

# Women empowerment through microfinance: A case study of women in self help group of Uthangarai Taluk in Krishnagiri district Tamilnadu

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## Abstract

The Indian women from an active section of the soy and the involve in all sort of functions and per forming all kinds of duties similar to man. The women as responsible citizens of the country achieving social and economic status in the all stages of economic and social activities involved of win has given added SHGs in many parts of the country; house achieved success in bringing the woman to be rain stream of decision making.

Against the background of hate patriarchates system of society the women need special attention to ensure their development and participation in the decision making process at home in to community and governance. For women to become a success fuel entrepreneurs she needs aces to capital technical and managerial know how and market.

The ensure to empower rural women lies in catalyzing opportunities for them to earn higher income in order to in prove their standard of living the objective could be accomplished by establishing enterprises that are based on the locally available resources and profitable indigenious knowledge.

**Keywords:** Women Empowerment, Microfinance, Shgs, Uthangarai Taluk

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## INTRODUCTION

The Indian women from an alive section of the society and key involve in all sort of functions and performing all kind so duty skimp to man the women as responsible citizens of the country achieving social and economic status in the stages of economic as social activities involved of women has given added significance to them. Women and SHGs in many parts of the country have achieved success in bringing the women to the main stream of decision making. The SHG in our country has become a source of inspiration for women's welfare formation of SHG is a viable alternative to achieve the objectives of rural development and to achieve objectives of rural development and to get community participation in all rural development programmes. SHG is also a viable organized set up to disburse micro credit to the rural women and encouraging them together into entrepreneurial activities. (1)

India is home to a diverse group of people characterized by different language customer's traditions, religious, life styles or habits virtually each state has its own culture which is very important in studying any aspect of his society including the status of women.(2)

The ideal size of an SHG is 10-20 members. The groups need not b registered and draws on remembers one family one member only. A Group consists of either only men or of only women. Women's groups are generally found perform better. Members have the same social and financial background.

Against the background of the patriarchal system of society the women need special attention to ensure their development and

participation in the decision making process at home in the community and governance.

For women to become a successful entrepreneur, the needs access to capital technical and managerial know how and market. The essence to empower rural women lies in catalysing opportunities for them to even higher income in order to improve their standard of living. He objective could be accomplished by establishing enterprises that the based on the locally available resources and preferably indigenious knowledge.

Development experience shows that gender inequalities are a major factor impeding progress towards the millennium development goals of poverty reduction. This is particularly true in rural areas where women are generally very involved in productive but lack access to assets they need to play that role efficiently. As a result of this imbalance rural women's are often more vulnerable to property than man and their limited ability to secure assets independently makes them more likely to the negatively effective by ongoing changes in rural markets and institutions.(3)

## Origin and Concept of SHGs

The origin of the SHGs is from the brainchild of germen Bank of Bangladesh which was founded by Mohammed Yusuf. SGHs while is initiated in; 1991-92 from the linkage of SHGs with the banks A SHGs is a small economically homogeneous affinity group of rural poor voluntarily deposited in a common fund to save small amount regularly with are deposit in a common fund to ;meet members emergency needs and to provide collateral free loans decided by the group. (4)

SHGs enhance the equality of status of women as participants, decision –makers and beneficiaries in the democratic economic, social and cultural spheres of life (5).

The basic principles of the SHGs are group approach, mutual trust and organization of and manageable groups, group cohesiveness, sprit of thrift, demand based lending, collecteral fee, women friendly loan, peer group pressure in repayment, skill training

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capacity building and empowerment(6).

### STATISTICAL TOOLS USED

The data collected at primary and secondary levels were computerized and programmed to get logically consistent inference. The computerized data with the help of the statistical package for social science analyzed the table generated the data were tabulated keeping in view of the objective of the study.

### SHG bank linkage programme in India

The performance of banks in linking self-help groups (SHGs) to banking system sealed for their higher during the year 2005-06. The bank financed 6, 20,109 new SHGS during 2005-06. The cumulative

number of SHGS credit linked with banks increased to 238565 as on 31 march 2006 covering more than 32.98 million poor household as against 1618456 SHGS covering 24.3 million poor households as on 31 march 2005.

The total banks loans disbursed to SHGs during the year 2005-06 aggregated Rs 44990.86 million as compared to the Rs 29942.52 million provided to existing disbursed during the previous year, registering a growth of 50.3% over the previous year. The refinance drawn by banks from NABARD stood at Rs 10677 million during 2005-06. The cumulative progress in financing SHGs from 1992 onwards, in physical and financial terms is given in table.

Table -1 SHGs bank linkages cumulative progress in India 1992-2006

Up to end to march	SHGS financed	Bank loan Rs million
1992-99	32995	571
1999-00	114775	1930
2000-01	263825	4809
2001-02	461478	10263
2002-03	717360	20487
2003-04	1079091	39042
2004-05	1618456	68985
2005-06	2238565	113975

Y = a + by method of least square analysis

N	Y	Deviation by2	x	x2	xy	y=a+bx
1992-99	32995	-3.5	7	49	-230965	-253309.94
1999-00	114775	-2.5	5	25	-573875	52155.22
2000-01	263825	-1.5	3	9	-791475	357620.38
2001-02	461478	-0.5	1	1	-461478	663085.54
2002-03	717360	0.5	1	1	717360	968550.70
2003-04	1079091	1.5	3	9	3237273	1274015.86
2004-05	1618456	2.5	5	25	8092280	1579481.02
2005-06	2238565	3.5	7	49	15669955	1884946.18
N=8	6526545	0		168	25659075	

$$Y = A + bx \quad = 815818.125$$

$$a = \frac{\Sigma Y}{N} = \frac{6526545}{8}$$

$$b = \frac{\Sigma xy}{\Sigma x^2} = \frac{25659075}{168} = 152732.58$$

1992-99	Y=815818.12+152732.58(-7) 815818.12-1069128.06=253309.94
1999-00	Y=815818.12+152732.58(-5) 815818.12-763662.90=52155.22
2000-01	Y=815818.12+152732.58(-3) 815818.12-458197.74=357620.38
2001-02	815818.12- 815818.12+152732.58(-1) 663085.54
2002-03	Y=815818.12+152732.58(+1) 968550.70
2003-04	815818.12+152732.58(+3) 1274015.86
2004-05	815818.12+152732.58(+5) 1579481.02
2005-06	815818.12+152732.58(+7) 1884946.18

From table that bank loans aggregating Rs 113975 SHGs with disbursed to 2238565 SHGs with refinance support of Rs 41597

million from NABARD up to 31 march 2006. Around 90 percent of the SHGS linked were exclusive women SHGS various studies revealed

that the on time repayment of SHGs loans to banks was over 90 percent.

Table – 2 SHG bank linkage agency wise cumulative participation upto 31 march 2006.

Agency	No of SHGs	Banks loans
Commercial Bank	188040	69874.49
Regional rural Banks	740024	3321.47
Co-operative Banks	310501	10879.47
	1238565	84075.43

Source: Annual report 2006-2007 page no 30 NABARD

### Analysis and interpretation; of primary data

The present study is about the working of micro finance on empowerment of women. In uthangarai taluk the data was called from 100 women's members in self-help groups in uthangarai taluk. Information from the women member in self help groups have

collected through direct questioner method. The interpretation and analysis of the study based on primary data this contains frequency distribution tables as well as pie and percentage bar diagram are prepared on the basis of selected close ended respondent from structural questions.

Table 3 Age of the respondents in the sample area

S.No.	Age	No of respondent	Percentage
1	20-30	25	25%
2	31-40	43	43%
3	41-50	20	20%
4	51-60	12	12%
	Total	100	100%

Source: Computed from primary data

The above table 3 shows the age group of the respondents it is observed that out of the 100 samples 43% of the respondents belong to the age group of 31-40, 25% percent are 51-60 years old and 20

percent are 41-50 years old. This reveals that the age group of 31-40 is actively participating in the economic activities to exchange their standard of living.

Table 4 Education status of the respondents in the sample area

S.No	Education level	No of respondents	Percentage
1	Illiterate	8	8%
2	Education	37	37%
3	Primary	8	8%
4	Elementary	20	20%
5	Secondary	26	26%
6	College	0	0%
7	Technical professional	1	1%
		100	100%

Source: Computed from primary data

Education has a significance role to getting access to makes and channels of awareness generation; women are taking maximum participation in rural states table 4 deficits that 37% of the

respondents are finished secondary education 8% percent of the respondents are illiterate and only one of them finished professional education.

Table 5 Castewise classification of the respondents in the sample area

S.No.	Community	No of Respondnets	Percentage
1	MBC	45	45%
2	SC/ST	43	43%
3	BC	12	12%
Total		100	100%

Source: Computed from primary data

The above table shows table 5 regarding the caste structure of the; respondents 45% of the people is belongs to MBC/OC category

and 43% of the people from SC/ST category.

Table-6 Consumer durable of the respondents in the sample area

S.No	Consumer durable	1000-2000	2000-3000	3000-4000	4000-5000	Above 5000	NIL	Total
1	Cycle	62	23	-	-	-	15	100
2	Radio	45	12	-	-	-	43	100
3	Ran	71	17	-	-	-	12	100
4	Watch	67	15	-	-	-	18	100
5	Furniture	26	24	27	12	3	8	100
6	T.V	35	19	13	15	18	-	100
7	Mobile	43	27	16	9	3	2	100
	Total	349	137	56	36	24	95	100

### Testing of Hypothesis

There is a significant increase in income of the beneficiaries of SHG in the study area.

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To test this hypothesis data pertaining to change in the income from all the sample women beneficiaries is considered. To find out relationship 'T' test method is used as per the procedure given below.

#### Test Procedure

Statistics	Income in the loan period
Df	4
t-sat	1.81
T critical to fail	2.77

The 't' value is 1.81 the table value at the value  $t=0.5$  is 2.77 since the calculated value is less than the table value the hypothesis is accepted and the inference is that there is significant difference in the income in the post loan period.

#### There is a significant increase in savings of the beneficiaries of SHG in the study area

To test this hypothesis data related to the savings of the SHG beneficiary is considered. The following test procedure has been followed

#### Test Procedure

Statistics	Income in the loan period
Df	4
t-sat	5.64
T critical to fail	2.77

The calculated value is 1.65 and the table value at  $t0.5$  is 2.77 and since the calculated value is more than the table value the null hypothesis is rejected and the inference is that there is significant improvement in the saving of the beneficiaries due to SHG programme.

### SUMMARY AND SUGGESTION

The preset study is about working of micro finance on empowerment of women in uttargarai taluk. The data was collected from 100 women members in self help groups SHGs ;in uthangari taluk. From the analysis is observed that out of the 100 samples 43 percent of the respondents belong to the age group of 31-40, 25 percent of self help group members are between the age of 20-30, 12 percent are 51-60 years old and 20 percent are between 41-50 years old. This reveals that the age group of 31-40 is activity participating in the economic activities to their standard of living.

Education has a significant role of setting access to needs and channels of awareness generation women are taking maximum participation in total sketch with the total respondents 35 percent are finished their secondary education 8 percent the respondents are utilities and only one of them financial professional education.

The income of the respondent were alternated by cropping invest stock and agricultural works lies from the study analysis 60 percent ;of the respondent income amount between Rs2000- 3000 the income level of the respondents were lies between Rs 5000-

$$T = \frac{(X-x)\sqrt{n}}{S}$$

$H_0$  = There is scientific and increase in the income in the post loan

$H_1$  = There is no significant increase in the increase in the income in the post loan period.

The result of the test is given below

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The result of the test is given below

6000 10 percent respectively and 7 percent of respondents are income above Rs 6000.

The expenditure of the respondents are also playing an important role to explain the living condition as well as savings the major household expenditure are interest payment, education too times medicine and land expenditure with the sample of 100 respondent 85.8 percent of people incurring the amount between 1000 to 2000 rupees 14 percent of the respondent were on 2000 - 3000 rupees and only 6 percent of the people were planning important role.

#### Major finding

1. All the respondents were developed the able of saving with the activities of self help groups.
2. Study reveals that majority of the members being to agricultural family
3. The age wise distribution explain the aware age of 31-40 they are very active and motivating the groups
4. After joining with SHGS the member composition and incomes are increased
5. The main purpose of saving of the respondents for the education marriage agriculture building
6. After joining SHG with thrift are got self confident and to living with community

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9. The main purpose of saving of the respondents ;for the education marriage agriculture building
10. After joining SHG with they are got self confident and to living with community
11. Majority of the respondents are light after become economically empowered
12. Priority given to start won using loans and advances

#### SUGGESTIONS

1. The members must be motivated to take active part in the group meeting.
2. The government should conduct technical and service on vocational training glass.
3. Self help group showed be encouraged to take up new innovation for creating to the area of level hardware maintenance computer photography etc.

4. The government department should make agree budgetary allocation for training components for the shelf group members

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