

An Empirical Study On Women Empowerment Through Microfinance In Tenkasi District

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Abstract

Majority (70 %) of the world's poor are women why? because of gender inequality particularly in the employment opportunities of economic activities almost women is earning only one tenth of the world's income despite working two thirds of the total workhours, women are overburden with her household responsibilities and when it comes to decision making on the use of money and on family properties and business men takes higher rights than women. past study reveals that the highest poverty incidence among families in car with poverty rate is 30.9 %. Hence, improving the status of women by way of their economic development is highly called for that. they can not only help in the family needs but also in the economic development of the nation. in this connection, micro finance plays vital role in increasing women's participation in economic activities and decision making in which poor women (client) have the opportunities to access credit or avail loans to get avoid the poverty by creating job opportunities other than their traditional households' responsibilities. At present women have something for themselves and their children without too much becoming dependent on their husband's salary or income. The present study seeks to answer the empowerment of women level of satisfaction and level of impact through micro finance.

Key words: Women Empowerment, Microfinance and etc.

Introduction

Small finance is the sources of financial services that is provided to people who farm or fish or herd: operate small or micro enterprise where goods are produced, recycled, repaired, or traded: provide services: gain income from renting out small amount of land, vehicles, draft animals, or machinery and tools, and to other individuals and domestic groups in developing nation, in both rural and urban areas. Women empowerment indicates women's hold over use of resources and participation in the decision making as well leading to improvement in their socio – economic status. It is widely recognized that in order to have sustainable development and poverty reduction, inequalities among gender needs to be eradicated first, in fact, development of a nation depends upon the empowerment of women.

Various helping hand are available for women to provide finance as classified below:

1. Semi- formal sector – it covers all exclusive Micro financing Institutions (MFIs, NGOs and various Self Help Groups (SHG).

2. Informal sector – it covers family, friends, relatives, money lenders, traders and landlords etc.

It has been emerging by banking sector in a big way to participate in the microfinance movement. Now commercial banks are taking much interest in developing schemes exclusively for women

Objectives of the Study

1. To assess the level of satisfaction of the respondents with regards to the Micro finance services.
2. To analyze the level of impact of the Micro finance services on the lives of the respondents.

Methodology

This study covers Tenkasi district only and the researchers have selected the women respondents from different parts of Tenkasi district .and also the study is compiled with the help of both primary and secondary data. the primary data were collected from the women respondents in Tenkasi district by using an interview schedule method. The interview schedule had been prepared in such a way the respondents were able to express their opinions freely and frankly.

The secondary data have been collected from books, articles, magazines, published projects and also from the websites. The survey was conducted on the basis of convenience sampling method. For development sample design, totally 120 women respondents were selected for this study. The collected data were analyzed with the help of tables, percentages and weighted average score.

Hypothesis were made and were tested by using chi-square test.

The chi-square value is calculated as below

$$\chi^2 = \sum (O - E)^2 / E$$

All the tests were carried at the 5-percentage level of significance.

Analysis and Interpretation

Table no .1: General profile of the Respondents

Particulars	classification	Frequency	Percentage
Age group	Upto 20 years	20	17
	21 – 40 years	76	63
	Above 40 years	24	20
Marital status	Married	67	56
	Unmarried	40	33
	Widow	13	11
Type of family	Joint	68	57
	Nuclear	42	35
Educational qualification	Illiterate	18	15
	Up to 8 th std.	33	28
	Up to 12 th std.	53	44
	Graduation	16	13
Occupation	Self employed	25	21

Monthly income	Labour	79	66
	House wife	16	13
	Less than Rs.2500	20	17
	Rs.2501 – Rs.5000	23	19
	Rs.5001 – Rs.7500	58	48
	Above Rs.7500	19	16

Source: primary Data

The general profile of the respondents is given in Table No. 1 . Out of 120 respondents surveyed , 63 per cent of the respondents were in the age group of 20- 40 years , 56 per cent respondents are married , in the case of family 57 per cent of the respondents were from joint family , regarding the educational qualification 44 per cent of the respondents have studied up to 12th std. 66 per cent of the respondents worked as Laboure's, and 48 per cent of the respondents had Rs . 5000 – 7500 as their income .

Table no.2 : Use of formal / Informal sources of finance

Savings		
Particulars	Frequency	%
Formal sources		
Bank a/c	48	40
Post office saving a/c	19	16
Semi – formal sources		
MFIs/SHGs savings	25	21
Informal sources		
Neighborhood group savings	8	7
Gold / silver	15	13
Cash at home	5	4
Total	120	100
Credit		
Particulars	Frequency	%
Formal source s		
Bank	20	26
Co – operatives	5	6
Semi – formal sources		
MFIs/NGOs/SHGs	23	29
Informal sources		
Relative /friends	24	31
Employer	4	5
Colleagues	2	3
Total	78	100

Source : primary data

The above table shows that use of various formal and informal source of finance

The study reveals that the majority (40 %) of the respondents prefer formal sources of finance that is bank in order to park their hard earned money . 21 per cent of the respondents preferred the SHGs savings, 16 per cent of the respondents preferred the SHGs savings , , 13 per cent of the respondents preferred to buy gold/silver for their hard earned money . on the other hand , the majority (31 %) of the respondents preferred informal sources of finance for availing credit. As the table shows the most common informal sources of finance is the relatives /friends (31 %) followed by semi financial sources of finance SHGs (29 %) and 26 per cent of the respondents preferred formal source of finance that is banks for availing the credit .

Level of Satisfaction

A questionnaire containing twenty variables related to micro credit was administered to 120 respondents. these variables have been derived form the earlier literature (kamble , sonar, 2006 ; pandy, 2008; Albino, Subramanian , 2008;ramji2009) Out of the total number of respondents only 78 respondents reported having taken credit from one or the other sources finance the respondents were asked t rate each variable on a five point likert scale according to the satisfaction derived from it For the purpose of analysis satisfaction level of the respondents , weighted average score (WAS) was calculated for each variable .

Table no.3 Perceived satisfaction level of the women microfinance borrowers

S.No	Variables	HS	S	N	D	HD	WAS
Variables of High satisfaction							
1	Amount of loan availed	50	12	10	6	-	4.35
2	Timing to access credit	43	17	-	12	6	4.01
Variables of moderate satisfaction							
3	Loan duration	35	15	12	10	6	3.81
4	Behaviour of bank staff	30	15	13	15	5	3.68
5	Suitable products are available as per needs	23	20	20	12	3	3.62
6	Transportation cost to visit a bank branch	25	22	6	23	2	3.58
7	Requirement of guarantee	23	16	20	10	9	3.44
8	Time taken to get the loan sanctioned	26	6	23	17	6	3.37
9	Recognition and respect from the provider	25	13	19	9	11	3.37
10	File charges	23	7	17	24	7	3.19
11	Complaints/problems are well entertained	26	3	15	26	8	3.17
12	Compulsory saving requirement	23	3	20	26	6	3.14
13	Consequences of non-repayment	20	9	15	26	8	3.09
14	Enough information is provided by the provider	20	12	8	29	9	3.06
15	Rate of interest	23	-	14	35	9	2.83
Variables of slight satisfaction							

16	Loan utilization check	20	-	14	35	9	2.83
17	Repayment of policy	15	-	32	14	17	2.77
18	Convenient procedure	14	6	17	29	17	2.75
19	Demand for collaterals	20	-	12	29	17	2.71
20	Terms and conditions	14	-	20	32	12	2.64

Source : primary data

The variable were categorized on variable of high significance moderate satisfaction, and slight satisfaction depending upon their WAS. the results are presented in Table no.3 It is observed that out of total twenty variables only two variables have been ranked in the category of high satisfaction, thirteen variables in the category of moderate satisfaction and the remaining five variables as of slight satisfaction . A majority of respondents (64%) perceived the Amount of loan availed to be yielding highest satisfaction having WAS of 4.35 and Terms and conditions has been ranked at the lowest among the variables of slight satisfaction with WAS of 2.64. The study reveals that women are not satisfied with the loan utilization check, repayment policy, convenient procedure, demand for collaterals and the terms and conditions

Testing Hypothesis

There is no significant difference between the satisfaction level of formal and informal sources of micro credit

Chi-square analysis

In order to determine whether there is a significant difference between the satisfaction level of those availing micro credit and the sources of finance , it is evident from Table 5 that the hypothesis is accepted (significant) in nine cases and in eleven cases, the hypothesis is accepted (No significant) . It is concluded that there exists no significant association among the satisfaction level of the formal and informal sources of micro credit with respect to amount, of rate of interest, timing to access credit , demand of collaterals, loan utilization check, recognition and respect from the providers, suitable products are available as per need , complaints / problems ae well entertained and the rest of the variables are significant over the satisfaction level .

The above hypothesis was analyzed at 5 percent level of significance. The calculated chi-square values have been compared with the tabulated chi-square value at 5 per cent level of significant for 20 df.i.e 31.4 and the results are presented in the table 4 .

Table No. 4: computed chi-square

S.no	Variables	Chi-square value	Results	Accepted/rejected
1	Amount of loan availed	84.65	Significant	Rejected
2	Timing to access credit	14.31	insignificant	Accepted
3	Loan duration	45.64	Significant	Rejected
4	Behaviour of bank staff	35.67	Significant	Rejected
5	Suitable products are available as per needs	49.19	Significant	Rejected
6	Transportation cost to visit a bank branch	19.87	Insignificant	Accepted

7	Requirement of guarantee	17.97	Insignificant	Accepted
8	Time taken to get the loan sanctioned	55.72	Significant	Rejected
9	Recognition and respect from the provider	39.37	Significant	Rejected
10	File charges	27.39	Insignificant	Accepted
11	Complaints/problems are well entertained	24.31	Insignificant	Accepted
12	Compulsory saving requirement	13.53	Insignificant	Accepted
13	Consequences of non-repayment	28.61	Insignificant	Accepted
14	Enough information is provided by the provider	25.53	Insignificant	Accepted
15	Rate of interest	17.31	Insignificant	Accepted
16	Loan utilization check	22.12	Insignificant	Accepted
17	Repayment of policy	37.47	Significant	Rejected
18	Convenient procedure	34.33	Significant	Rejected
19	Demand for collaterals	26.45	Insignificant	Accepted
20	Terms and conditions	39.39	Significant	Rejected

Source : primary data

Level of impact

This section deals with the examination of the level of impact which the respondents observed after taking micro credit . All 78 respondents availing micro credit were asked to rat the variables showing impact on their lives of micro credit on five-point likert scale. The impact level has been analyzed by calculating the Weighted average score for each variable. The variable have been categorized as variables of high impact, moderate impact and slight impact. It is evident from table 5 that out of ten variables not a single variable has been ranked as the variable of high impact and slight impact . All the variables are in the category of moderate impact .This shows that micro finance has been able to mark some impact on the lives of the women respondents as they reported improvement in their recognition in family improvement in courage and confidence

Table No: 5 Level of impact on the women micro finance borrowers

S.No	Variables	SA	A	N	D	SD	WAS
Variables of moderate impact							
1	Recognition in family	23	17	14	21	-	3.79
2	Improvement in courage	26	17	26	9	-	3.77
3	Improved communication skills	23	26	14	15	-	3.73
4	Confidence building	26	20	15	17	-	3.71
5	Improvement in income level	20	17	23	18	-	3.5
6	Improvement in social status	29	17	12	20	-	3.70
7	Improvement in consumption level	23	14	17	24	-	3.46

8	Increase in decision making powers	23	14	12	3	6	3.32
9	Awareness of social issues	20	20	14	12	12	3.31
10	Poverty reduction	14	23	14	27	-	3.31

Source : primary data

Conclusion

Microfinance has been effectively contributing to women empowerment significant to their family development in terms of getting credit for housing repairs, education and marriage of their children and also for consumption purpose women empowerment to a great extent depends upon the economic empowerment of women and microfinance can prove to be a very powerful instrument of women empowerment in the times to come. so, women should be encouraged to take up on entrepreneurial activities by giving them proper guidance and developing their business skills

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