

THE IMPACT OF MICRO CREDIT ON RURAL WOMEN EMPOWERMENT IN TIRUNELVELI DISTRICT

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ABSTRACT

Credit is a successful idea in India. The National Bank for Agriculture and Rural Development (NABARD) conducted a research in India during the early 80s. The research showed that an extensive network of rural bank branches, with implemented specific poverty alleviation programmes, sought the creation of self-employment opportunities through bank credit for almost two decades. Despite this initiative, a considerable number of formal banking systems have not taken off yet. NABARD had been set up in 1982 under an act of Parliament. This banking system has been set up as a development of agriculture, cottage and village industries. Handicrafts and other allied economic activities in rural areas are initiated and encouraged with a view to promoting entrepreneurship among the rural people. Rural development, special schemes and rural banking could not, however, tackle the widespread poverty in rural areas. Research indicated that existing banking policies and procedures were perhaps not suited to the immediate needs of the very poor. What they needed was better access to these services and products, rather than cheap, subsidised credit.

Keywords: micro credit, women empowerment, economic empowerment, social empowerment and political empowerment

INTRODUCTION

Economic development is possible in a developing country when all the resources of that country should be utilised fully. Human resource, as the most important factor must be utilized properly. Developing countries are lacking in utilization of human resources. Especially, in India, the men population is being utilized in the field of production sector. The role the woman is not at all accounted in nation building. Poverty in rural India is caused by the non-utilisation of female productivity in production sector. Micro-credit concept is an initiative to promote the efficiency of rural women. Present study is an attempt to explore the impact of micro credit on rural poverty and women empowerment in Tirunelveli District.

MICRO CREDIT

It is a small amount of money loaned to a client by a bank or other

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institution. Micro credit can be offered, often without collateral, to an individual or through group lending.

ECONOMIC EMPOWERMENT

Economic empowerment is the capacity of women to participate in, contribute to and benefit from growth processes in ways that recognized the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth.

OBJECTIVES OF THE STUDY

To examine the impact of micro credit in social and economic empowerment of rural beneficiaries.

To assess the impact of micro-credit on psychological empowerment of rural women beneficiaries in the study area.

To identify the impact of the micro credit in the political empowerment of the rural beneficiaries in the study area.

METHODOLOGY

The present study is empirical and hence field survey method and personal interview technique were adopted. Multi-stage stratified random sampling technique has been adopted for the study taking Tirunelveli district as the universe, the block as the stratum, the NGOs as the primary unit and SHG trained women entrepreneurs as the ultimate unit.

COLLECTION OF DATA

This study is based on both primary and secondary data. The primary data were collected from the selected 420 SHG members covering various aspects such as extent of savings, level of income generation, pattern of lending, repayment performance and other details related to socio-economic development using an interview schedule. The secondary data were collected from the books, journals, magazines and from the records of Mahalir Thittam Office, Tirunelveli.

STATISTICAL TOOLS

After the fieldwork, the data were carefully scrutinised and edited in order to ensure accuracy, consistency, and completeness. Most of the analyses were based on the responses presented in the form of frequency tables. The data tabulated were systematically processed and interpreted on the basis of the objectives formulated. Most of the analyses were based on the simple relevant statistical tools such as percentage, averages, and chi-square test

IMPACT OF MICRO CREDIT ON ECONOMIC EMPOWERMENT

Economic empowerment is the capacity of women to participate in, contribute to and benefit from growth processes in ways that recognized the value of

their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. Table 1 shows the impact of micro credit on economic empowerment of sample respondents.

Table: 1, Impact on Economic Empowerment

Sl. No.	Statements	S.D.A	D.A	NO	A	S.A.	Total Scores
1.	Increases the Capacity to Spend More	50	95	166	65	44	1218
2.	Increases the Value of Asset	50	204	27	96	43	1138
3.	Increases the Income	49	231	57	40	43	1057
4.	Increases the Saving	49	74	228	34	35	1192
5.	Provides Employment Opportunity	32	157	169	0	62	1162
							5767

Source: Primary Data

Note: S.D.A. Strongly Disagree, D.A. - Disagree, N.O. - No Opinion, A - Agree, S.A- Strongly Agree.

It is observed from Table 1 that the perception of members on the statement that the SHGs help to increase the capacity to spend more gets the maximum scores followed by the statement that the SHGs help to increase the savings. The statements that the SHGs help to provide employment opportunities, increase in the value of asset and increase the income occupy the third, fourth and fifth place respectively.

Impact of Micro Credit on Social Empowerment

Women's social empowerment is the capacity of women to take social responsibilities, like protest against eve-teasing, women harassment, dowry, etc., better awareness about health and environment and knowledge about banking operations.

Table 2 gives the impact of micro credit on social empowerment of sample SHG beneficiaries.

Table: 2, Impact of Micro Credit on Social Empowerment

Sl. No.	Impact	S.D.A	D.A	N O	A	S.A.	Total
1.	Increases the social status	33	0	162	48	177	1595
2.	Encourages to fight against social evil	35	119	77	64	126	1388
3.	Provided decision making skills	46	116	162	26	70	1220
4.	Brings awareness on health	74	161	67	66	52	1121
5.	Provides familiarity in banking activities	65	130	97	95	33	1161
							6485

Source: Primary Data

Note: S.D.A. Strongly Disagree, D.A. – Disagree, N.O. - No Opinion, A – Agree, S.A- Strongly Agree.

From the above table, it is observed that micro credit in the study area makes good level increases in the social empowerment of the sample self-help group beneficiaries. The impact of micro credit in increasing social status gets the maximum scores (1595) followed by willingness to fight against social evil (1388), increase in decision making (1220) and providing familiarity in banking activities (1161).

Impact of Micro Credit on Psychological empowerment

Basically women are psychological strong than men. But in the case of facing problems, self-reliance, social movement, organizing meetings and communication, women seek help of men. To become economically and socially an empowered person the women should get psychological empowerment.

The impact of micro credit on the psychological empowerment of sample SHG beneficiaries in the study area is given in the following table 3.

Table : 3, Impact of Micro Credit on Psychological Empowerment

Sl. No.	Statements	S.D.A	D.A	N O	A	S.A.	Total Scores
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1.	Facing Problem	65	129	113	16	97	1210
2.	Self-Reliance	33	248	59	0	80	1105
3.	Social Movement	97	158	69	26	70	1075
4.	Organising Meetings	79	141	70	33	97	1188
5.	Communication Skills	33	170	55	56	106	1292
							5870

Source: Primary Data

Note: S.D.A. Strongly Disagree, D.A. – Disagree, N.O. - No Opinion, A Agree, A- Strongly Agree.

Table 3 shows that micro credit in the study area plays a very important role in increasing communication skills (1292 total scores) among the sample self-help group beneficiaries of the study area. Impact on facing problems comes second with 1210 total scores which is followed by organizing meetings.

IMPACT OF MICRO CREDIT ON POLITICAL EMPOWERMENT

Political empowerment supports creating policies that would best support gender equality and agency for women in both the public and private spheres. The impact of micro credit on political empowerment of sample respondents of SHGs is given in table 4.

Table : 4, Impact of Micro Credit on Political Empowerment

Sl. No.	Statements	S.D.A	D.A	N O	A	S.A.	Total Scores
1.	Policy Making	75	116	111	12	106	1219
2.	Participation in Election	41	278	85	16	0	916
3.	Awareness on Rights	81	192	9	33	105	1148
4.	Leadership	157	80	52	25	106	1104
5.	Control	175	99	35	40	71	992
							5379

Source: Primary Data

Note: S.D.A. Strongly Disagree, D.A. – Disagree, N.O. - No Opinion, A – Agree, S.A- Strongly Agree.

From table 4 it is inferred that micro credit in the study area develops the political empowerment of the sample self-help group beneficiary. Micro credit leads the sample respondents to develop themselves in policy making (1219 total scores). Next to it, micro credit increases the awareness of the sample respondents in all women right (1148 total scores). it improves the leadership skills also (1104 total scores).

IMPACT OF MICRO CREDIT

To find the significance of micro credit on economic, social, psychological and political empowerment the researcher used the statistical tools average, standard deviation and co-efficient of variation. The overall impact of micro credit on socio, economic, psychological and political empowerment of sample SHG beneficiaries in the following table 5.

Table: 5, Overall Impact of Micro Credit

Sl. No.	Variables	Mean	SD	Co-efficient of Variation
1.	Economic	13.74	3.62	26.34
2.	Social	15.44	3.22	20.85
3.	Psychological	13.97	5.35	38.39
4.	Political	12.79	4.53	35.41
5.	Overall	55.94	16.72	120.99

Source: Primary Data

Table 5 shows that micro credit in the study area develops the social empowerment among the sample self-help group beneficiaries in a larger level

(M = 15.94, SD = 3.22 and CV 20.85) followed by psychological empowerment, economic empowerment and political empowerment.

Conclusion

Micro credit the birth child of Mr. Mohamed Unis of Bangladesh is doing wonder in India also. The study area, Tiruenlveli district is one of the industrially backward district of India. Rural poverty, rural illiteracy and neglected women are some real characteristics of Tirunelveli district. Both

the Central Government and State Government have taken many steps to reduce poverty and bring gender equality in rural areas. The present study unearth the fact that micro credit programme reduces the poverty level of rural women of Tirunelveli District. This study also reveals that the rural women are getting social, economic, psychological and political empowerment through micro credit programme.

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