



IMPACT OF MICROFINANCE ON WOMEN EMPOWERMENT: AN EMPERICAL STUDY ON NHGS IN KANNUR DISTRICT

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Abstract:

Empowerment is a concept gaining wide level importance throughout the world especially in the context of micro finance. It is linked with the initiative of supporting individuals who are economically backward by facilitating them with financial services such as savings, credit, insurance etc and various other benefits including education, healthcare, training, entrepreneurial skill development etc. One of the important outcome of Microfinance is it women empowerment and there by strengthen a civil society. This paper intends to evaluate the role played by Micro finance in empowering women in Kannur District of Kerala. The study concludes that micro finance should extend more services to the poor women those who require a wide range of financial services for their upliftment. The study found out that women has great exploration for self employment ventures not only for the betterment of their families but also the society as a whole.

1. Introduction:

In any country the development planning has always focussing on removing inequalities in the process of development by recognizing that women lag behind due to several socio economic, cultural and political factors .In India, five year plans have been paying more attention to women's welfare, female education, and their access to resources and empowerment. As a result with the vibrant support of Reserve Bank of India, NABARD, SIDBI, and NGOs microfinance emerged as a giant in India .Microfinance is banking the unbankables, bringing credit, savings and other essential financial services to millions of people who are too poor to be served by regular banks. Self Help Group is a group consisting of members having similar socio-economic characteristics and they conduct meetings, collect a small amount as savings which helps in internal lending process. Moreover Self Help Group Bank Linkage Programme also serve the purpose of micro finance. Neighbourhood Groups or Ayalkootam or Kudumbashree is a subset of Self Help Groups which includes women having similar socio-economic setup and work jointly for the upliftment of whole members.

2. Statement of the Problem:

In the path of women empowerment women's access to financial services is a crucial input. Micro finance through Self Help Groups or primarily Neighbourhood Groups results in the empowerment of women in terms of social, economic and political level. The impacts of Micro finance on women empowerment on various aspects which includes small saving, borrowing, insurance, entrepreneurial skill development, generation of income, asset creation. It also enhances the confidence, courage, self reliance and many other features. In this context, an attempt is made to assess the accessibility and impact of micro finance and skill development of members of Neighbourhood Groups in Kannur District.

3. Objectives:

- ✓ To assess the accessibility of Microfinance among the members of NHGs.
- ✓ To assess the impact of Micro finance among the members of NHGs.

- ✓ To assess the skill development brought through Microfinance among the members of NHGs

4. Research Methodology:

Sources of Data: The study is empirical in nature and is based on both primary and secondary data. Secondary data was collected from various journals, articles, working papers, NGO reports etc. Primary data was enumerated from a field survey in the study region. (Kannur)

Area of Sampling: The study was conducted in the district of Kannur through a field survey.

Sample Size: 70 samples were randomly selected from different panchayath in Kannur District.

Method for Data Collection: A structured interview schedule was prepared and used for collecting data from the women NHG member.

Statistical Tools: Percentage analysis and one sample t-test are used for analysing the data.

5. Review of Literature:

Prasad Rao M (2010) states that through various entrepreneurial activities through Self Help Groups women are empowered to a great extent. By being a member in SHG, women acquired the habit of thrift and it enhances the entrepreneurial skills thereby multiply their income to their family and their group. Tiyas Biswas (2007) observed that rapid progress in the formation of SHG has resulted as a movement among women and it leads to the economic empowerment which influences women's ability to make decision, increased their self confidence and they attained better status at home as well as in the society. Rajasekhar,D.(2004) remarked that micro finance provide access credit to poor people, enable them to start a venture as an income generating activity and helps them to escape from the threat of poverty. Kenneth and Seena (2012) pointed that Economic independence of women through kudumbashree improves their social participation. It leads to better living status in the family, educational, nutritional, and the health needs of the children were also satisfied.

Table 1: General Profile of Respondents

Personal Factors	Classification	Frequency	Percent
Age	Less than 25 years	1	1.43
	26-35 years	6	8.6
	36-45 years	13	18.6
	46-55 years	31	44.3
	Above 55 years	19	27.1
Education	Illiterate	6	8.6
	Below SSLC	33	47.1
	Upto SSLC	21	30
	PDC	6	8.6
	Degree	4	5.7
Marital Status	Married	49	70
	Unmarried	5	7.1
	Widow-Divorced	16	22.9
Monthly Income	Less than Rs. 2000	11	15.8
	Rs.2000-Rs 3000	17	24.3
	Rs.3000-Rs .4000	29	41.4
	Above 4000	13	18.6

Source: Primary data

The study reports that 44.3percent of the respondents are in the age group of 46-55 years, followed by 8.6 percent respondents in the age group of 26-35 years.27.1 percent respondents are more than 55 years and 1.43 percent are less than 25 years.47.1

percent respondents have studied below SSC, 30 percent respondents are educated up to SSLC.8.6 percent respondents are illiterates and only 5.7 percent respondents have completed degree. A majority of 70 percent respondents are married and only 7.1 percent are unmarried and 22.9 percent respondents are either widowed or divorced. Moreover 41.4 percent respondents earn between Rs.3000- Rs.4000 as monthly income whereas 15.8 percent respondents earn less than Rs.2000 as monthly income

6. Data Analysis and Interpretation:

Accessibility of Microfinance:

The accessibility of Micro finance by NHGs is examined by certain variables including accessibility of bank, disbursement of loans, interest rate and intention to Re-Borrow. Banking facility is an indispensable tool for analysing the accessibility of micro finance. Loan is very essential for starting any venture. Disbursement of loan, its interest rate and intention to Re-borrow are other important ingredients for evaluating the accessibility of micro finance.

Table 2: Descriptive Statistics for Accessibility of Microfinance

	Easy accessibility of the bank	Undue delay in disbursement of loan	Customer relationship management	Ease of repayment of loan	Genuine rate of interest	Intention to Re-borrow
Mean	3.4857	3.5571	3.4143	2.8143	3.4286	4.2429
Std. Error of Mean	.20015	.19479	.18370	.18903	.21970	.20895
Std. Deviation	1.67456	1.62976	1.53692	1.58153	1.83817	1.74817

Source: Primary data

The above table depicts that accessibility of micro finance. Most of respondents had intention to re-borrow with the highest mean of 4.2429 followed by Undue delay in disbursement of loan with mean 3.5571. Easy accessibility of bank was ranked third with mean 3.4857 whereas genuine rate of interest was ranked fourth with mean 3.4286.

Impact of Micro Finance:

There are many factors influencing the impact of Micro finance. Some of the important variables includes self confidence, self esteem, courage, decision making power, awareness on children education, awareness on health and sanitation, happiness and peace in family, enhancement of family income, inculcation of habit of thrift, poverty reduction, standard of living, asset creation, free to express opinion, independent and free movement, participation in social work, mutual help and cooperation etc. The descriptive table displays the sample size, mean, standard deviation and standard error mean for analysing the impact of Micro finance

Table 3: Descriptive Statistics for Impact of Microfinance

	Self confidence	Self esteem	Courage	Decision Making power	Awareness on Children education	Awareness on health and sanitation	Happiness and peace in family	Enhancement of family Income	Inculcation of habit of thrift	Poverty Reduction	Standard of Living	Asset creation	Free to express opinion	Independent and free movement	Participation in social work	Mutual Help and Cooperation
Mean	8.2	6.7	7.1	8.3	9.6	8.24	8.27	8.07	7.6	8.33	8.34	8.1	8.4	9.4	9.8	10.9
Std. Error of Mean	.603	.586	.567	.524	.496	.477	.544	.596	.533	.533	.454	.506	.484	.5281	.579	.591
Std. Deviation	5.05	4.90	4.751	4.38	4.15	3.99	4.55	4.99	4.46	4.46	3.80	4.23	4.05	4.41	4.85	4.94

Source: Primary Data

The above table describes the average rating regarding the impact of microfinance. The variable mutual help and cooperation was rated with the mean of

10.9 followed by participation in social work (9.8) followed by Awareness on Children education (9.6) followed by Independent and free movement (9.4) followed by standard of living (8.34) followed by poverty reduction (8.33) followed by free to express opinion (8.4) followed by happiness and peace in family (8.27) followed by health and sanitation (8.24) followed by decision making power (8.3) followed by self confidence (8.2) followed by asset creation (8.1) followed by enhancement of family income (8.07) followed by Inculcation habit of thrift (7.6) followed by courage (7.1) and self esteem (6.7) was ranked the least.

Another important aspect regarding the impact of Micro finance is the development of various skills. By being a member in a group various skills are acquired by people. This includes technical skills, marketing skills, entrepreneurial skills, communication skills, financial skills and coordination skills.

Table 4: Descriptive statistics for skill development Statistics

	Technical Skills	Marketing Skills	Entrepreneurial Skills	Communication Skills	Financial Skills	Coordination Skills
Mean	3.4429	3.2143	3.3143	3.1143	3.5429	4.3714
Std. Error of Mean	.20815	.19927	.16599	.18149	.21116	.22121
Std. Deviation	1.74153	1.66718	1.38880	1.51842	1.76673	1.85075

Source: Primary Data

The above table describes the average rating for skill development of NHG members. The highest rating was recorded for development of Coordination skills (4.37) followed by financial skills (3.54) technical skills (3.44) entrepreneurial skills (3.31) and marketing skills (3.21) was ranked the least.

7. Conclusion:

Micro finance has spawned a new trend of women Neighbourhood Groups who gather together to avail and reimburse their loans as well as support each other in social issues. For analysing the accessibility of micro finance the prominent variable which ensures accessibility is intention to re-borrow followed by Undue delay in disbursement of loan Easy accessibility of bank was ranked third whereas genuine rate of interest was ranked fort. For analyzing the impact of micro finance by considering various factors mutual help and cooperation was rated with the mean of 10.9 and self esteem with the mean of 6.7 was ranked the least. Apart from this the other important aspect of Micro finance is acquired skill from groups. Among various skills co-ordination skill has got highest rating and marketing skill was ranked the least rating. By adopting a holistic approach that takes into account cultural, economic and political factors affecting women's empowerment, NHGs through micro finance can predominantly ensure that women are deeply and consistently empowered to a large extent.

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