Rural Microfinance and Women's Empowerment: A study with reference to Ramanagara District

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***Abstract*—Microfinance programme in India is catching quick attention of planners, administrators, economists, social institutions, NGOs and government financial institutions, as a powerful instrument that can transfer lives of the poor. Microfinance has been accepted at the global level as a powerful tool of poverty alleviation especially in India, African and South American countries. The previous researchers in this area proved that micro finance is capable of women empowerment through development of income generating activities. Since the government sponsored programmes could not stood to the expectation and microfinance programmes in India emerged as a power tool of poverty alleviation since microfinance programmes are capable of producing tangible assets through development of income generating activities. Further the formal financial agencies could not show social responsibilities and kept the BPL out of any formal financial programmes, microfinance can be regard as a successful weapon which can alleviate poverty.**

***Index Terms*—Alleviation of poverty, access to credit, income generating, women empowerment.**

I. INTRODUCTION

Across the global there is a growing tendency to bring down the poverty. In many countries the government sponsored programmes could not yield the expected return and met a grand failure on account of bad implementation. Therefore, in agrarian rural areas micro finance programme which is popularly known as self-help group (SHG) Bank Linkage Programme in India, is becoming immensely popular as an alternative source of credit. Further, microfinance is playing an instrumental role in alleviating poverty, unemployment and creating socio-economic awareness among the poor.

Poverty has been described as a situation of "pronounced deprivation in well-being" and being poor as "to be hungry, to lack shelter and clothing, to be illiterate and not schooled" (World Bank 2000-2001). Poverty is a situation depriving poor to access development without providing a fair and reasonable opportunity. India accounts for one third of the world's 1.4 billion poor people. World bank 2008 report says that 43% of Indian children are malnourished, over 35% of Indians are illiterate and more than 20 million children are out of school. Earnings of agrarian poor are insufficient to meet their requirements and their expenditure and survival need exceeds income. Therefore, though they manage with their low earnings but yet they borrow from outsiders. They borrow money at on higher rate of 120% per annum to meet urgent needs like treatment of ill and sick family members or repayment of earlier loans (Padmalochana Mahanta et al. 2012).

Poor should be developed and the gap between rich and poor should be further brought down. The continuation of the present trend may lead to social clashes and social fabric of the country already damaged severely creates further more trouble in the socio-economic issue and attainment of equality.

II. CONCEPT OF WOMEN EMPOWERMENT

The concept women empowerment is gaining speedy momentum in India. The role of women in developing Indian economy is almost important today. Microfinance programme is meant for the rural poor women and therefore the marginalised women are associating voluntarily. This programme is an associate of known people, caste, area, village. Self-help groups are small socio economically homogenous groups. The women residing in similar locality belonging to same caste will come forward voluntarily and form their own association for their betterment. It is realised now-a-days that developmental goals cannot be realised unless gender inequalities are removed and women are empowered to choose and decide their own welfare (Kamal Gupta et al. 2006). Empowerment of women is necessary for the development of a society, since it enhances both quality and quantity of human resources available for development. Empowerment of women leads to get success of development programmes and bring about changes in socio economic areas. The components of women empowerment are as follows:

1. Access to economic resources.
2. Opportunity for self-development
3. Participation in economic decision making
4. Participation in socio political decision making
5. Scope for skill development and
6. Impact on general welfare of the Faily and community.

2.1 Objectives of the study

- To know the benefits and awareness of micro finance activities.
- To know the women empowerment in the study area.

2.2 Hypotheses

- Respondents are not availing benefits and lack awareness of a microfinance concept.
- Women in the Ramanagara Kasaba do not enjoy the benefits of women empowerment.

2.3 Research Methodology

There are 127 Grama panchayaths in Ramanagara district and 5211 SHGs as on 28th May 2017. For the present descriptive study, a questionnaire was prepared and administered as schedule. While preparing questionnaire maximum significance was given to benefits of microfinance and women empowerment. Detailed discussion was held with the SHG members to collect necessary data.

2.4 Data

The present study covers both primary and secondary data. The Secondary sources were government of Karnataka publications, newspapers and journals containing research publications.

2.5 Sampling Technique

The newly established Ramanagara district contains 4 taluks. Based on the strength SHGs formed in the district sample was fixed. Accordingly, 125 sample were selected from each taluk. 500 sample are fixed in total covering the entire area. Convenient sampling technique was applied in choosing the sample. Further randomized technique was adopted while choosing the sample. The data gathered will be presented in the form of tables.

III. REVIEW OF LITERATURE

SHGs were formed with an intention of bringing down the poverty level and to improvise various socio-economic issues. Various studies reveal that microfinance activities improve the life of the poor, empower them, provides various micro finance products and hence the rural poor strongly believes in micro finance activities.

Vipin Ghildiyal (2009) expressed that microfinance has gained growing recognition as an effective tool in improving the quality of life and living standards of people. Microfinance programmes extend small loans to poor people for their varied needs such as consumption, shelter, income generation and self-employment etc.,

Madhubala Swamy (2014) study endorses findings of previous studies on impact of microfinance of supplements the existing knowledge with the findings of previous studies on impact of microfinance and supplements existing knowledge with the findings of socio-economic impact of SHGs functioning in an Indian urban town. The study reveals that significant improvement in socio and economic empowerment is seen and members ability to make a decision is also improvised.

Studies by Dunford (2006), Maxox (2011), and Srinivasan (2009), found that microfinance is good strategy to alleviate poverty.

Table-1 highlights about the benefits of microfinance. 300 highly agree about the benefits of microfinance. The benefits are measured and presented in the table which varies from microfinance alleviates poverty to involving in income generating activities. There are 120 respondents who have agreed about benefits of micro financed only 80 lows agree about the micro finance benefits. Respondents in the study are aware of all benefits of microfinance. ANOVA quantitative metric rejects null hypotheses and accepts the alternative.

Table-2 speaks about women empowerment. 280 respondents expressed that they are highly impede 150 improved and only 70 respondents are not empowered. Women empowerment drivers vary from spend money independently to household purchases, education and marriage. ANOVA quantitative metric fails to accept the null hypotheses and accepts the alternative.

IV. CONCLUSION

Microfinance programmes across the globe are becoming a powerful tool of poverty alleviation. They are catalysts in the creation of socio-economic awareness among the beneficiaries. Ramanagar by virtue of its location in between Bengaluru and Mysore is showing a sign of development. Social welfare programmes also contain small or micro loans to do micro business in Ramanagar. Further, promoting agencies also working well to establish SHGs in rural area which can take care of people who are deserving. The agriculturist suicide of late is causing lot of repercussions and planners are not in a position to understand the situation properly. Microfinance can bring powerfully down the agriculturist suicide. Therefore, a strong will is essential in order to face the situation properly. A strong concept of microfinance in the minds of members may achieve wonders in Ramanagar district. Hence SHGs should be strengthened and well monitored for the benefit of poor, vulnerable and depressed people in the society.

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Table-1 Benefits of Microfinance

Benefits	HA	A	LA	Total
Microfinance alleviates poverty	61	22	15	98
Microfinance creates awareness	48	16	10	74
Microfinance allows income improvement	52	18	18	88
It leads to women empowerment	46	16	16	78
Provie's a common platform to discuss	45	24	12	81
Makes the people to involve in income generating activities	48	24	9	81
Total	300	120	80	500

Source: Questionnaire

Note: HA Highly Agree, A Agree, LA Low Agree

Hypotheses

H0:	There are no benefits of microfinance	Reject
H1:	There are benefits of microfinance	Accept

Anova Table

Source of Variation	SS	d. f	m. s	F-ratio	5% F-limit (from F-Table)
Between Sample	4578.3558	(3-1) =2	4578.3558/2 = 2289.1779	2289.1779/20.6222 = 111.0055	
Within Sample	309.3334	(18-3) =15	309.3334/15 = 20.6222		(2, 15) F = 3.68
Total	4887.6892	(18-1) =17			

Anova Analysis: The Anova table shows that the calculated value of F is 111.055 which is greater than table value of 3.68 at 5% level of significance with d. f. being V1=2 and V2 = 15 and therefore rejects the null hypotheses and accepts the alternative.

Table-2 Women's Empowerment

Drivers of women empowerment	HI	I	NI	Total
Power to spend money independently	43	25	12	80
Decision making purpose of loan	42	18	8	68
Use of income generated	38	20	9	67
Participation in social activities	39	16	1	66
Voting	50	25	08	83
Purchase of land, Jewellery	32	18	12	62
Make household purchases				
Children education, marriage	36	28	10	74
Total	280	150	70	500

Note: HI Highly Improved, I Improved, NI Not Improved

Hypotheses

H0:	Women in the study area are not empowered	Reject
H1:	Women in the study area are empowered	Accept

Anova Table

Source of Variation	SS	d. f	m. s	F-ratio	5% F-limit (from F-Table)
Between Sample	3209.6261	(3-1) =2	3209.6261/2 = 1604.8130	1604.8130/18.8730 = 85.0322	
Within Sample	339.71212	(21-3) =18	339.7142/18 = 18.8730		(2, 18) F = 3.55
Total	3549.3403	(21-1) =20			

Anova Analysis: The Anova table shows that the calculated value of F is 85.0322 which is greater than table value of 3.55 at 5% level of significance with d. f. being V1=2 and V2 = 18 and therefore rejects the null hypotheses and accepts the alternative.