.69	0.741	150
Participation in Decision of Expense	3.61	0.827	150
Participation in Decision of Child Education	3.24	0.88	150
Able to Deal with Financial Crisis of the Family	3.12	0.732	150
Level of Moving Independently	3.75	0.976	150
Status of Being Able to Express Views Freely	3.73	0.939	150
Ability to Discuss freely with Bank/Govt.Officers/NGOs & Others	3.71	0.98	150
Help Member to Protest against Liquor sales/ Alcoholic Use	3.21	0.782	150
Help Member to Protest Against Pollution	3.45	0.747	150
Help Member to Protest Against Drinking Water Problem	3.49	0.757	150
Help Member to Protest Against Dowry	2.99	0.835	150
Help Member to Protest Against Abuse of fellow group members by Husband	3.11	0.636	150
Participation in Women's Day	3.76	0.808	150
Participation in Child Labor Abolition	3.31	0.743	150
Participation in Gram Sabha Meeting	3.93	0.8	150

Ability to cast votes Independently	4.35	0.752	150
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5.2 ONEWAY ANOVA Empowerment and District

H₀ : There is no significant relation between District and Empowerment of Rural Women as a result of participation in Microfinance.

H₁ : There is significant relation between District and Empowerment of Rural Women as a result of participation in Microfinance.

Table : 5.2.1 Descriptive

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Economic Empowerment Sabarkantha	50	3.313340	.5234205	.0740228	3.164586	3.462094	2.1111	4.5556
Patan	50	3.304444	.5181612	.0732791	3.157184	3.451704	2.1111	4.3333
Banaskantha	50	3.748888	.3432468	.0485424	3.651338	3.846438	3.0000	4.4444
Total	150	3.455557	.5103548	.0416703	3.373216	3.537898	2.1111	4.5556

Table : 5.2.2 ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Economic Empowerment Between Groups	6.455	2	3.228	14.665	.000
Within Groups	32.354	147	.220		
Total	38.809	149			

Interpretation:

The study reported that District and The Women Empowerment has significant relationship ($p < 0.05$), so here we will reject the Null Hypothesis. So we can conclude that there is significant relation between District and Its Women Empowerment. That means the status of women empowerment in all three district is different.

5.5 ONEWAY ANOVA Empowerment & Duration of Membership

H₀ : There is no significant relation between Duration of Membership and Empowerment of Rural Women as a result of participation in Microfinance.

H₁ : There is significant relation between Duration of Membership and Empowerment of Rural Women as a result of participation in Microfinance.

5.5.1 Descriptive

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Economic Empowerment	Less than Year	13	3.06837	0.441036	0.122321	2.80185	3.33488	2.33333	4
	1-3 Year	40	3.49723	0.405712	0.064149	3.36748	3.62698	2.55556	11
	3-6 Year	90	3.47654	0.522554	0.055082	3.3671	3.58599	2.11111	56
	More than 6 Year	7	3.66667	0.750851	0.283795	2.97225	4.36109	2.11111	33
	Total	150	3.45556	0.510355	0.04167	3.37322	3.5379	2.11111	56

Table : 5.5.2 ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Economic Empowerment	Between Groups	2.370	3	.790	3.165	.026
	Within Groups	36.439	146	.250		
	Total	38.809	149			

Interpretation:

Economical empowerment : the study states that there is significant relationship between duration of membership and economic empowerment of women as null hypothesis will be rejected as $p < 0.05$.

5.6 ONEWAY ANOVA Empowerment & Age

H₀ : There is no significant relation between Age and Empowerment of Rural Women as a result of participation in Microfinance.

H₁ : There is significant relation between Age and Empowerment of Rural Women as a result of participation in Microfinance.

Table 5.6.1 Descriptive

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Economic Empowerment	20 - 30							
Year 31 - 40	33	3.42761	0.44887	0.078138	3.26845	3.58677	2.4444	4.1111
Year 41 - 50	55	3.45454	0.51421	0.069336	3.31553	3.59355	2.3333	4.4444
Year Above 50	43	3.41604	0.546539	0.083346	3.24784	3.58424	2.1111	4.5556
Year Total	19	3.59648	0.530574	0.121722	3.34075	3.85221	2.3333	4.3333
	150	3.45556	0.510355	0.04167	3.37322	3.5379	2.1111	4.5556

Table 5.6.2 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Economic Empowerment	Between Groups	.470	3	.157	.597	.618
	Within Groups	38.339	146	.263		
	Total	38.809	149			

Interpretation:

Economical empowerment: the study states that there is no significant relationship between duration of membership and Economical empowerment of women as null hypothesis will be accepted as $p > 0.05$.

5.7 ONEWAY ANOVA Empowerment & Member Education

H₀ : There is no significant relation between Education and Empowerment of Rural Women as a result of participation in Microfinance.

H₁ : There is significant relation between Education and Empowerment of Rural Women as a result of participation in Microfinance.

Table 5.7.1 Descriptive

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Economic Empowerment	63	3.25926	0.495301	0.062402	3.13452	3.384	2.1111	4.3333
Illiterate	62	3.51793	0.473096	0.060083	3.39778	3.63807	2.3333	4.3333
Primary	21	3.76724	0.417084	0.091015	3.57734	3.95705	3	4.5556
Intermediate	4	3.94443	0.517189	0.258595	3.12146	4.76739	3.2222	4.4444
Degree & Above	15	3.45556	0.510355	0.041672	3.37322	3.53792	2.1111	4.5556
Total	60							

Table : 5.7.2 ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
Economic Empowerment	Between Groups	5.664	3	1.888	8.317	.000
	Within Groups	33.145	146	.227		
	Total	38.809	149			

Interpretation :

The study reported that Education and The Women Empowerment has significant relationship ($p < 0.05$), so here we will reject the Null Hypothesis. So we can conclude that there is significant relation between Education and Its Women Empowerment. That means the status of women empowerment and status of Education has significant relationship.

5.8 ONEWAY ANOVA Empowerment & Family Members

H₀ : There is no significant relation between No of Family Members and Empowerment of Rural Women as a result of participation in Microfinance.

H₁ : There is significant relation between No of Family Members and Empowerment of Rural Women as a result of participation in Microfinance.

Table 5.8.1 Descriptive

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Economic Empowerment	15	3.6	0.386728	0.099853	3.38584	3.81416	2.7778	4.3333
Less Than 4 - 8	104	3.5203	0.482029	0.047267	3.42656	3.61404	2.1111	4.4444
9 - 12	30	3.14815	0.56002	0.102245	2.93904	3.35727	2.1111	4.5556
More	1	3.7778	3.7778	3.7778

Than 12 Total	150	3.45556	0.510355	0.04167	3.37322	3.5379	2.1111	4.5556
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Table 5.8.2 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Economic Empowerment	Between Groups	3.688	3	1.229	5.110	.002
	Within Groups	35.121	146	.241		
	Total	38.809	149			

Interpretation :

Economical empowerment: the study states that there is significant relationship between No. of family member and Economical empowerment of women as null hypothesis will be rejected as $p < 0.05$.

5.9 ONEWAY ANOVA Empowerment & Family Income

H₀ : There is no significant relation between Family Income and Empowerment of Rural Women as a result of participation in Microfinance.

H₁ : There is significant relation between Family Income and Empowerment of Rural Women as a result of participation in Microfinance.

Table 5.9.1 Descriptive

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Economic Empowerment	Less Than 20000 Rs	37	3.2222 24	.48784 58	.08020 13	3.0595 68	3.3848 80	2.1111	4.3333
	20001 - 40000 Rs	71	3.3881 08	.50426 33	.05984 50	3.2687 51	3.5074 66	2.1111	4.3333
	40001 - 60000 Rs	22	3.8030 32	.38326 81	.08171 30	3.6331 00	3.9729 63	3.0000	4.5556
	More Than 60000 Rs	20	3.7444 45	.37653 31	.08419 54	3.5682 22	3.9206 68	3.0000	4.4444
	Total	150	3.4555 57	.51035 48	.04167 03	3.3732 16	3.5378 98	2.1111	4.5556

Table 5.9.2 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Economic Empowerment	Between Groups	6.663	3	2.221	10.087	.000
	Within Groups	32.146	146	.220		
	Total	38.809	149			

Interpretation

Economical empowerment: the study states that there is significant relationship between Family Income and Economical empowerment of women as null hypothesis will be rejected as $p < 0.05$.

5.10 ONEWAY ANOVA Empowerment & Loan Amount

H₀ : There is no significant relation between Loan Amount and Empowerment of Rural Women as a result of participation in Microfinance.

H₁ : There is significant relation between Loan Amount and Empowerment of Rural Women as a result of participation in Microfinance.

Table 5.10.1 Descriptive

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Economic Empowerment	Not Any	105	3.3238	0.5264	0.0514	3.2219	3.4257	2.1111	4.5556
	Less Than 5000 Rs	188	3.8148	0.2902	0.0684	3.6705	3.9592	3.2222	4.3333
	5001 - 10000 Rs	165	3.6945	0.2204	0.0551	3.5770	3.8119	3.3333	4.1111
	10001 - 15000 Rs	54	3.8444	0.5128	0.2293	3.2077	4.4812	3.0000	4.3333
	15001 - 20000 Rs	29	3.8889	0.3142	0.2222	1.0656	6.7122	3.6667	4.1111
	More Than 20000 Rs	49	3.6389	0.3440	0.1720	3.0915	4.1862	3.3333	4.1111
	Total	1506	3.4556	0.5104	0.0417	3.3732	3.5379	2.1111	4.5556

Table 5.10.2 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.

Economic Empowerment	Between Groups	6.325	5	1.265	5.608	.000
	Within Groups	32.484	144	.226		
	Total	38.809	149			

Interpretation

Economical empowerment: the study states that there is significant relationship between Loan Amount and Economical empowerment of women as null hypothesis will be rejected as $p < 0.05$.

6.1 Findings

- The study shows that most of the SHGs were established during 2007 and 2009. Out of 150 respondents 33.3% SHGs were established in 2007 and 36% SHGs were established in 2009. The further states that 90 member's i.e. 60% members were having 3-6 years membership duration.
- As far as the age of the respondents in concerned 22% respondents have 20-30 years age, 36% member have 31-40 years age, only 12.7 % members have age above 50 years.
- Out of 150 respondents 42.5 % respondents are illiterate and 42.3% respondents have done primary education. Whereas 69.3% respondents have family size 4-8 members. only 13.35% respondent have annual income above 60000rs, 47.3% respondents have annual income between 20000-40000rs.
- The study shows that out of 150 respondents 70% members still have not availed any loans, whereas 22.7% members have availed loan facility 1 time.
- The study states that there was good increase in savings (4.07) as a part of being members of SHG. Participation in saving , expense and child education was moderate to good. But the protest against Dowry was around to moderate. On the other hand participation in gram Sabah was good (3.93) and ability to cast- votes independently was also good.(4.35)
- most of respondent's family size is 4-8 Members per family in the all three districts. Second highest members belonged to 9-12 members in a family in all three districts. Whereas in Banaskantha 7 family is having family members less than 4. And Sabarkantha and Patan both having 4 members having less than 4 members family size.
- As far as family income is concerned Sabarkantha and Patan both having similar results. Sabarkantha have 30 members having 20001-40000 Rs annual income and 19 members having less than 20000 Rs annual income whereas in Patan 30 Members having 20001-40000 Rs annual income and 15 members having less than 20000 Rs annual income.
- Banaskantha shows different results Where 20 members having 40001-60000 Rs annual Income And 19 members having annual income more than 60000 Rs.
- Findings of Hypothesis Testing
 - ✓ the study states that there is significant relationship between duration of membership and economic empowerment of women
 - ✓ the study states that there is no significant relationship between duration of membership and empowerment of women

- ✓ The study reported that Education and The Women Empowerment has significant relationship
- ✓ the study states that there is significant relationship between No. of family member and empowerment of women
- ✓ the study states that there is significant relationship between Family Income and empowerment of women
- ✓ the study states that there is significant relationship between Loan Amount and empowerment of women

2 Conclusion

Through, field Survey we found that , In Sabarkantha, Patan And Banaskantha the women were not fully aware of the SHGs And Micro finance, They consider it as an insurance scheme i.e. if they are in need of money , the team leader will provide them out of their savings. It may be because the education level was very poor 42 % women are illiterate and 41.3 % women have taken primary education.

We found that some of the member were not having their own deposit books, and no interest was paid by the leader to them for 1 year deposit, and only par value was returned to them. On the other hand all the papers of SHGs were well maintained by leader but no auditing was there.

We also found that only group leaders were very enthusiastic, initiators, risk takers and ready to work for goodness of the village, but those leaders were backed up by husband or family. And some of them were widows.

In some villages there was conflict between leader and its followers , there were problems of distrust, group members said that revolving fund of 5000 Rs were concealed by leader and appropriate use of it was not done.

Very few people had used the loan amount for income generating activities such as:

- ✓ Purchase of buffalo
- ✓ Shop
- ✓ Purchase of Sewing machine
- ✓ Ice cream lauri
- ✓ Farming seeds
- ✓ Business of Saris
- ✓ Tea stall etc

Rather most of the members had taken loan for those things which do not generate any income such as:

- ✓ Medical treatment
- ✓ Renovation of house
- ✓ Daughter's marriage
- ✓ To pay the debt
- ✓ For children's education etc

There was motivation and support from Taluka Panchayat for establishing the SHGs in the villages and for betterment of village they were ready for all support.

There was lack of awareness amongst the group members regarding best use of the money and creating the self-employment by use of that money, on the other hand women were lacking entrepreneurial qualities and no training programme was carried out for that by any NGO or Government.

In Banaskantha, one group had initiated the business of Saris in the village but it eventually went flop as enough profit was not being earned, apart from that there was no collective effort found for creating employment in village by any other group during the survey.

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Questionnaire

We are the students of S.K. School of Business Management, HNGU, Patan. We are doing Management Research Project-II on the subject of "Impact of Micro-Finance on Rural Women Empowerment", so we have to collect the data for the project. This is a part of our study of Master of Business Management. So, we are requesting you give us your valuable few minutes for the fill up this questionnaire.

Questions		Very Poor	Poor	Moderate	Good	Very Good
Economic Empowerment	1. Status of increase in income as being part of SHG					
	2. Improvement in your savings					
	3. Level of undertaking income generating activities					
	4. Status of reduction of dependency on money lenders					
	5. Level of Reduction of poverty in the Family					
	6. Level of Participation in decision making in the following household decision					
	A. Savings					
	B. Expenses					
	C. Children's Education					
	D. Able to deal with financial crisis of the family					

Personal Information:

Group Name : _____

Group Establishment (Year): _____

Member's Name: _____

Village: _____ TA: _____ Dist: _____

Duration of Membership

Less Than 1 Yrs 1 - 3 yrs 3 - 6 yrs More than 6 Yrs

Age Group:

20 - 30 yrs 30-40 yrs 40-50 yrs Above 50 yrs

Education:

Illiterate Primary Intermediate Degree & Above

No. of person in Family:

Less Than 4 4-8 8-12 More Than 12

Family Income (yearly): (In Rs.)

Less Than 20000 20000-40000 40000-60000 More than 60000

How Many Time Loan availed by you?

1 Time 2 Times 3Times 4 Times 5 Times

Amount of Loan availed by you: (In Rs.)

Less Than 5000 5000-1000 10001-15000 15001-20000 More Than 20000

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