

A Detailed Study on Women Empowerment through Micro Finance with Special Reference to Self Help Groups in Nagpur City

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Abstract

We all know that women are an integral and important part of every countries economy, but It is also assumes that if we understand women then harmonious growth and their all round development will fetch with countries growth too. For that we should also focus and understand women as a game changer and treat as equal partners in progress with compare to men. Women Empowerment is now a day's holistic concept but is essential to harness the women labour in the society and main stream of every economic development. It says, Women empowerment is four corner dimensions and their approach covers various major PEST factors like political, economic, social, technological, cultural and familial. These facts carry economic development and are also played utmost significance in order to achieve the enduring and sustainable society and their development as a whole.

Keyword: Economy, Development, Women Empowerment, PEST factors.

Introduction

Now women cover almost 63% of the population in the world and if we see Gender discrimination it is distinct and common in all developed and developing countries in the globe. After independence government has taken various attempts and steps to fulfill their basic amenities for their standard of living still women are in disadvantage mode for their survival, related to their health, nutrition, literacy and productivity.

In India banks were nationalized four decades ago with the hope and promise that their products and services would reach the poor and provide benefits to stable themselves. But that goal is not even close to being met today as expected previously. With 52,000 plus commercial bank branches, 14,522 plus branches of regional rural banks and 100,000 plus cooperative bank branches, the country is teeming with institutions that should be able to meet the credit needs of the people. Consider these numbers: 75 plus million households in India depend on moneylenders to meet financial needs; almost 90 percent of the people in rural India have no access to insurance and other related investment and security things.

Economic activity from this small beginning have enormous self-importance in their reliability and honesty, they also repay the loans quickly by maintaining the dignity and keep away themselves from default by this way they can keep expanding their profit base until they do not need the loans any longer. With the help of Microfinance women in India got an opportunity to become change agent. This helps them to explore new horizons and new dreams in their area.

Review of literature

NABARD (2002), “ SHG-Bank linkage: NABARD and Micro Finance” 2001-2002.

On an average, one SHG consists of 15 to 20 members; a group leader is nominated on the basis of rotation from amongst the group members to conduct meetings. About 75 per cent of the members of the Self Help Groups are illiterate (including those who can sign only) and only 5 per cent have some post primary education. However, I was impressed by the methodical and orderly process by which the self-help groups conducted their business. Meetings are usually held once in a week. Normally, the agenda is disbursement of loans, collection of savings, fines etc. A record of loans, savings and fines are maintained by an educated member of the SHG, by the group leader or by a facilitator who is paid honorarium by the group. Some evaluations paint a positive picture of the impact of credit programs on women's lives (Kabeer 2001). Access to savings and credit can initiate or strengthen a series of interlinked and mutually reinforcing ‘virtuous spirals’ of empowerment (Mayoux, 2000).

Lok capital (2010), Microfinance serves as the last-mile bridge to the low-income population excluded from the traditional financial services system and seeks to fill this gap and alleviate poverty. Microfinance loans serve the low-income population in multiple ways by: (1) providing working capital to build businesses; (2) infusing credit to smooth cash flows and mitigate irregularity in accessing food, clothing, shelter, or education; and (3) cushioning the economic impact of shocks such as illness, theft, or natural disasters. Moreover, by providing an alternative to the loans offered by the local moneylender priced at 60% to 100% annual interest, microfinance prevents the borrower from remaining trapped in a debt trap which exacerbates poverty.

Research Methodology

Research is a careful inquiry or examination to discover new information or relationships and to expand and to verify existing knowledge.”

- Francis Rummel

Objectives of Study

- To study whether SHGs are an effective for poverty alleviation, human development.
- To study for what purpose SHG groups utilizes the loan.

Hypothesis

H₀ = Standard of Living of women is unaffected due to participation in SHG

H₁ = SHGs helps in increasing the Standard of Living of women

Data analysis

To study the above hypothesis Paired sample t-test is applied with the help of SPSS ver 20, where the data of 100 women from different SHGs of Nagpur was collected.

Paired Samples Test

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Income is satisfactory before joining SHG - Income is satisfactory after joining SHG	-1.60000	1.18065	.11807	-1.83427	-1.36573	-13.552	99	.002
Pair 2	Savings is satisfactory before joining SHG - Savings is satisfactory after joining SHG	-1.88000	1.73659	.17366	-2.22458	-1.53542	-10.826	99	.000
Pair 3	Better Financial situation of the family before joining SHG - Better Financial situation of the family after joining SHG	-1.80000	.89893	.08989	-1.97837	-1.62163	-20.024	99	.007
Pair 4	Improvement in the living standard of the family before joining SHG - Improvement in the living standard of the family after joining SHG	-1.03000	1.45265	.14527	-1.31824	-.74176	-7.090	99	.005

Findings

- Improvement in income and saving of women after joining SHG was studied through pair 1 and pair 2 in the above table, where the significance two tailed paired sample t-test value of both the pairs was 0.002 and 0.00 respectively, which is less than the alpha value of 0.05.
- To study the Financial situation of the family before joining SHG and after joining SHG, paired sample t-test is applied on pair 3, where significance value of paired sample t-test obtained in 0.007 which is again less than the alpha value of 0.05 and hence it is concluded that the financial situation of the family of women participants have improved after joining SHG.
- Improvement in living standard of the family after joining SHG was studied above in pair 4 where the significance two tailed value of paired sample t-test obtained is 0.005 which is less than the alpha value of 0.05 and hence null hypothesis 2 i.e. *Standard of Living of women is unaffected due to participation in SHG* is **rejected**. This states that the standard of living of women and her family has improved after joining SHG due to increase in financial income and improvement in food and non food expenditure of the family.

Suggestions

1. The regular meetings of SHGs enable the poor women to participate in social/cultural activities which improve their social empowerment.
2. Sufficient opportunities must be provided to SHG Women in the form of awareness program such as seminars, conferences etc. As we all know that education plays a prominent role which end result into the empowerment of women and also impart some knowledge on current affairs and political issues too.
3. As per findings from the study still most of the women have not develop their saving habits which actually leads to issue of financial crunch for that community and group too. For that more Financial Literacy awareness program should be conduct to spread awareness amongst the group and build saving habit.
4. As Sonjari community in Nagpur having good business but due to their standard of living they are not much focus on their business under this SHGBL model should develop so that they can upgrade their standard of living and take part seriously in their business.
5. AREA matters, In Nagpur areas like Dipti signal, Bidipeth, Sahakarnagar, Mominpura and Hanumanagar are the areas where SHG members are doing their business. Program should be plan for this particular areas as they have their own mindset up and they still don't want to accept the new things.

Conclusion

Microfinance (SHG-Bank linkage program) schemes have satisfactory conditions and many respondents have provided positive feedback regarding the schemes. Women participation under SHG have been obviously created great impact upon the standard of living of poor women and empowered them in not only as individual but also as member of family at various level of community and society as whole. SHGs have emerged as community institutions through which formal sector building system reaches the rural households which are earlier considered as unworthy of the bank lending. SHG-bank linkage offers triple benefits to banks. In specific there is better improvement in Increase in savings and income , Participation in political activities,, Making wise decisions, cautious while utilization of money , Poverty alleviation ,Self-Confidence, Political awareness, Contesting in Elections, Leadership qualities, open up ,Social Status and Involvement, Gaining Voice, Mutual Help & Support. At last SHGs and Bank linkage programme developed by NABARD provide only savings and credit services but this helps will further lead to the better empowerment of women through provide Technology support, capital funding and marketing support on SHG bank linkage programme.

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