

RESEARCH ARTICLE

Journal of Extension Education

Vol. 35 No.2, 2023

DOI: <https://doi.org/10.26725/JEE.2023.2.35.7023-7028>**Empowerment of Women through Microfinance in Chikmagalur District of Karnataka****S. Shobha ¹, D. Sumathi ¹ and S. Meenakshi ²****ABSTRACT**

The present study was carried out to analyse the indicators of women empowerment and evaluate the effectiveness of microfinance on women empowerment. Empowerment indicators were identified and analysed based on the responses of 60 SHG (Self-Help Group) women in Mudigere Taluk of Chikmagalur District of Karnataka state. The findings pointed the impact of microfinance on women empowerment based on women empowerment indicators using five-point Likert scale. It was concluded that women's participation in microfinance empowers them in family, social and economic security in terms of decision making, mobility, ownership of assets and independent savings.

Keywords: *Microfinance, Women Empowerment, Self Help Group, Empowerment Indicators; Karnataka*

INTRODUCTION

Empowerment includes the action of raising the status of women through education, raising awareness, literacy, and training. Women's empowerment is all about equipping and allowing women to make life-determining decisions through the different problems in the society. Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. The Self Help Group (SHG) - Bank Linkage Programme dominates the microfinance scene in India as an affordable means of serving the "Unreached Poor." It has been successful in meeting the financial needs of rural impoverished women while also building the collective capacities of the poor, thereby empowering them. Women who are economically empowered have greater control over decisions, higher self-esteem, a better position and role in the home,

etc. Microfinance is therefore essential for development and for ensuring the rural poor's economic self-sufficiency, especially for rural women who are largely marginalized in society.

In Karnataka, SHGs are promoted by various institutions like government agencies, NGOs and cooperative banks. The self-help movement is deep-rooted in southern states of the country and Karnataka has been among the top three states in the country in SHG-bank linkage (Ajith et al., 2017). Studies conducted in Karnataka had revealed that majority of the rural women had enhanced their household income after becoming SHG members. (Yuvaraja, 2021).

Literature review had showed that there are different dimensions to study microfinance and women empowerment. Hence the present study

¹ Department of Resource Management, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore, Tamil Nadu, India.

² Department of Home Science Extension Education, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore, Tamil Nadu, India

Submitted: 18.12.2023 Accepted: 11.05.2024

was taken up to study the impact of microfinance on women's social and economic empowerment in an area with high Scheduled Caste (SC) population in Karnataka with the following objectives.

- to analyze the indicators of women empowerment
- to evaluate the effectiveness of microfinance on women empowerment.

METHODOLOGY

The primary data were collected from the SHG members in Mudigere Taluk through a well-structured interview schedule by face-to-face method. Stratified random sampling technique was used to select the respondents from the selected Taluk. Mudigere is a taluk in Chikmagalur district of Karnataka with highest Scheduled Caste (SC) population on the basis of which, it was selected as study area for the present research. Fifteen villages were selected on the basis of highest number of SC population and also in terms of socio-economic and cultural aspects. From the 15 selected villages, two SHGs from each village

were selected using stratified random sampling method. Among the selected SHGs, two members were randomly selected from each group. Hence the sample size of the present study was 60 SHG women respondents from selected 30 Self Help Groups. The empowerment indicator inventory of AIMamun et al., 2019; Aruna and Jyothirmayi, 2011; Sarumathi and Mohan, 2011 were referred to develop the tool for the present study. Different authors have used different indicators to measure women empowerment. The researcher identified 4 indicators for measuring women empowerment viz., Economic security, mobility & household economic decision making and family decision making, among which economic security was considered as an important inter-linked indicator.

FINDINGS AND DISCUSSION

Women Empowerment Indicators

Table 1 explains the economic security of the respondents on the basis of independent savings habit before and after joining SHG which showed improvement of independent savings habit.

Table 1. Economic Security of the Respondents on the basis of Independent Savings Habit Before and after Joining SHG

Sl. No.	Independent Savings Habit	Respondents (N=60)				Total	
		Before joining SHG		After joining SHG		No.	%
		No.	%	No.	%		
1	Opened new bank account	8	13	52	87	60	100
2	Started savings	2	3	58	97	60	100
3	Regularity in savings	-	-	60	100	60	100
4	Fixed savings amount habit developed	1	2	59	98	60	100

After joining SHGs 87 percent of the respondents have got an opportunity to open a new bank account for themselves. This shows the financial inclusion of women through SHGs. After joining as the member of SHG, nearly 97 percent of the women have started saving as they are contributing a fixed amount during weekly

meetings, SHGs developed the saving habits among the women and also, they were able to maintain regularity in savings. This indicates that due to microfinance now women have access to the financial products and services. This finding supports the findings of Yuvaraja (2021).

Table 2. Economic Security of the Respondents on the basis of Level of Confidence to Face Financial Crisis after Joining SHG

Sl. No.	Level of confidence to face financial crisis	Respondents (N=60)										Total	
		S.D		D		N.A.N.D.A		A		S.A		No	%
		No.	%	No.	%	No.	%	No.	%	No.	%		
1	Increased access to microfinance	-	-	-	-	-	-	58	97	2	3	60	100
2	Increased creation of personal assets	-	-	-	-	-	-	50	83	10	17	60	100
3	Improvement in individual income	-	-	-	-	-	-	46	77	14	23	60	100
4	Increased ability to make decisions regarding the utilization of money/credit	-	-	-	-	5	8	51	85	4	7	60	100
5	Increased ability to support the family	-	-	-	-	2	3	53	88	5	8	60	100
6	Increased support during economic crisis	-	-	-	-	6	10	49	82	5	8	60	100

Note: S.A.-Strongly Agree; A-Agree; D.A-Disagree; S.D.A.-Strongly Disagree; N.A.N.D.A-Neither Agree Nor Disagree

Table 2 explains the economic security of the respondents on the basis of level of confidence to face financial crisis before and after joining SHG. Different variables were used to measure the economic security in terms of level of confidence to face financial crisis after joining the SHGs with five-point Likert scale. Majority of the respondents have agreed with the positive impact of SHGs on level of confidence to face financial crisis. A majority (97%) of the respondents expressed that they have increased access to microfinance and 3% of the respondents have strongly agreed to the same. Among the total respondents, increased creation of personal assets was agreed by 83 per cent and the remaining 17 per cent of the respondents have strongly agreed. It is very interesting to note that

improvement in individual income was agreed by 77 per cent and 23 per cent have strongly agreed. In regard to the statement, increased ability to make decisions regarding the utilization of money/credit; 85 per cent have agreed and more or less equal proportion, 8 per cent and 7 per cent of the respondents have chosen neutral and strongly agreed respectively. It is inferred from the above findings that after joining SHG, they have access to microfinance, with the help of micro credit which enabled them to buy personal assets like small jewelry, mobile phones etc. As denoted in Table 1, there is an improvement in individual savings. Further, it is clear that majority of the women were able to support the family even in economic crisis after joining SHGs.

Table 3. Economic Security of the Respondents on the basis of Assets Created after Joining SHG

Sl. No.	Independent saving habit	Respondents* (N=60)	
		No	%
1	Gas Stove	55	92
2	Scooter/motor vehicle	53	88
3	Furniture	52	87
4	Cooker	45	75
5	Mobile	40	67
6	TV	20	33
7	Sewing Machine	13	22
8	Iron Box	12	20

* Multiple responses

Table 3 depicts economic security of the respondents on the basis of assets created after joining SHGs. It is clear that majority of the women respondents have spent some portion of income on purchasing household items such as gas stove (92%), scooter/motor vehicle (88%), furniture (87%), cooker (75%) and mobile (67%).

The percentage of asset creation differs from member to member but it is clear that each and every member of the SHG spent a portion of their income on one or the other items. This indicates that micro finance had helped the women to create assets in their family.

Table 4. Mobility of the Respondents after Joining SHG

Sl. No.	Mobility indicators	Respondents (N=60)										Total	
		S.D		D		N.A.N.D.A		A		S.A		No	%
		No.	%	No.	%	No.	%	No.	%	No.	%		
1	Freedom of mobility/autonomy to visit other places	-	-	-	-	3	5	45	75	12	20	60	100
2	Freedom of mobility/autonomy to visit <i>gram panchayath</i>	-	-	-	-	5	8	49	82	6	10	60	100
3	Freedom of mobility/autonomy to visit <i>gram sabha</i>	-	-	10	17	13	22	29	49	8	13	60	100
4	Freedom of mobility/autonomy to visit bank and Post office	-	-	-	-	-	-	12	20	48	80	60	100
5	Freedom of mobility/autonomy to attend neighbours' functions	-	-	-	-	-	-	47	78	13	27	60	100
6	Freedom of mobility/autonomy to visit place of worship	-	-	-	-	-	-	52	87	8	13	60	100

S.A.-Strongly Agree; A-Agree; D.A-Disagree; S.D.A.-Strongly Disagree; N.A.N.D.A-Neither Agree Nor Disagree

Table 4 shows the mobility of the respondents after joining SHGs. The respondents have agreed with the freedom and autonomy in mobility without hesitation. But the table clears that about 62 percent of the respondents got the freedom to attend gram sabha and about 22 percent of the women members are neutral but about 17 percent of members disagreed to

the same, which indicates that there is a need to develop awareness about the usefulness of attending the grama sabha. Earlier women were restricted to mobility but after joining SHG, women are going out of their homes for SHG activities. This could be an indication of women empowerment through SHGs and microfinance.

Table 5. Participation of Respondents in Household Economic Decision Making and Family Decision Making After Joining SHG

Sl. No.	Decision making indicators	Respondents (N=60)										Total	
		S.D		D		N.A.N.D.A		A		S.A		No	%
		No.	%	No.	%	No.	%	No.	%	No.	%		
1	Independent Decision with regard to small purchases like utensils, cloth, cosmetics, ornaments	-	-	-	-	-	-	9	15	51	85	60	100
2	Involved in taking major decisions like education/ marriage of the children	-	-	-	-	2	3	49	82	9	15	60	100
3	Involved in taking major decisions like house repair / construction/relocation	-	-	-	-	2	3	24	40	34	57	60	100
4	Involved in taking major decisions like buying/selling of land	-	-	-	-	-	-	35	58	25	42	60	100

S.A.-Strongly Agree, A-Agree; D.A-Disagree, S.D.-Strongly Disagree; N.A.N.D.A-neither agree nor disagree

Table 5 shows that participation of respondents in household economic decision making (HED) and family decision making after joining SHGs with five-point Likert scale. Majority of the respondents could able to take independent decision with regard to small purchases (85%) and their involvement in the major decisions like children's education and marriage (82%), and house repair (57%) and land dealings (42%). This indicates that earlier women were confined to help their husband and their family in day-to-

day work but now there is a paradigm shift in the role of women towards involvement in major household economic decisions.

Effectiveness of Microfinance on Women Empowerment

To assess the effectiveness of microfinance on women empowerment, economic security was considered as the major indicator which may have greater impact on women empowerment and tested with Pearson Correlation analysis for testing of hypothesis and presented in Table 6.

Table 6 Economic Security of the Respondents on the basis of Independent Savings Habit Before and After Joining SHG

Sl. No.	Independent savings habit	Pearson Correlation value		Sig value	S/NS
		Before	After		
1	Opening of Bank Account	1	-1.000	.000	S*
2	Savings	1	-1.000	.000	S*
3	Regularity of saving	1	-1.000	.000	S*
4	Fixed Savings	1	-1.000	.000	S*

* Significant @ 1% level

Table 6 shows the result of Pearson Correlation analysis that the economic security of the respondents on the basis of independent savings habit before and after joining SHG. The findings clearly depicted the calculated value of Pearson correlation test is lesser than 0.05, which clearly shows that microfinance programme has helped the chosen women in the research area to attain economic security.

CONCLUSION

The findings of the study point out an increasing access to microfinance is more likely to lead to higher probability of women empowerment. Their involvement in household economic decision making and family decision making had improved a lot. The study suggests that further research be engineered to consider microfinance related issues. Therefore, a comprehensive action plan needs to be put in place that not only aims at a financially inclusive society but also empowering and equipping the women with the basic skills of self-employment.

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