

## **Microfinance and Women Empowerment: An Analytical Evaluation of Bilaspur Division of Chhattisgarh**

**By**

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### **Abstract**

"Empowerment means to give someone the power or authority to act," says Crowther. Women's empowerment refers to their whole development, which includes their socioeconomic, political, and physical growth. There can be no sustained human growth if women are not fully and equally included. Microcredit is the growth of extremely small loans that are not deemed bankable to entrepreneurs and other people in poverty. SHG is a type of nonprofit organisation. Every lady is welcome to join as a member. Residents of the specific area should be SHG members. The members must also be older than 18 at the same time. They ought to show up on time for the meetings. An effort has been made in this chapter to examine the socioeconomic circumstances of the SHG members.

**Keywords:** SHG-self-help groups, microcredit, empowerment

### **Introduction**

A instrument for socioeconomic development is microcredit. The empowerment of women, especially in rural regions, is essential. Microcredit and the creation of Self Help Organizations will improve their socioeconomic standing in society. "Empowering women is crucial, especially in rural regions. Their socioeconomic position in society will be strengthened via the creation of Self Help Organizations and microcredit. The success of microcredit schemes has frequently been attributed to its strict focus on empowering women and boosting their self-confidence by helping them create their own sources of income. Several case studies demonstrate the beneficial correlation between women's empowerment and credit accessibility. It has been noted that the majority of rural women who participate in self-help group activities have seen positive empowerment. SHG is an effective tool for empowering women.

India has one of the world's fastest expanding economies. In terms of nominal GDP, it is the ninth-largest economy in the world, but India is the fourth-largest economy globally in terms of purchasing power parity. Since liberalisation, in 1991, India's economic reforms have included the adoption of micro and macroeconomic free market concepts, assisting the nation's economy in achieving a rapid growth rate of 7.7% annually. India has had significant economic growth, but due to rising levels of high unemployment and poverty, the country has continued to struggle with issues including expanding income disparity. More than 350 million individuals in India, according to a World Bank assessment, make less than \$1.5 per day. This demonstrates unequivocally that India is home to one third of the world's poor people. Amartya Sen, a well-known economist, has remarked that people have different perspectives on poverty. Poverty is neither a lack of money or a lack of income; rather, it might be a lack of the most basic essentials of existence due to a lack of resources. For instance, the government has

introduced various schemes named as Jawahar Rozgar Yojana (J.R.Y. ), Sampoorna Gramin Rojgar Yojana (S.G.R.Y. ), and Integrated Rural Development Programme (I.R.D.P.) for the creation of employment and removal of poverty in villages. The Central Government of India is taking various actions and launching various programmes to fight with poverty.

Even after the implementation of such programmes, there is scarcely any change in the financial situation of the poor, which has an impact on the entire nation's economy. So, these significant problems pose a greater threat to the nation's economy and are challenging for the government to resolve.

India is a democratic country with a male-dominated economy, yet women play a significant and fundamental role in it. A nation cannot advance until and unless it recognises the value of and contribution made by women to the creation and expansion of the economy. India needs to understand that if women are given the same opportunities as men, they can completely transform an economy. It is challenging to accomplish women's empowerment unless the economy uses women's labour and grants them the same position as men for all economic development activities. According to some, achieving women's empowerment depends on four key pillars: political empowerment, economic empowerment, social empowerment, and technological empowerment. These empowerments are crucial to realising and maintaining the dream of a sustainable society as well as the growth of the economy as a whole.

## **Description of the issue**

The basic goal of all developmental initiatives, eradicating poverty, has remained a challenging and vital concern for emerging nations. Self-Help Organizations have developed in this environment, and the idea of microcredit has also developed. How much does microcredit aid in the empowerment of low-income women? The goal of the current study is to determine the answer to this issue. This study makes an effort to determine how microcredit affects women's empowerment.

## **Review of literature**

There is a tonne of writing on women's empowerment, both by Indian and foreign authors. Hence, an effort is made to review the significant studies conducted in India. Papers presented at national and international seminars, PhD theses submitted to various Indian and foreign universities, and articles published in scholarly journals have all been reviewed. In order to decide the methodology that should be used for the current study, it is believed that the review will be useful in identifying the research gaps in the field of women's empowerment.

Malhotra A. (2020) compiled a list of the most often used aspects of women's empowerment in his paper titled "Measuring women's empowerment as a variable in international development," drawing from frameworks created by many writers in various social science domains. These frameworks, which take into account overlap, suggest that there are numerous dimensions along which women's empowerment must take place. Political, legal, familial/interpersonal, socioeconomic, and cultural. Because of the wide range of topics covered by these dimensions, women may be empowered within one of these sub-domains.

Chandramani (2015) in his study on self-help groups for empowerment of rural women revealed that women's development is directly related to national development. It could be

well ascertained that women's development could be achieved by empowerment which there by enables women to be the agents of social change. Women's organizations and groups provide them a platform to discuss helplessness in their own society. Involvement of women is essential in all stages of economic and social activities.

Dr. Deepti Umashankar (2016) studied Women have to be acquainted with the government machinery through illustrated pamphlets and lecture and demonstration sessions that make clear the tasks of different functionaries. A successful intervention for empowering women necessitates several elements – an important one is imparting of new skills: the consequence of women assuming new roles is also support through training for enabling them to perform these roles.

Abdul Raheem and Yasmeeen Sultana (2017) in their study stated that the Self-Help Group (SHG) in our country has become a source of inspiration for women's welfare. Now a days formation of SHG is a viable alternative to achieve the objectives of rural development and to get community participation in all rural development programmes. SHG is also available organized set up to disburse micro credit to the rural women and encouraging them to enter into entrepreneurial activities. In all stages of economic and social activities, involvement of women has given added significance to them. Women led SHGs in many parts of country have achieved success in bringing the women to the mainstream of decision making.

Gradatim (2018) referred microfinance as banking for the poor; it has emerged by way to provide financial assistance to the underprivileged. It also refers to that are available to the economically lower strata of the society and host of financial services includes loans, savings and other financial products. The author also highlights that microfinance has now become an essential ingredient in the development which enabling and empowering tool for poverty alleviation and economical empowerment of the needy.

Linda Mayoux 2019, in her paper argues that, microfinance institutions cannot have more than a limited impact on women's empowerment unless there are changes in wider gender inequalities in the broader social and economic contexts in which they operate. In order of overcome these limitations, Mayoux recommends that Micro Financial Institutions (MFIs) intentionally address women's empowerment as part of their goals, objectives, operations, and product design. In addition to the issue of domestic violence previously discussed, other common concerns raised include the increased burden that micro enterprise activities place on women's time, MFIs' reinforcing rather than challenging gender inequalities, and the possibility that children will be kept out of school to help in their mother's business. It has been observed that microfinance figures into poor women's risk-management strategies and that continued access to credit is a major incentive for repayment. The most effective strategies will be devised when staff at microfinance institutions listen to clients and carefully evaluate their resource bases, strengths, and vulnerabilities so that they develop products and services that build on strengths and existing resources.

## **Objectives of the Study**

1. To track the development of microcredit and the SHGs' methods.
2. To examine how microcredit affects women's empowerment among members of women's SHGs in the district of Bilaspur.
3. To make appropriate recommendations in light of the study's findings.

## Scope of the study

The study examines the effects of microcredit on the income, spending, asset ownership, and status of SHG members and is based on original data that the researcher obtained. The current study intends to analyse SHG members' perspectives on the microcredit offered by the banks in the Bilaspur district. It attempts to examine the effects of microcredit and the beneficiaries' perspectives on it. Only women SHGs are covered by the study. It excludes men and SHGs for young people.

## Methodology

The current study is based on both primary and secondary data. In the Bilaspur District, 140 members were interviewed to gather primary data. The secondary data were gathered from the internet, books, journals, newspapers, and magazines.

## Design Sampling

There has been a practical random sample used. 2795 SHG members and 156 Self Help Groups total for the Bilaspur District. 140 participants in this study were chosen from among the 5% of members who were chosen. The current study examines how microcredit affects women's empowerment among members of women's SHGs in the district of Bilaspur.

## Limitations of the study

The following restrictions and limitations apply to this study:

1. The district of Bilaspur is the sole focus of the study. Thus, it can't be generalised.
2. The study was restricted to SHG members who were women.

## Statistical tools

The analysis of the original data makes use of a variety of statistical tools. The following statistical tools are used to examine and interpret the data collected.

1. Percentages
2. Chi-square test
3. Sign test

## Opinion of members about creation of house hold assets

The respondents were questioned about whether they believed SHG members had bought household items including jewellery, radios, TVs, watches, bicycles, and the like since joining the SHG. Table 1 displays the members' perspectives on the acquisition of these assets.

**Table 1:** *Opinion of members about creation of household assets*

**Source:** Primary Data

Table 4 provides information on how household assets were created after joining the SHG. Out of 140 members, 22 respondents (15.71%) bought jewellery, 68 respondents (48.57%) bought radio, 33 respondents (23.57%) bought television, and 95 respondents (67.86%) bought watches and bicycles. After joining the SHG, more than two-thirds of the respondents [67.86%] purchased assets like watches and bicycles.

**Table 2:** Opinion of members about creation of household assets – sign test**Source:** Primary Data

Table 2 demonstrates that the Z value for item number 2 falls within the null acceptability range [ $Z = -1.96$  to  $+1.96$ ]. This shows that there is no appreciable change in the members' responses to whether they bought a radio after joining the SHG, and that the Z values for the other items 1, 3, and 4 do not fall within the acceptable range of null hypotheses. This shows how the members felt about buying household items like jewellery, a TV, a watch, and a bicycle after joining the SHG.

***Members' perspectives on the creation of commercial assets***

The respondents were questioned about whether the SHG members had purchased home business assets such as agricultural land, buildings, cattle, poultry birds, sheep, and goats after joining the SHG. Table 3 displays the participants' perspectives on the development of these assets.

**Table 3:** Opinion of Members about Creation of Business Assets**Source:** Primary Data

Table 3 provides information on the creation of business assets among the 140 members who joined the SHG. Agricultural land was purchased by 32 respondents (22.86%), buildings by 12 respondents (8.57%), cattle by 28 respondents (20%), poultry by 26 respondents (18.57%), and sheep and goats by 82 respondents (58.57%).

Respondents are categorised based on their opinions of microcredit. The respondents were divided into three groups based on how highly, moderately, and negatively they felt about microcredit.

**Table 4:** Classification of Respondents on the Basis of Opinion Scores on Microcredit

**Source:** Primary Data

Table 4 shows that of the 140 respondents, 65.71 percent have a medium level of opinion, 18.57 percent have a low level of opinion, and 15.71 percent have a high level of opinion. The following 10 statements have been used to examine how SHG members feel about Bank executives.

1. Bank staff cooperated well.
2. Bankers don't demand securities.
3. Bank staff don't ask for favours.
4. Quick loan approval;
5. No additional interest is assessed

**Table 5:** Classification of respondents on the basis of opinion scores on bank officials

**Source:** Primary Data

Table 4.11 shows that, of the 140 respondents, 65% hold medium-level opinions, followed by 16.43% who hold low-level opinions, and 18.57% who hold high-level opinions. respondents' views on how loans affect overall quality of life

**Table 6:** Opinion of respondents on the effect of loan on the overall quality of life

**Source:** Primary Data

According to Table 4.32, 94.29 percent of respondents believed that their overall quality of life had increased as a result of receiving the loan, while 5.71 percent of respondents said that there had been no change in their overall quality of life as a result of receiving the loan. 94.29% of respondents, or more than nine out of ten, felt that their overall quality of life had improved since receiving the loan.

## **Summary of the results**

72.86% of responders don't have any formal education. 82 out of the 140 responders fall into the "can sign" category. Collies make up the majority of sample responders (67.14%). 96.43% of respondents said they were satisfied with their SHG membership. By loan facilities and entrepreneurial skill development programmes, SHG members who generate less revenue through microenterprises should be assisted in increasing their income. The establishment of a distinct SHG bank is necessary for the empowerment of women at the village, block, and district levels.



## **Conclusion**

The first step in building a good country is to empower women since a stable society is guaranteed with empowered women. It is crucial to empower women since their ideas and values are what shape a good family, good society, and eventually a good country. No appreciable improvement occurred in the socio-economic status of women, and they continue to trail behind men in their involvement in the development process despite a variety of constitutional protections, legislative measures, and government-initiated programmes and initiatives. There can be no sustained human growth if women are not fully and equally included. Women's low socioeconomic standing and lack of empowerment is a serious socioeconomic issue on both a national and international scale, necessitating the ongoing implementation of a long-term, multi-pronged strategy.

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