



SOCIO-ECONOMIC EMPOWERMENT OF WOMEN THROUGH MICRO CREDIT: AN EMPIRICAL STUDY

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ABSTRACT

The World Bank's Andhra Pradesh Rural Poverty Reduction Project supports the **self help groups of the women members**. It promotes women's social, economic, legal and political empowerment to reduce poverty among the poor and the poorest of the poor. The important object of this article is to examine the impact of microfinance on the socio economic empowerment of the rural women supported by the national reputed NGO- **Rashtriya Seva Samithi (RASS)**. 184 women members of the SHGs promoted by Rashtriya Seva Samithi (RASS) an NGO which located in Tirupati town. 184 samples are selected randomly from 15 SHGs scattered throughout the Tirupati rural mandal (Taluk) from the area of the study have been considered to conduct the present research study. The study reveals that 87.71 percent of the sample women were below the poverty line before joining the SHGs. As a result of SHG, about 40 percent of the sample women crossed the poverty line. The highest intensive value indicates that more women have participated in social agitations for the welfare of the children and the society. The second highest intensity reveals that considerable numbers of women of SHGs have participated in the government sponsored schemes. The 1st point secured 3rd rank with total intensity value of 605 which status that the micro credit has resulted in increased social status and empowerment.

KEYWORDS :

The micro-credit improves the economic status of the women members' of the sample SHGs. Point-No.5 in the table above shows rank No.1, which explain women access to self-employment i.e. taking up the income generating activities, ownership of goods and services and selling them in the markets. The calculated intensive value is very much higher for point No.5. It indicates that all women of sample SHGs have been involved in economic activities. The micro-credit has enhanced the access to physical and financial resources and stood rank No.2. This indicates that women have a control over the finances and assets of their families.

The women's movement in Andhra Pradesh originated from the anti-arrack (anti- liquor) movement started by the state's rural women in the 1990s. The state government built on its momentum to start a women's literacy movement. In 2000, with World Bank support, it expanded this program as thrift based program where women could make small savings, revolve their own resources, and meet their families' critical consumption and food needs. The program, earlier called Velugu and now called the Indira Kranti Patham, has since evolved into a movement for the all-round empowerment of poor women - social, legal, political, and economic... velugu program which supports the formation and strengthening the The World Bank's Andhra Pradesh Rural Poverty Reduction Project supports the self help groups of the women members . It promotes women's social, economic, legal and political empowerment to reduce poverty among the poor and the poorest of the poor. The World Bank project has helped take the women's Self Help Group movement to all 22 districts of Andhra Pradesh. It has also become the model for livelihood programs in other states too, including Tamil Nadu and Bihar. An attempt is made in this article to evaluate the progress made by the micro finance

ROLE OF RASHTRIYA SEVA SAMITHI (RASS)

The RASS was established in 1981 at Tirupati. The activities and programmes of RASS have been designed for the development of poor in the drought prone Rayalaseema districts like Chittoor, Kadapa, Kurnool and Ananthapur of Andhra Pradesh. This region has a high percentage of population who belong to scheduled castes and the backward castes. The region does not have any major industries except a few agro-processing units. It also lags behind other regions of the State in terms of basic amenities. The rapid growth of population has aggravated poverty, unemployment and environmental degradation in the Rayalaseema region. Some of the anti-poverty programmes proved ineffective, as it was more on target achievement rather than human development. Moreover, the rural poor were not involved from the stage of planning to the stage of implementation and evaluation of programmes meant for their upliftment. The initial activities of RASS

were concentrated in Chittoor district, which accounts for an estimated population of 4.3 million. Subsequently, these activities were spread to other districts of Rayalaseema.

Over a period of eighteen years, RASS has been successful in building up a large administrative infrastructure and reaching out to the rural poor in the backward areas within Andhra Pradesh and in the States of Orissa and Tamil Nadu. Because of its involvement in multi-faceted activities, several funding agencies at the national and international level have shown interest and confidence in RASS. Starting with three program activities in eight villages with 15 staff members, RASS has acquired the status of a national level organization. During 1997-98, RASS had 32 programme activities with 3695 programme staff in 3540 villages operating in three States. The budget of RASS which was Rs.0.08 million 1981 had gone up to Rs.72.08 during the year 1998. Thus, RASS has recorded a phenomenal growth for the past eighteen years.

OBJECTIVES OF THE STUDY

1. To study the Socio-economic states of the sample women of SHGs.
2. To examine the role of microfinance in women empowerment
3. To study performance of sample SHGs in Tirupati rural mandal
4. To analyze the socio-economic empowerment which women members get in SHGs.
5. To suggest the suitable measures to strengthen the SHGs.

HYPOTHESES:

1. The women members of SHGs promoted by RASS have not been achieved social empowerment,
2. There is no significant impact of economic empowerment on the poor women

SAMPLING METHOD

The rural households from all communities are considerably covered in these SHGs promoted by RASS. In the first stage, the identification of the villages which possess maximum number of self-help groups working for the well-being of the women members has been completed. 8 villages have been identified and selected randomly from tirupati rural mandal. In the second stage, the identification of the self-help groups which are performing well in terms of utilization of micro-credit and repayment of credit to the financing agency i.e. RASS, the nodal agency and involving in income generating activities and another set of SHGs performing satisfactorily with their activities and empowerment of women . Two SHGs have been chosen from each selected village i.e., one well performing SHG and one SHG

functioning satisfactorily with the micro-finance made by RASS. Altogether 16 SHGs are selected on randomly for the present study. The total number of women members of the sample SHGs is 184 who became the ultimate sample units spread over the 8 sample villages in Tirupati rural mandal. In order to measure the social, political and economic empowerment of the rural women members of the sample SHGs, 5-point rating scale popularly known as Rensis Likert scaling method has been used in this study.

SIZE OF THE SAMPLE

184 women members of the SHGs promoted by Rasthriya Seva Samathi (RASS) an NGO which located in Tirupati town. 184 samples are selected randomly from 15 SHGs scattered throughout the Tirupati rural mandal (Taluk) from the area of the study have been considered to conduct the present research study

AREA OF THE STUDY

The study area is Tirupati rural mandal in Chittoor district of Andhra Pradesh. The study is conducted in the study area through a field survey to get insights of the development of the sample women through the sample SHGs.

COLLECTION OF THE DATA

The study is based on the primary data as it is an empirical study. A structured interview scheduled has been canvassed among the 184 sample women of the SHGs spread over the entire mandal. Both open ended and close ended questions are included in the schedule with a view to get more realistic answers from the sample women.

STATISTICAL TOOLS

The statistical tools like paired t-test, cross tabulation and percentages are used for the analysis and presentation of the primary data.

ROLE OF SHGS IN THE REDUCTION OF RURAL POVERTY

SHGs, through micro-finance, funded by the RASS have the potential to fight against chronic poverty and can be an important-access to credit (Micro-credit) which also allows poor and marginalized people to take advantage of economic opportunities. While increased employment and earnings are by no means automatic, members of SHGs have overwhelmingly demonstrated that reliable sources of micro-credit provide a fundamental basis for planning and expanding economic activities of micro-enterprises. Many studies show that the women members of SHGs who joined and stayed in micro credit programme have better economic conditions than non-members, suggesting that micro credit programmers contribute to these improvements. The particulars relating to income levels of sample beneficiaries before and after Joining SHGs are presented in the following table.

Table-1 Income Levels Of Sample Beneficiaries Before And After Joining Shgs (in Percentage)

Sl. No	Income Level (Rs)	SC		ST		BC		FC		Total	
		Pre-SHG	Post-SHG	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG	Pre-SHG	Post-SHG
1	Below 6000	22.5	7.5	46.15	7.69	17.54	5.26	6.67	--	19.29	4.29
2	6001-12000	32.5	17.5	38.46	15.38	19.30	14.06	23.33	6.67	25.57	12.28
3	12001-18000	35.0	20.5	15.38	15.38	49.12	31.58	43.33	20.00	40.72	24.28
4	18000& above	10.0	52.5	--	53.85	14.04	40.35	26.67	66.67	14.30	50.71
5	No effect	--	7.5	--	7.69	--	8.77	---	6.67	---	7.86
	Total	100	100		100	100	100	100	100	100	100

Source: Field data.

The study reveals that 87.71 percent of the sample women were below the poverty line before joining the SHGs. As a result of SHG, about 40 percent of the sample women crossed the poverty line. The economic impact of SHGs is higher in case of FCs (66.7 percent) followed by STs (53.85 percent) and SCs (52.05 percent) whereas it is lower in the case of BCs (40.35 percent). More than 50 percent of the members of all social groups except BCs have crossed the poverty line. On whole there is a positive change in the income levels.

EMPOWERMENT OF WOMEN

The father of the India Constitution Dr.B.R.Ambedkar and the national leaders recognized the equal social position of women with men. Several measures were taken by the successive governments to assign equal status to women in the economic, political and social fields. Many avenues were opened to them to show their talents and have a sense of participation in national activities. With women population being around 50 percent of the total population of the World, they have every right to be treated equally with men in every sphere of life. The inclusion of "Women Empowerment" as one of the Prime goals in the eight Millennium development goals underscores the relevance of this fact. Swami Vivekananda quote that, there is no chance for the welfare of the World unless the condition of women is improved. "It is not possible for a bird to fly on only one wing" beautifully sums up the essence of power of women who are leading not just their families but also the nation and the World. An attempt is made in this section to examine the impact of micro-finance on social empowerment and economic empowerment of the women members of the sample SHGs in the study area.

SOCIAL EMPOWERMENT

The women have been suffering from many social evils and hurdles. The Indian women are not free from all the social customs and age old traditions and still they are the victims of superstitions and backwardness. In the society the women are treated as second class citizens even though they are educated and employed. Hence, they need social empowerment which is possible through the micro finance and SHGs. The particulars relating to the impact of micro finance on social empowerment of the rural women of the sample SHGs are presented in the following table.

Table 2: micro-credit And Social Empowerment Of Sample Women

S. No	Micro Credit has resulted	1	2	3	4	5	Total Score	Rank
1	Increased Social status and equal treatment and participation	49 (32.24)	32 (21.05)	17 (11.18)	22 (14.47)	32 (21.05)	544	3
2	Increased participation of community affairs and decision making at household village level	31 (20.39)	36 (23.68)	48 (31.58)	20 (13.16)	17 (11.18)	540	4
3	Involvement in the prevention of child labour, child marriage	102 (67.11)	26 (17.11)	8 (5.26)	6 (3.95)	10 (6.58)	672	1
4	Participation in design making on democratic institutions	15 (9.87)	8 (5.26)	59 (38.82)	44 (28.95)	26 (17.11)	398	5
5	Involvement in govt. sponsored institutions	86 (56.58)	38 (25.00)	11 (7.24)	5 (3.29)	12 (7.89)	637	2

Source: Field data

The table above reveals that the third point i.e. micro-credit has resulted involvement of women of SHGs in social agitations to prevent child labour, child prostitution through mathama, devadasi stood number one rank which shows the higher score i.e., more than 800. The highest intensive value indicates that more women have participated in social agitations for the welfare of the children and the society. The second highest intensity reveals that considerable numbers of women of SHGs have participated in the government sponsored schemes. The 1st point secured 3rd rank with total intensity value of 605 which status that the micro credit has resulted in increased social status and empowerment. This is a positive impact of micro-credit of the RASS on the social empowerment, increased participation of women in community affairs and decision making at household and village. On the whole, the sample women members of the SHGs in the Tirupati rural mandal did not enjoy the social empowerment on the basis of the intensive values of 5-point rating scale. Hence, the null hypothesis namely the women members of SHGs promoted by RASS have not been achieved social empowerment, is accepted.

ECONOMIC EMPOWERMENT

Economic empowerment is the capacity of women and men to participate in, contribute to and benefit from growth processes in ways which recognize the value of their contributions and respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. Women are instrumental in shaping the society and play a major role in raising the economic resources for the family, though their contribution is always under emphasized in India. In fact, women perform 66 percent of the Worlds work and produce 50 percent of the food, yet earn only 10 percent of the income and own 1 percent of the property whether the issue is improving education in the developing world, or fighting global climate change, or addressing nearly any other challenge we face. Empowering women is a critical part of the equation. The particulars relating to the economic empowerment of the rural women of sample SHGs which utilize the micro finance from the RASS are shown in the following table

Table3:economic Empowerment Of Women Members Of SHGs

Sl No	Micro-Credit has resulted	1	2	3	4	5	Total Score	Rank
1	Increased Economic Status and more access to Financial Institutions	38 (20.65)	42 22.83	34 18.47	38 20.65	32 17.39	568	5
2	Increased access to physical and financial resources, Ownership of assets, control of family resources	44 (23.91)	58 31.52	34 18.47	18 09.78	30 16.30	620	2
3	Increased participation in decision making in financial aspects at household, SHG level and in Janmabhumi committees and community affairs	46 (0.25)	48 26.08	28 15.21	18 09.78	44 23.91	586	4
4	increased women's control over income, relative contribution to family support	52 (28.26)	39 21.19	27 14.67	26 14.13	48 26.08	597	3
5	Women's access to employment, ownership of goods and services and involvement of trade and access to markets	86 (46.73)	54 29.34	32 17.39	7 03.80	5 02.71	761	1

Source: Field Data

The table above shows that the micro-credit improves the economic status of the women members of the sample SHGs. Point-No.5 in the table above shows rank No.1, which explains women's access to self-employment i.e taking up the income generating activities, ownership of goods and services and selling them in the markets. The calculated intensive value is very much higher for point No.5. It indicates that all women of sample SHGs have been involved in economic activities. The micro-credit has enhanced the access to physical and financial resources and stood rank No.2. This indicates that women have a control over the finances and assets of their families. They are income earners and have a relative contribution to family support as per point No.4 which is having 597 score with rank 3. The financial decision making at home, SHG level and at community level is having 4 rank with 586 score. The micro finance has enhanced economic status and achieved economic empowerment as per point No.1, which stood in the last rank No.5. It reveals that majority of the women members of the SHGs do not have more access to financial institutions and the micro credit has no substantial impact on improving and or increasing economic status and empowerment as this point got lower score i.e. low intensity value at 568 points with 5th rank. Hence, the null hypothesis namely 'there is no significant impact of economic empowerment on the poor women' is accepted.

The SHGs have emerged an alternative development strategy to promote common interest of the weak and vulnerable sections of the society. The finding from the present study shows that the DWACRA groups have the potential to fight against abject poverty in Nellore district. The study shows that there is a considerable shift in the occupational pattern of the sample women members. There is a significant increase in the incremental incomes which improve the living standards of the rural women, show better performance in long-run sustainability indicating that these groups can performance well better in the future. The women members belonging to Scheduled Castes (SCs) have also generated higher incremental employment than Backward Classes. On the whole, disadvantaged people like SC/ST women have achieved an impressive incremental employment in the study area. More than 50 percent of sample women have crossed the poverty line as the poor and disadvantage groups of rural women have been actively involving in the micro- economic income and employment generation activities. The women members of the SHGs did not achieve the socio-economic empowerment. Still they are not enjoying the social equality and economic status. The weaker section are aware of the policies and programmes of the business of promoting the self-help groups which have to ensure that the members are able to perceive the realities around them and take appropriate measures for making the best use of the opportunities which the groups afford to them.

CONCLUSION