



An Analysis of Factors Empowering Women Through Microfinance

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ABSTRACT

Microfinance has received increased attention among the researchers and financial service providers, as a good alternative in the rural credit market. Various studies revealed that microfinance is a powerful instrument for poverty alleviation, enabling the poor to accumulate the assets, boost their incomes, and reduce their economic vulnerability. Empowerment denotes acquiring or conferring of some type of power for creating an impact. In other words, it represents a person's capacity to produce change. It is the creation of an enabling environment where individuals can fully use their capabilities to make changes in their lives. There are various opinions about the micro credit demand in India. The present study analyses the factors which affect the empowerment of women residing in Jamnagar city of Gujarat.

Keywords : Micro Finance, Women Empowerment, Self Help Group, Social Security

1. Introduction:

Empowerment is an intrinsic quality of a person, which cannot be bestowed by a third party. It is considered that an empowered person's behavior undergoes a change. In a nutshell, empowerment is a process which enables one to gain power, authority and influence over others. Empowerment is a multi-dimensional social process that helps people gain control over their own lives. It is a process that fosters power (that is, the capacity to implement) in people, for use in their own lives, their communities, and in their society, by acting on issues that they define as important. Empowerment of women means rearranging gender relations within the family and in the society. It also means giving societal recognition to gender equality and considering the contributions of each gender as independent persons. Empowerment of women gives them the capability of challenging and changing their subordinate position in society. Women are able to put forward their viewpoint by way of their participation from the beginning of planning process or a project.

2. Review of Literature:

K. Suresh (2008) analyzed the impact of micro-finance on empowerment of rural women dairy entrepreneurs. To promote dairy sector in the study area financial support should be provided to interested rural poor women in the villages. Establishment of veterinary hospitals, mobile clinics, development of high yield breeds and development of waste land to provide adequate grazing facility. Training regarding urea treatment, provision of short term loan for purchase of green fodder and concentrate and strengthening extension services were some of the policy measures suggested by the study.

Gaiha & Nandhi (2007) analyzed that whether access to micro-finance has given women greater autonomy in household decisions relating to allocation of resources, savings and investments and found that neither participation nor duration of membership of a Self-help Groups (SHGs) has a significant effect on female autonomy.

Hashemi, Schuler and Riley (1996) studied the effects of micro-credit provided by Grameen bank and BRAC to poor rural women in Bangladesh. They found that participation in Grameen and BRAC increases women's mobility, their ability to make purchases and major household decisions, their owner-

ship of productive assets, their legal and political awareness and participation in public campaigns and protests.

Lalitha K. & Prasad G. (2011) focused on Empowerment, viewed as a means of creating a social environment in which one can take decisions and make choices either individually or collectively for social transformation. Empowerment is a multi-dimensional social process that helps people gain control over their own lives, communities and in their society, by acting on issues that they define as important. Empowerment occurs within sociological, psychological, economic spheres and at various levels, such as individual, group and community and challenges our assumptions about status quo, asymmetrical power relationship and social dynamics. Empowering women puts the spot light on education and employment which are an essential element to sustainable development.

3. Research Design:

3.1 Statement of Problem:

The empowerment of women is one of the central issues in the process of development of all developing countries in the world. The inadequacies of the formal financial system to cater to the needs of the poor and the realization of the fact that the key to success lies in the evolution and participation of community based organizations at the grassroots level led to the emergence of new generation of MFIs. In this regard the researcher has probed further to find answer of this question that what are factors affecting the WOMEN EMPOWERMENT and in what way it affects the customer in the microfinance institution. Thus the problem statement in the research study is "AN ANALYSIS OF FACTORS EMPOWERING WOMEN THROUGH MICROFINANCE."

3.2 Objectives of Research Study

1. The primary objective of the study is to identify the various factors empowering women through microfinance services.
2. To study the socio- economic profile of women beneficiaries.
3. To analyze various benefits of micro-finance services availed by women beneficiaries.

3.3 Scope of Research Study

The scope of this study is limited to the borrowers of Jana

Lakshmi, a micro-finance institution located in Jamnagar (Gujarat). The conclusions drawn from the study, therefore, cannot be generalized for the whole micro-finance industry.

3.4 Universe and sample of the Study

The universe of this study is the all women Customer of Microfinance of Jamnagar city. This research study contains a sample size of 100 beneficiaries of Microfinance Institution i.e. Jana Lakshmi. Here, non probability random sampling method is used for data collection.

3.5 Data collection method

Current study is done with the help of structured questionnaires, survey, face to face interview, focus group etc. The method used for data collection is PRIMARY DATA.

3.6 Hypothesis of the study

H0: The education of women does not affect decision regarding the income generation by investing funds.

H1: The education of women does affect decision regarding the income generation by investing funds.

H0: The type of family does not affect the women to go outside the home alone.

H1: The type of family does affect the women to go outside the home alone.

4.7 Statistical Tools for the Study

The chi-square goodness-of-fit test is used to analyze the distribution of frequencies for categories of one variable, such as age or number of bank arrivals, to determine whether the distribution of these frequencies is the same as some hypothesized or expected distribution. However, the goodness-of-fit test cannot be used to analyze two variables simultaneously. A different chi-square test, the chi-square test of independence, can be used to analyze the frequencies of two variables with multiple categories to determine whether the two variables are independent. Many times this type of analysis is desirable.

The Factor Analysis has also been done with the help of SPSS and the result is also shown in the paper.

4.8 Limitations of study

1. There are only 100 respondents have been surveyed so, the findings may not be appropriate
2. The respondents were the women of Jana Lakshmi institution so we cannot collect data from other people who were not part of Jana Lakshmi.
3. The study has geographical boundaries because it is limited up to Jamnagar.

4. The women are selected randomly, thus all women views are not taken into consideration.

The results of the study cannot be generalized for all the rural women who are engaged in other than these activities.

5. Data Analysis and Interpretation

5.1 Demographic Profile of Respondents

Table-5.1

Demographic Profile of the Sample

Main Variables	Sub Categories of Variables	Frequency	% (Percentage)
Age	< 25 Yrs	31	31
	26-35 Yrs	17	17
	36-45 Yrs	34	34
	> 46 Yrs	18	18
Education	Illiterate	14	14
	Primary	36	36
	Secondary	9	9
	Higher Secondary	5	5
	Graduation	12	12
	Post Graduation & Above	12	12
Employment	Technical / Professional Course	12	12
	Employed	38	38
	Unemployed	26	26
	Self-employed	31	31
Marital Status	Professional	5	5
	Married	77	77
	Unmarried	20	20
	Widow	3	3
	Divorced	0	0
Type of Family	Separated	0	0
	Nuclear	62	62
	Joint	34	34
	Extended	4	4

The majority of women beneficiaries of micro-finance services is married (77 per cent) and found to be living in nuclear family (62 per cent). Most of the women (86 per cent) respondents are found to be literate and 24 per cent of total women respondents have completed at least graduation. Out of 100 women respondents 74 have participated in work and rest 24 are unemployed.

Sr. No.	Factors Empowering Women availing micro-finance services	Factor Loadings	Communalities	Percentage of Variance Explained
1.	Economic Control & Respect			20.270
1.1	I always keep cash in my custody to meet uncertain requirements.	0.858	0.847	
1.2	I am happier now than I was last year.	0.784	0.713	
1.3	I am getting more respect from my husband after getting loan for household.	0.754	0.776	
1.4	I am free to purchase and sale jewelry.	0.679	0.719	
1.5	I am free to use household income as I like.	0.664	0.838	
2.	Financial Savings & Confidence			18.676
2.1	I feel confident financially.	0.808	0.771	
2.2	I save money out of household income regularly.	0.802	0.867	
2.3	I am able to cope up with financial crisis.	0.786	0.804	
2.4	I can purchase daily food items without taking prior permission from my husband.	0.743	0.849	
3.	Mobility & Purchase			12.453
3.1	I am free to purchase my clothes when it is required.	0.950	0.914	
3.2	I am free to go outside the home alone.	0.690	0.785	
4.	Loan & Repayment			11.279
4.1	My husband helps me to repay loan, I have taken.	0.787	0.780	
4.2	I take decisions relating to use of borrowed funds for household.	0.736	0.760	
4.3	I decide to borrow funds for households.	0.572	0.805	
5.	Activism & Participation			9.382
5.1	I actively participate in my local community.	0.780	0.687	
5.2	I feel that women can better manage household assets.	0.757	0.709	
6.	Ability			7.364
6.1	I can generate income by investing funds if provided.	0.917	0.876	

Result of Factor Analysis

Table No. 5.2 summarizes the six factors extracted using varimax rotation method. Factor 1, labeled, 'Economic Control and Respect' include statements relating to economic control

of women regarding purchase and sale of jewellery, usage of household income and respect that she is getting from her husband. It accounts for 22.70 per cent of total variance explained. Factor 2, 'Financial Savings and Confidence' ac-

counts for 18.68 per cent of total variance explained and includes variables like financial savings, confidence and ability of women to cope up crisis like situation. Factor 3, 'Mobility and Purchase', consists of two statements targeting freedom of women in purchasing clothes and going outside the home alone. It accounts for 12.45 per cent of total variance explained. Factor 4, labeled, 'Loan and Repayment' include various decisions related to borrowing for household and usage of borrowed funds that empower women. It accounts for 11.28 per cent of total variance explained. Factor 5, 'Activism and Participation', include statements relating to women's involvement in household and at community level that accounts for 9.38 per cent of total variance explained. Factor 6, 'Ability' include a statement concerning entrepreneurial ability of women if opportunity provided and it accounts for 7.36 of total variance explained.

5.3 Socio-Economic Profile of Respondents

Table No. 5.3

Impact of education of women in generation of income by investing funds

Generation of income by investing funds						
Education	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Total
Illiterate	6	6	0	0	2	14
Primary	10	22	2	1	1	36
Secondary	1	5	2	1	0	9
Higher secondary	0	4	1	0	0	5
Graduation	1	4	7	0	0	12
Post-graduation	1	5	5	1	0	12
Professional course	1	7	3	1	0	12
TOTAL	20	53	20	4	3	100

In accordance with question asked we can see that out of 100 respondents 53 agrees with generation of income by investing fund if provided. And out 36 respondents of primary education major respondents i.e 22 respondents agree with the generation of income by investing fund. Thus from the above table it can be concluded that literate women have better options for investing their idle fund for generating income.

Table No. 5.4

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	40.650a	24	.018
Likelihood Ratio	41.296	24	.015
Linear-by-Linear Association	5.097	1	.024
N of Valid Cases	100		

The above table shows the chi square analysis of education of women and decision regarding the income generation by investing funds. From the table, it can be said that education of women affects investing of funds significantly.

6. Conclusion:

The research study aimed at checking the impact of micro-finance on women empowerment. It can be concluded that Most of the beneficiaries belong to middle age group, they are married, and little educated and have nuclear families. The housing conditions of the beneficiaries are found to be somewhat satisfactory. The review of studies related to credit accessibility to women simply demonstrates that the direct access to institutional credit to rural women is very limited and there is sex bias in extending the credit to them. It can be said that microfinance institution helps in poverty alleviation and through that standard of living of women also improves. The SHG's have provided social opportunities to make them aware about these rights, entitlements and development programmes as well as starting income generation activities for substantial earnings and self-employment. Despite of having SHG a/c most of the respondents keep their savings in bank saving a/c. Irrespective of the fact that major respondent are literate and educated they are doing blue collar job only.

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