

An Empirical Study on Empowering Women of Rajasthan through Microfinance

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Abstract

Self-help-Group a small group women of same socioeconomic background of rural women who themselves start their lending only when they have enough capital in their group. Each group member deposits a small amount in the group unless and until they do not have a large amount for the lending process. Self-help-groups works under the guidance of microfinance. The main motive of microfinance is to empower the women in-order-to eliminate the poverty. Because through women only the poverty can be eliminate as they are the base of the family. The aim of this paper is to analyse the empowerment of women under three different aspects, they are; Psychological empowerment, political empowerment and legal empowerment. Framed three hypotheses to understand the effect of microfinance on the three aspects of empowerment. Data was collected by the use of survey method 496 questionnaire was being filled by the women of Rajasthan in Alwar district for the study and with the help of statistical package for social science the collected data was analysed. Results show a positive impact on women in all the three aspects

Keywords: Women Empowerment, Self-help-Group, Microfinance, Dimensions

1. Introduction

The term microfinance is a combination of two words micro and finance, which means providing the facility of loan in the poorer or needy in a small amount. Here, the term “micro” means small proportion where as “finance” means money, the arrangement or management of money for the needy, poorer section of the society.

Microfinance refers to providing the financial facility in terms of goods or services in a very small amount to the poor people so, that they may raise their level of income and their living standard. The main motive behind the establishment of this institution was to empower the women, to make them self dependent for the family, for the society and for the nation and for the economy as a whole. It is an instrument for the needy people to fight against poverty and to live a better life

Muhammad Yunus is the father of microfinance. The concept to start this type of facility came into his mind in the year 1974 when Bangladesh fell into the web of famine. That time he was the head of Economics Department in the Chittagong University. In the year 1974 people of Bangladesh died because of famine and they were poor. They were alive not to get food but to die. As, the gap between the death and alive is very short. So, they were just waiting when they stop breathe. It was a difficult time for the people of Bangladesh. At that Muhammad Yunus used his knowledge, power and what he has with him even his earning also to help the poor people to eradicate the poverty by the establishment of “GRAMEEN BANK”. The concept of Grameen Bank came in his mind when he met Sufia in Jhora village during his research study. Her survival motivated him to take this step and his step not only helped Sufia but also to many other women who are poorer than poor. The battle for the Grameen bank started in the year 1974 and won in the 1983. In the year 1976, Grameen Bank was started and in the year 1983 it was converted into a statutory body by an ordinance of the Government of

Bangladesh. In the year 2006, Muhammad Yunus got Noble Peace Prize for the upliftment of Socio-Economic condition of the poor.

2. Literature Review

Krishnan, 2009 presented an empirical study to examine the role played by various microfinance institutions for empowering women. The study was conducted in Kozhikode district of Kerala, India. For assessing the work of SHG'S a NGO and Government organisations were taken whereas non-government organisations was called by a name Shreyas and government organisation called by kudumbashree. Survey was conducted among 100 each of women SHG'S and NHG members WERE included through a multi-stage random sampling technique who was interviewed. The collected data was analysed by using simple statistical tool, chi-square was used for the analysing the attitude of members at 1% level of significance. Author concluded that 98% had favourable attitude toward microfinance, the SHG'S and NHG have beneficial impact on women empowerment. Author also suggests that there is a need to provide training and motivate the members to overcome the difficulties in the way conducting IGA's. **Mahendra, et al., 2011** presented a study on the Economical empowerment of women by SHG'S, by testing two hypothesis that analyze the before and after mean income and savings of the SHG's members. Most of the researcher concentrated on the relationship between SHG'S programme and women empowerment while ignoring the above mentioned factors. For the purpose of study an analytical research survey was conducted through questionnaire among 147 members of SHG'S in Mahabubnagar district of Andhra Pradesh. From the paired t-test it was found that being a member of SHG's there is an improvement in their income as well as in their saving thus, accepted the alternate hypotheses at 5% level of significance. Authors concluded that SHG'S played an important role for the Economic empowerment of the women. **Shashikala & H.R., 2011** presented an empirical study to analyse the empowerment of women through micro credit programme by testing 2 hypotheses to analyse the before & after mean income and asset creation. For the purpose of study an analytical research survey was conducted through questionnaire among 100 respondents of Mysore district, Karnataka. The collected data was analysed by using paired t-test and simple statistical tools. From the analysis it was found that after joining SHG's the mean income of the respondents were increased by paired t-test the mean value of before and after monthly income is Rs.1664.80 and 687.50 thus the null hypotheses rejected at 1% level of significant and the alternate hypotheses accepted. As for the asset creation from paired t-test it was found the mean value of before and after creation of asset is rs.1085 and 694 thus the null hypotheses rejected at 1% level of significance and the alternate hypotheses accepted. It was also found that the financial position of the respondents were improved, they become more confident and actively participate in decision making activity. Author's concluded that micro credit program is an effective tool for the alleviation of poverty it helps the rural women to improve their financial status it truly empowered the women. **Ayub, 2013** presented an empirical study to analyse the impact of microfinance to eliminate the problem of poverty. Discussed the amount of loan for the poor and generating employment. In earlier studies most of the researcher discussed on the ways to improve the living standard. An analytical research survey was conducted through questionnaire on the clients of national rural support program in Bahawalpur of Pakistan. The data was analysed on the basis of various perspectives like; availability of required amount loan for the poor, increase in income level, education and health facilities for family member after taking loan, employment opportunities. The collected data was analysed by using simple statistical tool. suggests that the loan size should be increased to meet the requirement of borrowers and also should increase staff members and educate them how to deal with customer's efficiently. **Ameer & Jamil, 2013** presented an empirical study to examine the effectiveness of microfinance loans. Discussed the effectiveness of loan under three parameters i.e, procedure, loan consumption and income. In earlier studies most of the researcher discussed microfinance as a tool of poverty alleviation. An analytical research survey was conducted through questionnaire upon 40 clients of Timer microfinance bank of Punjab, Pakistan. The collected data was analysed by the use of SPSS 16, Cranach's alpha and regression, excel tool of MS-office was also done for the calculation of data. Cranach's alpha was used for the reliability of the variables which lies from 0 to 1, all the 3 variables were totally reliable with the value of 0.763 is for procedure, 0.671 is for loans, and 0.724 is for income. Firstly a regression was done between loan and procedure where loan is considered as a dependent variable and procedure is taken as a independent variable. It was seen the value of beta is +4.60 and positive which shows procedure significantly affecting the loan consumption. Secondly a regression was done between loan and income where income is considered as a dependent variable and loan is taken as an independent variable. It was seen, the value of beta is -1.79 which shows income does not depend on the loan consumption. The study states that if the procedure is good the loan consumption will be high but as for income it does not depend on the loan consumption it can be increased or decreased. Author's concluded that it is not necessary that income increase by the loan consumption it can be running business. Author's also suggest microfinance should extend its reach to come the core poor, provide them training, information about microfinance schemes. **Lokhande, 2015** presented an empirical study in marathwada region of Maharashtra, by testing four hypotheses that analyze the

effect of gender and awareness with respect to financial, administrative, Social and political activities of the group. Earlier studies have concentrated on the growth of self help group while ignoring the effects of above mentioned factors. In order to proceed the study both first hand and second hand data were collected from research journals, NABARD report and books. An analytical research survey was conducted through questionnaire among 219 members including male and female. The collected data was analyzed on the basis of various perspectives as; demographic characteristics, distribution of sample, asset, sources of funds, savings, motivating factors, influencing factor, financial assistance, loan, use of loan, interest charge, repayment, group meetings. Simple percentage method, weighted average and chi-square test were used to analyse each of the perspectives. Author concluded that there was a huge increment in the socio-Economic condition of the group members they started to participate in group meeting, easy access to credit, they have the knowledge of fund related information, information related with the start-up. Author suggests that there is need to promote non-farm activities for the development of rural sector. **Helina, et al., 2016** presented a study to understand the boundaries of microfinance in the empowering projects of women. Discussed the problems faced by women entrepreneur. For the purpose of study second hand information has been gathered from different the sources such as; internets, magazines, newspapers and journals. To identify the areas of difficulties in business as a women 11 parameters were taken they are; personal safety, partnership, balancing work & family, dealing with corruption, managing both male & female employees, access to credits, joining business association, theft and it was found balancing work & family life is more challenging as a women, easily available of loan they found difficulty while working with clients & customers. Author concluded that it was found microfinance is a very important to provide microfinance to the women entrepreneur and the percentage of loan amount to women as compared to the previous year were increased this is an indication of Economic development of women entrepreneur. **Eularie & Vishwanatha, 2016** presented an analytical study to understand the function of microfinance when they empowering women and also to examine the challenges faced by rural women to access microfinance services. In earlier studies most of the researcher discussed the Economic empowerment of women. The study was carried out in Rwanda. For the purpose of study first hand and second hand information has been gathered. An analytical research survey was conducted through questionnaire upon 75 rural women. Author concluded that the participation level of women in microfinance services is less so, encouraging them by organising awareness campaign and government of Rwanda, donors, development practitioners should work together and to find out the future potential of emerging microfinance institutions in rural areas.

3. Research Methodology

Present study is a quantitative study for which the data is gathered by the survey technique with a well structured questionnaire converted into the local language so the respondent so they may understand it easily. Later on all the filled questionnaire was examined by the use of social science software 25. In which correlation, regression analysis done. For which microfinance is considered as a Independent variable and Psychological, Political & Legal Empowerment as dependent variable. Moreover other information was also gather from the papers which were already published, reports taken from the internet.

H01: There is no significant impact of the microfinance on psychological empowerment of women through Self Help Group.

HA1: There is a significant impact of the microfinance on psychological empowerment of women through Self Help Group.

H02: There is no significant impact of the microfinance on political empowerment of women through Self Help Group.

HA2: There is a significant impact of the microfinance on political empowerment of women through Self Help Group.

H03: There is no significant impact of the microfinance on legal empowerment of women through Self Help Group.

HA3: There is a significant impact of the microfinance on legal empowerment of women through Self Help Group.

4. Data Analysis

Table 1: Rotated Component Matrix

Rotated Component Matrix	1	2	3
Did microfinance help you to solve your problems independently?	.528		
Did microfinance motivate you to start your own business?	.599		
Did microfinance gained your knowledge for personal hygiene.	.699		
Did microfinance gained your knowledge for marketing of products.	.711		
Did microfinance gained your knowledge for nutrition and balanced diet	.698		
Did microfinance helps you to feel safe and free	.519		
Did microfinance help you to make your choices independently?	.635		
Did microfinance helps you to share household work by the husband	.522		
Did microfinance help you to vote independently without the influence of other family members.		.556	
Did microfinance provide you information about the programs launched by government?		.733	
Did microfinance help you to participate in gram sabameetings.		.822	
Did microfinance help you to participate in political activities?		.895	
Did you feel that microfinance helps you to develop contacts with political leaders?		.895	
Did microfinance help you to attend the campaign to remove the violence against women?			.717
Did microfinance provide you awareness regarding legal right of women?			.773
Did microfinance help you to get legal rights?			.848
Did microfinance help you to stand equally with man?			.791
Did microfinance help you to access the right on property?			.831

The above table describes the variables that were rotated under the 3 aspects of empowerment. The psychological factor carries 8 variables, political factor consist of 5 and the legal factor consist of 5 variables of empowerment.

Psychological Empowerment

Psychological empowerment of women carries 8 variables and shows the women were psychologically empowered by the microfinance programme. The study reveals that the knowledge for marketing their products has a value of 0.711 followed by personal hygiene with 0.699, knowledge for diet with 0.698. As for making their choice it has the value of 0.635 followed by start-up with 0.599, problem solving with 0.528, help by the partner in household activity with 0.522 and safety with 0.519. Therefore it is not wrong to say that microfinance has changed the perspective of women and build them to change the world.

Political Empowerment

For the political empowerment of women, it comprises with five variables. With the value of .895 two variables were loaded initially they are, participation in political activities & contacts with political leaders followed by .871 with political recognition, .822 with going for gram saba meeting, .733 with knowledge of

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government projects and .556 with voting with their own choice. This shows that a woman of Rajasthan has seen a change in their life as they start to be politically empowered with the help of microfinance.

Legal Empowerment

The legal empowerment of women carries five variables which help to know the level of women in legal empowerment. The result reveals women of Rajasthan are getting awareness towards their legal right with the value of 0.848 followed by 0.831 for property information, 0.791 with equal rights, 0.773 with their legal right and 0.717 with the elimination of violence. Therefore it was analysed that microfinance has changed the life of women in a positive manner.

Reliability of Data

Table 2: Reliability Statistics

Reliability Statistics		
Variables	Cronbach's Alpha	N of Items
Psychological Factor	.890	8
Political Factor	.921	5
Legal Factor	.898	5

Table 2 shows the accuracy of the data used for analysis where value for all the three is higher than 0.07 of the value of measurability, which stated the data is good for further study

Testing of Hypothesis

H01: There is no significant impact of the microfinance on psychological empowerment of women through Self Help Group.

HA1: There is a significant impact of the microfinance on psychological empowerment of women through Self Help Group

Correlation Analysis

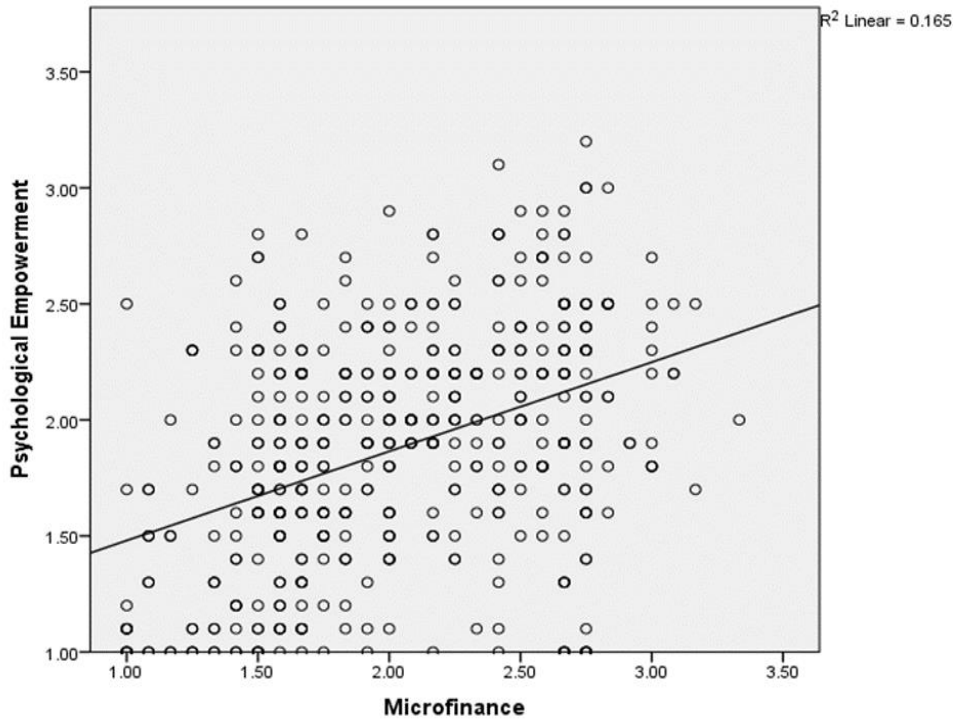
Table: 3 Correlations

Correlations		
		Psychological Empowerment
Microfinance	Pearson Correlation	.406
	Sig. (2-tailed)	.000
	N	496

Source: Output of IBM-SPSS 22

The above table 3 shows the value of small "r" i.e., Pearson correlation which has been done to know the relationship between the variables i.e., microfinance and psychological empowerment. From the study it was found that both the variables has a positive relationship with other and the value of r is 0.406 with the significance value of 0.000

Scatter Plot



Source: Output of IBM-SPSS 22

Regression Analysis

Table:4 Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.406 ^a	.165	.163	.47977	1.762
a. Predictors: (Constant), Microfinance					
b. Dependent Variable: Psychological Empowerment					

Source: Output of IBM-SPSS 22

The above table 4 model summary of the regression analysis helps to know the dependency of one variable with the other. Here in table no 4; we can see that the value of R is 0.406 which shows the positive relationship in both the variables and the value of R2 is 0.165 which states that 16.5% of the variable has a significant effect on psychological empowerment of women. And the value of adjusted R2 is 0.163 which is not need in our study therefore we will proceed further by looking into the value of Durbin-Watson which is 1.762 shows that the model is completely god for the analysis.

Table 5: ANOVA goodness of fit (GOF)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.454	1	22.454	97.548	.000 ^b
	Residual	113.709	494	.230		
	Total	136.163	495			
a. Dependent Variable: Psychological Empowerment						
b. Predictors: (Constant), Microfinance						

Source: Output of IBM-SPSS 22

The table 5 of ANOVA goodness of fit helps to figure out whether the model is fit or not. The table has two variables one is dependent and another one is independent. Microfinance is considered as an independent

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variable and psychological empowerment is considered as a dependent variable. And from the analysis it was found that the model is good as the significance value is less than 0.05. And the value of F-test is completely significant by which we can say that the model describes a sufficient amount of the variance in the psychological empowerment

Table 6: Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.237	.085		14.637	.000
	Microfinance	.429	.043	.406	9.877	.000
a. Dependent Variable: Psychological Empowerment						

Source: Output of IBM-SPSS 22

From the above table 6 we come to know the acceptance and rejection of the null hypothesis. Here the value of beta is 0.406 which shows a positive impact on the psychological empowerment of women. And the value of unstandardized coefficients shows how there is a change in dependent variable with a change in independent variable keeping all other things constant. The significant value is less than 0.05 thus we will reject the null hypothesis and accepting the alternate hypothesis which says that microfinance has a impact on the psychological empowerment of women.

H02: There is no significant impact of the microfinance on Political Empowerment of women through Self Help Group.

HA2: There is a significant impact of the microfinance on Political Empowerment of women through Self Help Group

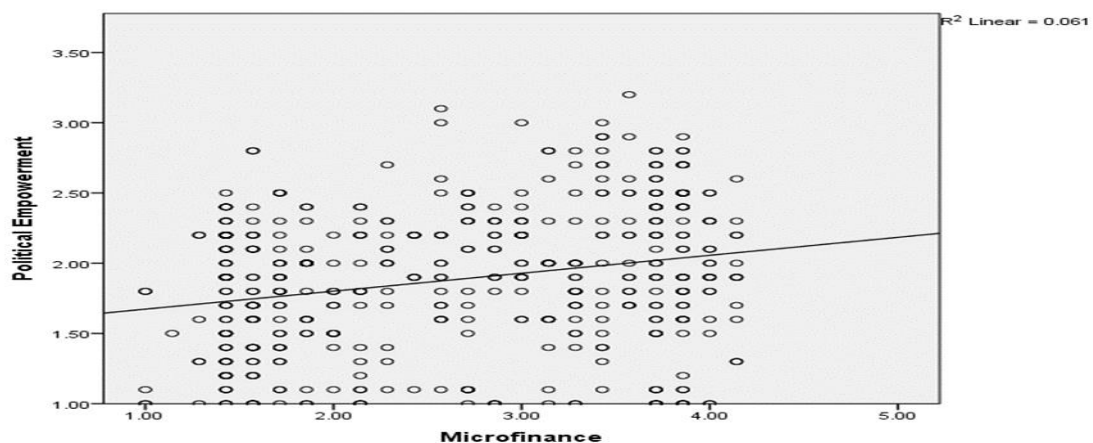
Table 7: Correlation Analysis

Correlations		
		Political Empowerment
Microfinance	Pearson Correlation	.246
	Sig. (2-tailed)	.000
	N	496

Source: Output of IBM-SPSS 22

From the table 7 it can be seen that Small “r” Pearson correlation has been done to know the relationship between the variables i.e., microfinance and political empowerment. From the study it was found that both the variables has a positive relation relationship with other and the value of r is 0.246 with the significance value of 0.000

Scatter Plot



Source: Output of IBM-SPSS 22

Regression Analysis

Table 8: Model Summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.246 ^a	.061	.059	.92830	1.609
a. Predictors: (Constant), Microfinance					
b. Dependent Variable: Political Empowerment					

Source: Output of IBM-SPSS 22

From the above table 8 we can see that regression analysis has been done to know the dependency of one variable with the other. Here in this table we can see that the value of R is 0.246 which shows the positive relationship between both the variables and the value of R² is 0.061 which states that 6.1% of the variable has a significant effect on political empowerment of women. And the value of adjusted R² is 0.059 which is not needed in our study therefore we will proceed further by looking into the value of Durbin-Watson which is 1.609 shows that the model is under the range

Table 9: ANOVA goodness of fit (GOF)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.468	1	27.468	31.875	.000 ^b
	Residual	425.703	494	.862		
	Total	453.171	495			
a. Dependent Variable: Political Empowerment						
b. Predictors: (Constant), Microfinance						

Source: Output of IBM-SPSS 22

The ANOVA table 9 goodness of fit helps to figure out whether the model is fit or not. The table has two variables one is dependent and another one is independent. Microfinance is considered as an independent variable and political empowerment is considered as a dependent variable. And from the analysis it was found that the model is good as the significance value is less than 0.05. And the value of F-test is completely significant by which we can say that the model describes a sufficient amount of the variance in the political empowerment

Table 10: Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.740	.164		10.637	.000
	Political Empowerment	.474	.084	.246	5.646	.000
a. Dependent Variable: Political Empowerment						

Source: Output of IBM-SPSS 22

The above table 10 we come to know the acceptance and rejection of the null hypothesis. Here the value of beta is 0.246 which shows a positive impact on the political empowerment of women. And the value of

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unstandardized coefficients shows how there is a change in dependent variable with a change in independent variable keeping all other things constant. The significant value is less than 0.05 thus we will reject the null hypothesis and accepting the alternate hypothesis which says that microfinance has a impact on the political empowerment of women.

H03: There is no significant impact of the microfinance on legal empowerment of women through Self Help Group.

HA3: There is a significant impact of the microfinance on legal empowerment of women through Self Help Group

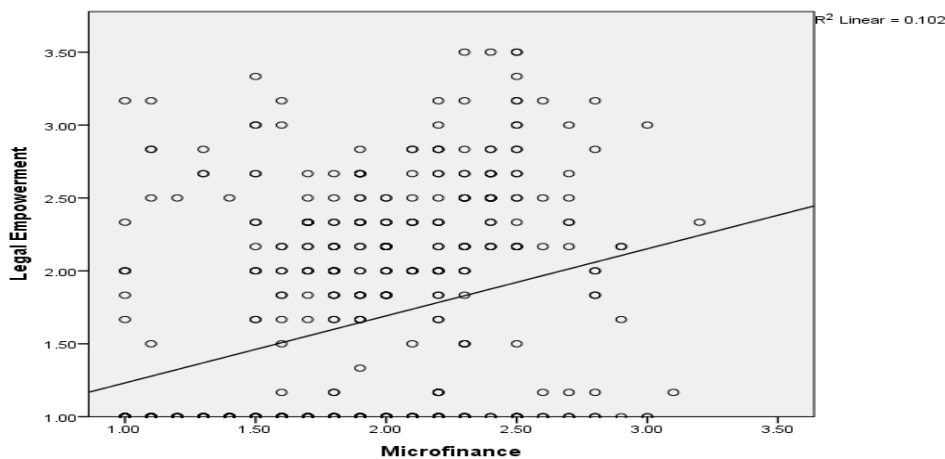
Table 11: Correlation Analysis

Correlations		
		Legal Empowerment
Microfinance	Pearson Correlation	.319
	Sig. (2-tailed)	.000
	N	496

Source: Output of IBM-SPSS 22

Table 11 shows the value of small “r” i.e., Pearson correlation which has been done to know the relationship between the variables i.e., microfinance and legal empowerment. From the study it was found that both the variables has a positive relation relationship with other and the value of r is 0.319 with the significance value of 0.000

Figure: Scatter lot



Source: Output of IBM-SPSS 22

Regression Analysis

Table 12: Model Summary

Model Summary ^b						
Model	R	R Square	Adjusted R Square	R	Std. Error of the Estimate	Durbin-Watson
1	.319 ^a	.102	.100		.67972	1.707
a. Predictors: (Constant), Microfinance						
b. Dependent Variable: Legal Empowerment						

Source: Output of IBM-SPSS 22

From the table 12 of regression analysis it is easy and helpful helps to understand the dependency of one variable with the other. Here in this table we can see that the value of R is 0.319 which shows the positive relationship between both the variables and the value of R² is 0.102 which states that 10.2% of the variable has a significant effect on legal empowerment of women. And the value of adjusted R² is 0.100 which is not need in our study therefore we will proceed further by looking into the value of Durbin-Watson which is 1.762 shows that the model is in the range

Table 13: ANOVA goodness of fit (GOF)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.812	1	25.812	55.868	.000 ^b
	Residual	228.236	494	.462		
	Total	254.048	495			
a. Dependent Variable: Legal Empowerment						
b. Predictors: (Constant), Microfinance						

Source: Output of IBM-SPSS 22

The ANOVA table 13 goodness of fit helps to figure out whether the model is fit or not. The table has two variables one is dependent and another one is independent. Microfinance is considered as an independent variable and legal empowerment is considered as a dependent variable. And from the analysis it was found that the model is good as the significance value is less than 0.05. And the value of F-test is completely significant by which we can say that the model describes a sufficient amount of the variance in the legal empowerment.

Table 14: Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.772	.120		6.446	.000
	Legal Empowerment	.460	.062	.319	7.474	.000
a. Dependent Variable: Legal Empowerment						

Source: Output of IBM-SPS

The above table we come to know the acceptance and rejection of the null hypothesis. Here the value of beta is 0.406 which shows a positive impact on the legal empowerment of women. And the value of unstandardized coefficients shows how there is a change in dependent variable with a change in independent variable keeping all other things constant. The significant value is less that 0.05 thus we will reject the null hypothesis and accepting the alternate hypothesis which says that microfinance has a impact on the legal empowerment of women

5. Conclusion

It was said in early days that behind every successful man there is a woman but now

It should be change to behind every successful woman there is her adjustable husband or family. Microfinance has a positive impact on the all the three dimensions of empowerment i.e., Psychological, Political and Legal empowerment through its self-help-group program. This not only helps the women but also the nation. In this study microfinance is kept as an independent variable and psychological, political and legal empowerment were kept as a dependent variable. Framed three null hypothesis along with the alternate from the analysis all the three null hypothesis were rejected and accepted the alternate hypothesis as microfinance has an positive impact on women empowerment through self-help-group. From the correlation analysis it was also found that microfinance has a positive relation with all the three areas of empowerment i.e., psychological, political and legal empowerment of women.

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