

Role Of Microfinance In Women Empowerment In Kamrup District Of Assam: A Study In Boko Development Block

Bikash Mazumdar¹, Niranjan Saikia²

¹Research Scholar, Krishna Kanta Handiqui State Open University.

²Graduate Teacher, Jagi HSS, Morigaon.

Abstract: Since independence one of the major concerns for India is basically poverty alleviation. As rural population consists majority of India population it is important to take into consideration the rural areas for poverty alleviation programmes. As women consists of nearly half of India population so it is important to prepare framework for their upliftment as well. So uplifting the rural women can have positive and major impact in the overall economic development of a country. Women empowerment has many aspects but this paper tries to analyze the impact of microfinance in income and employment level of women beneficiaries of microfinance using statistical tools. Microfinance services have been successful in many parts of the world in alleviating poverty and empowering women. So this paper tries to analyze the impact of microfinance on women empowerment based on some indicators.

Keywords: women empowerment, self-help group, microfinance, kamrup, indicators.

1.INTRODUCTION:

In India microfinance programmes started formally after NABARD started SHG bank linkage programme in 1992. As one of the major problems faced by developing countries like India is alleviating poverty which has seen little success even after spending billions of dollars in government schemes. Most of the schemes that are running now have some degree of positive impact on overall poverty reduction in our country.

As per National Family Health Survey 2019-2021 report male literacy as of 2021 stands at 84.4% and female literacy stands at 71.5% in terms of all India average. So there is a gap in between the genders in literacy rates which is crucial for women empowerment.

Microfinance programmes can accelerate the movement for women empowerment as most of the beneficiaries of microfinance are women. Microfinance includes micro-credit which is a short term

loan provided for various income generating activities to the poor microfinance members without any collateral. As an efficient social economic financial mechanism micro-credit helps rural women realize their goals. Apart from micro-credit the umbrella term microfinance also include deposit, money transfer, insurance etc. Services to poor rural households so that their micro businesses can prosper and they can become self-sufficient. In order to achieve socio economic development in any country or community women empowerment is of utmost important as women consists of nearly half of the total population in India. Women are often treated differently if they try to build microenterprises and as a result they face credit related problems. Microfinance can provide small micro credits for the development of these enterprises through its many models. Microfinance can be availed individually or as a group. In India microfinance Self Help Group(SHG) model is very popular along with microfinance institutions model.

2.LITERATURE REVIEW :

Following are some of the literature reviewed for this study:

Babu, A. & Tazeen, F. (2017) In their study mentioned that empowerment of women is one of the most important issue in developing countries. As a multidimensional concept empowerment has a wide range. They further stated that Poverty, Gender equity, Economic Empowerment, Social and political empowerment are all under one umbrella. Microfinance can uplift the unreached poor and women in particular through its different models.

Prabhakara (2012) stated in his study that SHG model of microfinance is a clear evidence of women empowerment. His further added that decision making is a very important criteria or indicator for measuring empowerment. In the study decision making power of women microfinance participants have substantially increased after microfinance SHG model participation.

Swapna (2017) in her study stated that most of the microfinance programmes are having the clear goal of poverty reduction and women empowerment. Most of the microfinance institutions have women members as a result of positive trust worthiness. In India microfinance programmes are promoting positive social impact mostly. Although women entrepreneurs faced more obstacles compared to their male counter parts they have to over come all the hurdles for accessing similar opportunities as man.

Singh (2018) concluded that microfinance can be an affective tool for women empowerment if proper guidance and financial management is in balance. Microfinance institutions can how ever divert scarce capital resources away from growth oriented sustainable enterprises to micro enterprises which are run by women that may in efficiently used the resources which in turn might give negative returns.

Tariq & Sangmi (2018) Mention that the concept of microfinance and women empowerment has many domains viz. Social domain, economic domain, psychological domain and political domain. In order to study women empowerment certain inherent questions related to these domains need to be answered. Microfinance SHG model is an effective tool for fulfilling financial needs of women in particular.

3. METHODOLOGY:

The data for the study was collected through structured questionnaire which was distributed among the microfinance women beneficiaries of leading microfinance institutions in Kamrup District of Assam. Data was collected from Boko block using simple random sampling.

The questionnaire was structured in such a way that socio-economic status of the women microfinance members can be analyzed.

In the process some responses were collected using five point Likert scale and some variables like income and employment were collected in real numbers to analyze their change. The analysis is done with the help of statistical tools such as paired t test along with average, diagrams, tables etc.

4. OBJECTIVES:

Following are the objectives of the study

- i. To explore different aspects of women empowerment as a result of microfinance intervention.
- ii. To analyze the impact of microfinance on income and employment level among women beneficiaries in the study area.

5. ANALYSIS AND DISCUSSION:

Microfinance is considered as one of the most effective tools for poverty alleviation in developing countries where it has shown mostly good results. The not-for-profit NGOs provide the much-needed service to the rural parts of the country and they provide opportunity to the women micro-entrepreneurs to develop their production capacity so that they will be able to create more jobs hence help solve the unemployment problem. As lack of employment is one of the main reasons for rural to urban migration. Rural people migrate to urban areas in search of employment but as a result of lack of proper accommodation in urban areas they stay in slum areas and lead an unhealthy life. Women empowerment indicators stay absent in these situations. Microfinance provided an opportunity for those women to become self-sufficient.

Apart from self-sufficiency in economic matters other aspects also add weight to the concept of women empowerment. Some of these aspects that are analyzed in this study are education level of the participants of this study, standard of living etc.

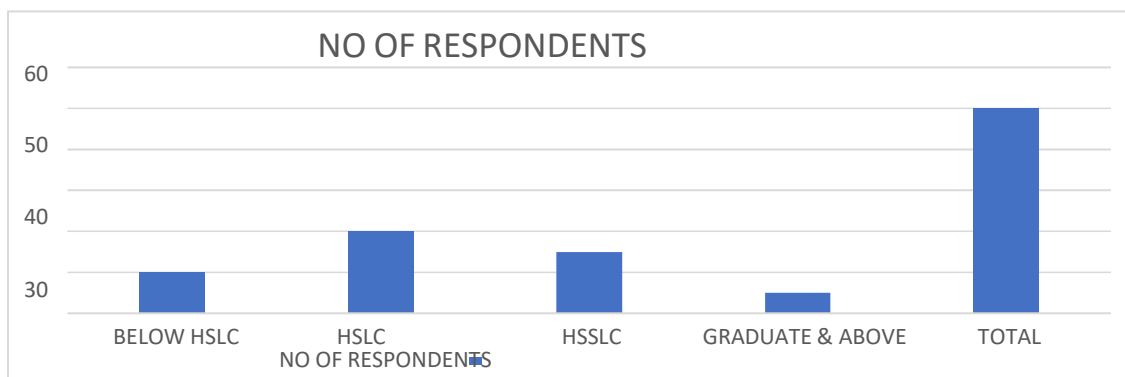
TABLE:1 EDUCATIONAL QUALIFICATION OF THE SAMPLE RESPONDENTS

QUALIFICATIONS	NO OF RESPONDENTS	PERCENTAGE
BELOW HSLC	10	20%
HSLC	20	40%
HSSLC	15	30%
GRADUATE & ABOVE	5	10%
TOTAL	50	100%

Source: Primary data from author's survey (September 2020 to January 2021)

In the above Table 1 educational level of the sample respondents were displayed. 20% i.e. total 10 respondents out of 50 have below HSLC qualification. 20 respondents i.e. 40% have qualified HSLC level. 15 respondents i.e. 30% have qualified HSSLC level. Out of 50 respondents only 5 i.e. 10% are Graduates.

FIGURE 1: EDUCATIONAL QUALIFICATION OF THE SAMPLE RESPONDENTS



Source: Primary data from author's survey

In Figure 1 no of respondents and their education level is displayed. It is clear that majority of the respondents have HSLC level education as only 5 out of 50 are graduates.

TABLE 2: INDICATORS OF WOMEN EMPOWERMENT

SL. NO	INDICATORS	MEAN	STANDARD DEVIATION
1	DECISION MAKING ABILITY	4.32	0.7125
2	STATUS IN FAMILY	4.28	0.7295
3	LITERACY LEVEL	4.08	0.7782
4	SELF CONFIDENCE	4.48	0.6464

5	STANDARD OF LIVING	4.24	0.8221
---	--------------------	------	--------

Source: Primary data from author's survey (Sept 2020 to Jan 2021)

In table 2 different indicators of women empowerment were displayed along with mean scores of 5 point Likert scale responses. Also standard deviation of the responses were also added. From the analysed data it is seen that microfinance intervention improved all the indicators under study. Likert scale range 1 to 1.8 shows strongly disagree, 1.9 to 2.6 shows disagree, 2.7 to 3.4 shows neutral, 3.5 to 4.2 shows agreed and 4.3 to 5 shows strongly agreed in terms of mean responses from the respondents on the above mentioned five parameters. Indicators are serially numbered from 1 to 5. Among the indicators Self-confidence indicator showed highest mean and Literacy level showed least mean value so we can conclude that self-confidence improved most among the women microfinance participants and literacy level increased least as a result of microfinance participation. Other indicators also showed positive results as they range within 4.24 to 4.32 showing they are within agreed range. Standard deviation shows the deviation among the respondents i.e. degree of variability among the responses received. Standard of living indicator showed highest degree of variability in the responses from study participants while self-confidence showed lowest degree of variability.

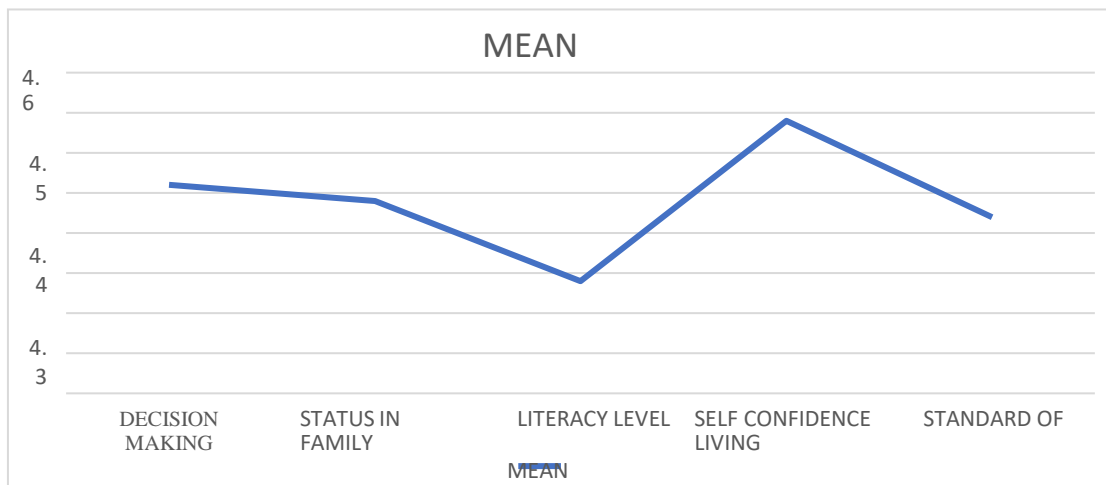


FIGURE 2: LIKERT SCALE MEAN VARIATION OF WOMEN EMPOWERMENT INDICATORS

Source: Primary data from author's survey

Figure 2 shows that self confidence is highest mean value 4.48 i.e. the average of all the participants Likert values.

For our analysis Paired T Test is used to study the change in monthly income of the 50 sample

respondents after they opted for microfinance services. To serve this purpose monthly income before and after microfinance intervention was collected. For this analysis following are the null and alternative hypothesis:

Null hypothesis: There is no significant difference in monthly income among the sample respondents before and after microfinance intervention.

Alternative hypothesis: There is significant difference in monthly income among the sample respondents before and after microfinance intervention.

Following table is showing the test results:

TABLE 3: PAIRED T TEST RESULTS BEFORE AND AFTER INCOME LEVEL (MONTHLY) OF SAMPLE RESPONDENTS

SAMPLE SIZE	50
MEAN (DIFFERENCE)	3456
STANDARD DEVIATION	1852.2 3
STANDARD ERROR	261.94
PAIRED T VALUE	9.53
TABULATED T VALUE	0.67

Source: Primary data from author's survey (Sept 2020 to Jan 2021)

In the above table Paired T Test results of monthly income of selected participants before and after joining microfinance were displayed. Since calculated t value is greater than the tabulated value at 5% level of significance at 49 degrees of freedom so we can conclude that null hypothesis is rejected hence there is significant difference in monthly income among the sample respondents before and after microfinance intervention. This shows that there is improvement in monthly income of sample respondents as their mean income increased after taking microfinance.

In order to analyze yearly working days i.e. employment days Paired T Test was used and following are the null and alternative hypothesis:

Null hypothesis: There is no significant difference in yearly employment days among the sample respondents before and after microfinance intervention.

Alternative hypothesis: There is significant difference in yearly employment days among the

sample respondents before and after microfinance intervention.

TABLE 4: PAIRED T TEST RESULTS BEFORE AND AFTER EMPLOYMENT DAYS(YEARLY) OF SAMPLE RESPONDENTS

SAMPLE SIZE	50
MEAN (DIFFERENCE)	94.16
STANDARD DEVIATION	41.85
STANDARD ERROR	5.91
PAIRED T VALUE	5.5
TABULATED T VALUE	0.67

Source: Primary data from author's survey (Sept 2020 to Jan 2021)

In the above table results of Paired T Test were displayed. Since calculated t value is greater than the tabulated value at 5% level of significance at 49 degrees of freedom so we can conclude that null hypothesis is rejected hence there is significant difference in yearly employment days among the sample respondents before and after microfinance intervention. This shows that there is improvement in yearly employment days of sample respondents as their mean working days increased after taking microfinance.

MAJOR FINDINGS OF THE STUDY:

Following are the major findings of the study:

- I. Majority of the sample respondents of the study are only HSLC qualified but their responses showed that after taking part in microfinance activities for longer periods they have been successful in providing education for their children.
- II. Microfinance participation has substantially improved the family status, standard of living, Decision making power etc. of the women microfinance participants that shows that overall goal of women empowerment can be achieved.
- III. The sample respondents have showed that their income level increased after taking part in microfinance activities as their monthly mean income increased from Rs.6647 to Rs.10103.
- IV. The yearly working days have also increased from 76.38 days per year to 170.54 days per year after taking part in microfinance activities.
- V. Microfinance institutions have helped the women participants in maintaining financial discipline and helped develop saving habits.

6. CONCLUSION:

Women empowerment is a multidimensional concept. It has many parameters such as social,

economic, political etc. Women empowerment and microfinance has some common grounds as microfinance beneficiaries are mostly women and they have capacity on their own for generating income as well as becoming self-sufficient. Microfinance is a tool for achieving these goals.

Microfinance supporters often claim that micro-credit which is an integral part of microfinance helps women in establishing micro enterprises which in turn creates more employment opportunities in the rural areas which helps in poverty alleviation. In this paper we have tried to answer some of the frequently asked questions with the help of primary data. As it is presumed that women specifically rural women are over-burdened with household responsibilities and it will be difficult to take on additional work of loan repayment etc. that are part and parcel of microfinance. But with micro-credit and microfinance these rural women can become micro-entrepreneurs and the society can benefit from its positive impact.

The result of the study shows that microfinance services impacted positively in the studied parameters of the sample respondents. As only women participants were only included in the study the results showed that apart from usual parameters the income and employment generation showed positive results.

Microfinance as a mechanism has many problems. One is high interest rate which is the result of high transactions costs. Another problem is the lack of modern technology use that arises as most of the work is done in rural areas. Microfinance lends mostly to women as loan repayment rate is higher among women borrowers.

REFERENCES :

- Babu, A & Tazeen, F. (2017). Role of microfinance in women empowerment in India. *International journal of scientific progress and research*, Vol. 34, Issue 96, ISSN 2349-4689, PP 95-98.
- Prabhakara, K. V. (2012). Microfinance empowers women evidence from India NGO. *Online international interdisciplinary research journal*, ISSN 2249-9598, VOL. 2, Issue 2, PP 157-164.
- Singh, S. (2018). Microfinance and mirage of women's empowerment. *E-International relations*, ISSN 2053-8626, PP. 1-7.
- Swapna, K. (2017). Impact of microfinance on women entrepreneurship. *International journal of business administration and management*, Vol. 7, no. 1, ISSN 2278-3660, PP. 229-241
- Tariq, S. & Sangmi, M. (2018). Microfinance and women empowerment: A brief review of literature. *Pacific business review international*, Vol. 11, Issue 3, PP 77-83.