



**ROLE OF MICRO FINANCE IN WOMEN'S EMPOWERMENT: A STUDY IN
HAVERI DISTRICT OF KARNATAKA**

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ABSTRACT

Microfinance is a type of banking service that is provided to unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services. Micro finance through Self Help Group (SHG) has been recognized internationally as the modern tool to combat poverty and for rural development. Micro finance and SHGs are effective in reducing poverty, empowering women and creating awareness which finally results in sustainable development of the nation. The main aim of microfinance is to empower women. In this paper the role played by Microfinance in women's empowerment are considered into three dimensions namely psychological, social and economic. The Both primary and secondary data have been used. Primary data is enumerated from a field survey in the study region. Secondary data is collected from NGOs reports and other documents. The researcher has used percentage method, Descriptive Statistics, Regression and ANOVAs. Analysis showed that there is a gradual increase in the all the three factors among rural women's. From the interaction among the respondents it is noticed that some members are expecting the NGO to come up with more training sessions in income generating activities. All they need is a way to develop their skills and talents by participating in various training programs. There is a definite improvement in psychological wellbeing and social empowerment among rural women as a result of participating in micro finance through SHG programmes.

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INTRODUCTION

Microfinance is the provision of financial services to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related services. Microcredit, or microfinance, is banking the un bankable, bringing credit, savings and other essential financial services within the reach of millions of people who are too poor to be served by regular banks, in most cases because they are unable to offer sufficient collateral. In general, banks are for a person with money, not for people without is based on the premise that the poor have skills which remain unutilized or underutilized. Microcredit fits best to those with entrepreneurial capability and possibility. Ultimately, the goal of microfinance is to give low income people an opportunity to become self-sufficient by providing a means of saving money, borrowing money and insurance. The main aim of microfinance is to empower women. Women make up a large proportion of microfinance beneficiaries. Traditionally, women (especially those in underdeveloped countries) have been unable to readily participate in economic activity. Microfinance provides women with the financial backing they need to start business ventures and actively participate in the

economy. It gives them confidence, improves their status and makes them more active in decision-making, thus encouraging gender equality. According to CGAP, long-standing MFIs even report a decline in violence towards women since the inception of microfinance. The most of the microcredit institutions and agencies all over the world focuses on women in developing countries. Observations and experience shows that women are a small credit risk, repaying their loans and tend more often to benefit the whole family. In another aspect it's also viewed as a method giving the women more status in a socioeconomic way and changing the current conservative relationship between gender and class when women are able to provide income to the household. There are many reasons why women have become the primary target of microfinance services.

A recent World Bank report confirms that societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and a lower living standard for all people. At a macro level, it is because 70 % of the world's poor are women. Women have a higher unemployment rate than men in virtually every country and make up the majority of the informal sector of most economies. They constitute the bulk of those who need microfinance services. Giving women access to microcredit loans therefore generates a multiplier effect that increases the

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impact of a microfinance institution's activities, benefiting multiple generations. NABARD (2005) explains that the Self Help Group is a group with "an average size of about 15 people from a homogenous class. They come together for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use this pooled resource to make small interest bearing loans to their members. The process helps them imbibe the essentials of financial intermediation including prioritization of needs, setting terms and conditions and accounts keeping. This gradually builds financial discipline in all of them. They also learn to handle resources of a size that is much beyond the individual capacities of any of them. The SHG members begin to appreciate that resources are limited and have a cost. Once the groups show this mature financial behavior, banks are encouraged to make loans to the SHG in certain multiples of the accumulated savings of the SHG. The bank loans are given without any collateral and at market interest rates. The groups continue to decide the terms of loans to their own members. Since the groups own accumulated savings are part and parcel of the aggregate loans made by the groups to their members, peer pressure ensures timely repayments." In this paper the role played by Microfinance in women's empowerment are considered into three dimensions namely psychological, social and economic.

Statement of the Problem

In olden days women were restricted to take part in any social activities and not given roles in decision making in her family. The situation was even more worsening in rural and remote areas. Now the situation has been changed. She is given freedom to do what she wishes. In today's scenario more women are engaged in income generating activities. This is because of NGO and other financial institution came forward to provide microfinance to poor women. They believe that a woman is the small credit risk and often benefits the whole family. The main aim of microfinance is to empower women. This induced the researcher to focus more on the empowerment of rural women who participates in the microfinance.

REVIEW OF LITERATURE

Siddappa (2013) in their study on the performance and involvement of the group are based on many factors including the composition of the groups, way of functioning participation of members in productive activities etc. Any study on the performance of SHG without considering the socio-economic aspect of members will reveal only half the story. An attempt is made to analyze the diversified activities of the members.

Supriya, and Laxmana (2013) the attempt a vital inter face exit between family and women entrepreneurs. The quality of women entrepreneurship is essentially influenced by the family and its immediate environment. The culture in which they are born and reared makes they depend on family and neighbors for decision making in issues related to day to day working.

Shivalingapa (2013) found that employment generation with the help of SHGs is more in BPL members. Expenditure of beneficiaries had increased from last year to current year. True is positive impact of SHGs on earnings and employment generation. Majority of beneficiaries of all SHGs reported

expansion in employment after getting loans. It is clear from the study that Self Help Groups have the capability of generating employment and the experiment can be extended to all parts of the country.

Angel (2013) this study has revealed that there are indications of positive interventions in the women entrepreneurship process due to the training of EDPs in Tirunelveli District. In this study, the respondents strongly agree that they have gained the optimistic outlook about business, need based innovation production and product formation through EDPs and it is the main reason for the successful business. Many factor influence SHG women in entrepreneurial activities. The optimistic outlook, team work, risk taking has been major level of attitudes gained by SHG women entrepreneurs though EDPs. Uma Devi and Balamirtham (2013) examined Tsunami is not a more incident that took place on 24th December 2004 but it is lesson us to live with natural disasters live it. It has made a black mark in the history of Kanyakumari District. The wounds a joint effort of the Government and non-Governmental organizations rescuing the Tsunami hit people is an extremely sensitive and dedicate activity. The NGOs took up rehabilitation works such as construction of houses providing fishing and other livelihood equipment's establishing community infrastructures providing basic amenities and the like in a large scale.

Deogharia (2013), analyzed the common features identified among the SHGs under investigation were volunteering and had positive attitude, sympathetic views towards the common causes, and concern for their busy engagements. The negative attitudes in terms of taking decisions, were using individual autonomy despite family willingness, over concern for families, comfortable in familiar activities but reluctance in learning new skills, unwilling to do anything additional, without disturbing their current routine, spouse involvement was more than self-involvement and prefer to maintain self-prescribed conditions.

Objectives of the Study

1. To study the Performance of SHGs in Haveri district of Karnataka.
2. To analyze the role of women empowerment from SHGs.
3. To offer suggestions for the betterment of women's empowerment.

RESEARCH METHODOLOGY

Sources of Data: The study is undertaken in rural areas of Haveri District. Both primary and secondary data have been 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 Haveri district are taken for study. Areas covered under the study are:

Sample Size

120 samples have been collected for the research from all the rural areas of Haveri District.

Table 1 Important Roles of SHGs

Sl. No	Role of SHG's	Frequency	Percentage
1	Improvement in literacy	25	20.8
2	Awareness in children	15	12.5
3	Reduce in poverty level	20	16.7
4	Improvement in standard of living	18	15.0
5	Income of respondents before joining SHG's	11	9.2
6	Income of respondents after joining SHG's	31	25.8
	Total	120	100

Source: Field Survey – December, 201

The Table1 shows that after joining of the SHGs income level of the individual women in income level have been increased over all percentage of (25.8%) and the lowest percentage of (9.2%) shows low level income of women when compare to before joining SHGs after poverty level decried. Awareness in children and improved literacy level of women are gradually increased.

Table 2 Role of Women Empowerment of SHGs

Sl. No	Performance	Frequency	Percentage
1	Performance well	108	90
2	Does not performance well	12	10
	Total	120	100

Source: Field Survey – December, 2017

The Table 2 shows that important role play in women empowerment and it gives low rate of interest and its provide the long term loans so the SHGs performance is high level shows in the table 90% of performance as well.

Table 3 Expressing Opinions on Getting a Loan in SHGs

Sl. No	Options	Frequency	Percentage
1	Yes	115	95.9
2	No	5	4.1
	Total	120	100

Source: Field Survey – December, 2017

The Table 3 shows that 115 out of 120 respondents agreed they can able to express their opinions freely both in group and in family.

Table 4 Women Applying Loans Independently in SHGs

Sl. No	Options	Frequency	Percentage
1	Yes	89	74.2
2	No	31	25.8
	Total	120	100

Source: Field Survey – December, 2017

The Table 4 shows that 89 respondents (74.2%) are moving independently without the help of family members to banks, government offices and other places which indicate the social mobility.

Table 5 Role of Decision Making in Family

Sl. No	Options	Frequency	Percentage
1	Yes	113	94.2
2	No	7	5.8
	Total	120	100

Source: Field Survey – December, 2017

The Table 5 shows that Most of the 113 respondents (94.2 %) agreed they play a vital role in decision making in their houses.

Table 6 Purpose of Getting Microfinance by Respondents

Sl. No	Options	Frequency	Percentage
1	Household Purpose	23	19.2
2	To Start Business	42	35
3	To Promote Existing Business	31	25.8
4	Education Purpose	9	7.5
5	Low Rate of Interest	15	12.5
	Total	120	100

Source: Field Survey – December, 2017

The Table 6 shows that to start the business is the highest percentage of (35%) level in getting micro finance and lowest percentage on (7.5%) in education purpose of getting the micro finance in Haveri District.

Table 7 Cross Tabulation of Psychological Variables with Different Age Groups

Variables	Age of Respondents								Total
	21-30		31-40		41-50		51-60		
	Yes	No	Yes	No	Yes	No	Yes	No	
Respect From Layman or Society	32	8	28	12	13	7	11	9	120
Better Access to Healthcare	24	11	34	7	25	4	8	7	120
Better Financial Situation of the Family	26	13	21	9	14	11	19	7	120
Improvement in Skill	24	7	29	4	27	5	20	4	120
Awareness in Children Education	29	8	33	9	15	6	19	1	120
Improvement in Standard of Living the Family	27	6	37	6	20	3	17	4	120
Awareness about the Environment	34	3	39	4	15	5	16	4	120
Happiness and Peace in Family	27	5	42	6	18	2	13	7	120
Self Confidence	19	6	36	4	28	5	19	3	120
Role in Decision Making Process has Increased	41	3	34	3	18	2	16	3	120

Source: Field Survey – December, 2017

Table 8 Descriptive Statistics of Age Factor

Age Factor	Descriptive Statistics			
	Mean	Std. Deviation	"t" Value	Sig.
21-30	25.2000	10.41153	1.074	.332
31-40	33.3000	6.03784	2.221	.077
41-50	19.3000	5.53875	.081	.938
51-60	15.8000	3.96653	1.488	.197

Source: Computed from Age Factor Data with help of SPSS version 21.

Aim

To find out the relationship between, age and psychologically factor in Haveri District.

Testing of Hypothesis

Null Hypothesis (Ho)

There is no relationship between age factor and psychological empowerment in Haveri District.

Alternative Hypothesis (H1)

There is some relationship between age factor and psychological factor in Haveri District.

Factor	R	R2	Sig.	Durbin Watson	Table Value
AGE Factor	0.997 ^a	0.994	0.169 ^b	.690	3.48

RESULT

Finally as above table depicts that calculated value less than the table value of Durbin Watson value. This regression test hypothetically proved. There is no relationship between age factor and psychological factor in Haveri District.

Table 9 Model Summary of Regression: Age Factor

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics				Durbin-Watson
						F Change	df1	df2	Sig. F Change	
1	.851 ^a	.725	.505	2.13014	.725	3.295	4	5	.112	.690

Table 10 ANOVAs: Age Factor

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	59.813	4	14.953	3.295	.112 ^b
Residual	22.687	5	4.537		
Total	82.500	9			

a. Dependent Variable: Name of the Variables
 b. Predictors: (Constant), 51-60, 41-50, 31-40, 21-30

Findings

Women status increased after joining of the SHGs 90%. It is noticed that all the respondents agreed that micro finance brought Respect from Layman or Society and self-confidence and improved their skill.

It is found that microfinance improved the Improvement in Standard of Living the Family of rural women improved awareness on children education to high level of respondents. Majority of the respondents expressed that their awareness about environment improved after taking part in micro finance programs actively. Maximum number of respondents accepted that microfinance has brought economic development directly and indirectly happiness and peace in the family.

It is also noticed that most of the women are not aware of the trainings organized by the NGO. The NGO shall actively take part in various trainings sessions provided to all women members wherein they can gain more knowledge about the various income generating activities.

There is a definite improvement in psychological well-being and social empowerment among rural women as a result of participating in micro finance through SHG program.

CONCLUSION

The rural area Self Help Groups are performing well. The study concludes that microfinance brought psychological and social empowerment than economic empowerment. Impact of micro finance is appreciable in bringing confidence, Better Access to Healthcare, skill development and empowerment. The SHG members feel free to move with their groups and leaders. It leads them to participate on various social welfare activities with good cooperation. While interacting with the respondents, it is noticed that some members are expecting the NGO to come up with more training sessions in income generating activities. All they need is a way to develop their skills and talents by participating in various training programs.

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