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AN ECONOMIC ANALYSIS OF EMPOWERMENT OF WOMEN THROUGH MICRO CREDIT IN TUTICORIN DISTRICT OF TAMILNADU STATE

N. Nagalakshmi¹ and Dr. S. Kanthimathinathan²

¹PhD (Economics), Full Time Research Scholar, V.O.C. College, Thoothukudi.

²Associate Professor of Economics, V.O.C. College, Thoothukudi.

ABSTRACT

India has long taken efforts to expand credit availability to rural areas. The bank credit provides economic benefits to the women by providing income-generating activities. Hence, this study aims at evaluating the development of rural women through micro-credit in Tuticorin District. The present study is based on both primary and secondary data. Primary data have been collected by conducting a survey among 120 sample respondents from 8 commercial, co-operative and private banks in different areas of Tuticorin town. Secondary data have been collected from books, journals, newspapers, internet and periodicals. Empowerment through micro credit reveals that 84.7 percent of the respondents is able to contribute towards the family income, 42.6



percent of the respondents agree that they have got a skill up gradation and 47.9 percent of the respondents are now able to understand the banking operations. 49.7 percent of the respondents feels that their standard of living has improved. 53.4 percent of the respondents says that they got leadership and communication skills. 56.8 percent of the respondents are now aware of health education and 59.2 percent of the respondents agree that they now make decisions in community, village and in the household. It reveals that 44.7 percent

of respondents developed a saving habit, 32.8 percent of them have access to the larger quantum of resources, 31.9 percent have got technical guidance, and 30.6 percent are benefited through promotional assistance. It can be concluded that there is the positive impact of micro-credit activity on socio-economic indicators of women bank borrowers. From all facts, it can conclude that the micro-credit played an important role in Tuticorin District.

KEYWORDS: empowerment, microcredit, self-dignity, self-confidence, well-being, sociability.

INTRODUCTION:

The economic involvement of women has been found to be connected to her role and status in the society. Empowerment is identified as the right to determine choices in life and to influence the direction of change, through the ability to gain control over crucial material and non-material resources. Female empowerment can take place through economic participation, economic opportunity, political empowerment, educational attainment and health and well-being.

The term women empowerment has come to be associated with women's struggle for justice and equality in male-dominated society and it is a way for women to acquire the ability and opportunity to participate in decision making and implementation and influencing the decision with proper knowledge, self-dignity

and self-confidence (Shelina Akhter, 2006).

The empowerment approach acknowledges the importance for women to increase their power (Moser, C.O.N, 1993). Empowerment of women in domestic level is important and it is because it determines women's freedom from control by other family members and ability to effect desired outcomes within the household (K. Mason and H.L. Smith, 2003).

Microcredit has been emerging as a significant instrument to address the problems of lack of access to credit, faced by the poor and also indirectly attacking poverty and unemployment. By 1999, the number of poor women receiving microcredit had more than doubled to 10.3 million poor and by 2005 this had jumped to 69 million of the total number of poor people receiving microcredit (www.un.org).

Micro-credit programme makes it possible for the members to create a credit fund from which they can avail loan for consumption purposes such as the purchase of food, accessing health and education services, performing social functions and so on. The facility to borrow for Income Generating Activities (IGAs) either through savings fund or funds mobilised from donors, government and banks enable the members to undertake those activities which are expected to contribute to employment generation, income increase and asset acquisition (H.R. Singh and N.D. Singh, 2011).

The bank credit provides economic benefits to the women by providing income-generating activities. Economic independence facilitates in bringing about sexual equality and increase in women's income translates more directly into family well-being. Women's economic participation and empowerment are fundamental to strengthening women's rights and enabling women to have control over their lives and exert influence in society (Swedish Ministry of Foreign Affairs, 2010).

The usefulness of institutional finance is to be judged not merely on the quantum of credit pumped into the sector, but on how far it is utilized properly by the borrowers. The extent to which it is utilized for productive purpose and the extent of its deviation from the stipulated purpose deserve the attention of all those concerned (Anandateerth Kittur, 1990).

The financing institutions are to be more concerned with the creditworthy purpose rather than credit worthy person; feasibility of the project than the availability or adequacy of security; the end-use of the credit apart from the end result of it (Muniraj, 1987). The use of credit for productive and unproductive purposes depends upon the nature of utilization of the credit. If loan amount utilized for the productive purposes, it may generate its own means of repayment. But diversion creates problems and ultimately restricts the repayment (Patnaik et.al., 1999).

The increasing consumption and household expenses are the main reason for the miss-utilisation of the loan (Modi M.K et.al, 1993). Two-thirds of the total diverters used the loan for unproductive purposes like consumption purposes, other household needs, payment of old debts, miscellaneous expenditure etc. (Makadia J.J. et.al, 1992). Hence, this study aims at evaluating the development of rural women through micro-credit in Tuticorin District.

LITERATURE REVIEW

Chandra (1997) in her study entitled "Women and Empowerment", defined, Empowerment of women as the redistribution of power that enable thus to challenge patriarchal ideology and the male dominance. In the process, not only increase their capacity; but also enable them to face new challenges in the overall development of the household and also to contribute to the local community development.

Lakshmidevi (1998) in her study entitled "Prospects and problems of empowering rural women." defined empowerment of women as an active multidimensional process which should enable women to realize their full identity and power's in all spheres of life. It would consist of greater access to knowledge and resources greater autonomy in decision making and greater ability to plan their lives.

Anand (2001) in his study entitled "Micro Credit avenue for sustainable empowerment of rural women" highlights that the microcredit as an alternative system which is generally recognized as a powerful tool for empowerment of women. The microcredit has particular relevance to women and their empowerment, considering the historical perspective of the involvement of women in the thrift and credit activities.

Sinha (2005) made a study on "Empowering women: A catalyst in social development". The author stated

that Empowerment is a process which helps people to gain control over their lives through raising awareness, taking action and working in order to exercise greater control. In other words, empowerment facilitates changes and enables a person to do what one wants to do. Empowerment is the feeling that activates the psychological energy to accomplish one's goals.

Sumathy and Nagendran (2007) made a conceptual study on "Women Empowerment- Ethics and Logics", stated that women manage the busy world today by sharing time, appreciation, knowledge and ideas, friendship, kindness and experience. Their success is mainly because of their ability to relax optimistically, listen deeply, feel empathetically, respond carefully, synchronize co-operatively, act authentically and acknowledge generously.

Marilee (1995) studied the role of empowerment of women in decision-making and concluded empowerment as a multifaceted process, involving the pooling of resources to achieve collective strength and countervailing power and entailing the improvement of manual capacities and analytical reflective abilities of local women.

Pillai (1995) depicted in his study entitled "Women and Empowerment" that empowerment is an active, multi-dimensional process, which enables women to realize their full identity and powers in all spheres of life. Power is not a commodity to be transacted nor can it be given away as aims. Power has to be acquired and once acquired; it needs to be exercised, sustained and preserved.

Punithavathy and Eswaran (2002) conducted research on "Empowerment of women through micro-credit" and stated that economic empowerment is the initial aspect of women development. The economic empowerment means greater access to financial resources inside and outside the household, reducing the vulnerability of poor women to crisis situations like famine, flood, riots death and accidents in the family and significant increase in women's own income. Economic empowerment gives women the power to retain income and use it at her discretion. It provides equal access and control over various resources at the household level. Financial self-reliance of women both in the household and in the external environment lead to the empowerment of women in other spheres. Micro-credit has resulted in equal access and control over resources at the household level. Micro-credit has resulted in the reduced vulnerability of poor women to crisis, famine, floods, and riots.

Lalitha (2004) observed from her study entitled "Women thrift and credit groups-Breaking the barriers at the grass roots" that the basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training, capacity building and empowerment.

OBJECTIVES OF THE STUDY

The study was conducted with the following specific objectives

1. To analyse the socio-economic conditions of women microcredit borrowers.
2. To assess the perception of beneficiaries about the reasons for getting a loan from banks.
3. To evaluate the income of the respondents and their level of satisfaction of bank loan.
4. To study the impact of microcredit on women empowerment.

RESEARCH METHODOLOGY

The present study is based on both primary and secondary data. Primary data have been collected by conducting a survey among 120 sample respondents from 8 commercials, co-operative and private banks in different areas of Tuticorin town. Fifteen respondents were selected from each 8 banks. Random sampling technique was used to select the respondents. Secondary data have been collected from books, journals, newspapers, internet and periodicals. The structured questionnaire was personally administered by direct contacts with borrowers. Special care has been taken to avoid bias in their answers to various questions and encouraging them to answer queries. Percentage analysis, averages, standard deviation, t-test, chi-square test and probability analysis were used. The data relates to the month of October 2016.

Findings

The major findings of the study are summarized and presented as follows.

1. It is found from the analysis of the study 47.29% of the respondents are aged between 26-35 years and only

- 8.03% of them are aged below 25 years.
2. It is inferred from the analysis 44.2% of the respondents from BC, 34% of them from MBC, 18.5% of them from SC and ST and 3.3% of them from Other Community.
3. Among the 120 respondents, 39.1% are illiterates, 21.3% of them have primary education 31.7% of them have high school education and only 7.9% of them are degree holders.
4. Among the total respondents, 91.3% are married and 8.7% are unmarried. The majority of the respondents in the study areas are married.
5. It is found that 86% of them from the nuclear family and 14% of them from the joint family system. This is the impact of social transformation that is taking place in the society.
6. It could be observed that the family size up to 3 households is 11.7% followed by 77.9% of the respondents are in the family size 4-6 and 10.4% of them belong to the family size of 7 and above.
7. Diverse occupations are observed among 120 respondents 33.5% of the respondents are housewives followed by 24.8% of them are working as coolies, 20% of them are agriculture labours, 13.5% of them are working in private sector and 8.2% of them are self-employment. It is found that the majority of the respondents are housewives and they are motivated to do any income generating activities.
8. The present study found that 40.2% of the respondents are getting an income of Rs.3001-5000, 29.2% of them are getting an income of Rs.5001-7000 followed by 20.6% of them are getting an income of below 3000 and 10% of their income is above 7001. The majority of respondents are getting a moderate monthly income of Rs.3001-5000. The mean monthly income of the households works out to be Rs.5,208.50. It shows that the women borrowers are involved in various income generating activities after getting a loan from banks.
9. It is found the analysis, 32.1% of the respondents are motivated by their friends/relatives, 25.4% of them are motivated by the NGOs followed by 21.2% of them are motivated by neighbours, consequently 16.9% of them are motivated by Government officials and 4.4% of them are motivated by their own perception. The majority of the respondents are motivated by their friends and relatives.
10. It is revealed that 11.5% have obtained loan amount upto Rs.10000, 16.1% have got a loan of Rs.10001-15000, 17.1% have got a loan of Rs.15001-20000, 20.9% of them have got a loan of Rs.20001-25000 and 34.4% of them have got a loan more than Rs.25000.
11. One of the reasons for getting a loan from banks is to avail credit. Among the 120 total respondents, 18.8% of them have taken loan for the purpose of starting new business, 8.4% of them have taken loan to meet out day to day household expenses, 15.3% of them have obtained loan to meet their children educational expenses, 12.7% of them have taken loan to repay the old debts, 24.7% of them have taken loan to purchase of cattle/milch animals and 20.1% of them have taken loan for other purposes such as marriage expenses, medical expenses, construct new house, dairying, agriculture and other domestic purposes.
12. It reveals that loan provided by the bank. The maximum 99.3 percent commercial and co-operative banks have provided a loan to sample women. Only 0.70 percent women borrowers are taken a loan from private banks.
13. It can be observed that only 0.30 percent respondents were not taking a decision in their family but 99.70 percent respondent said that they are taking a major decision in their family.
14. The opinion of respondents regarding empowerment through micro credit reveals that 84.7 percent of the respondents is able to contribute towards the family income, 42.6 percent of the respondents agree that they have got a skill up gradation and 47.9 percent of the respondents are now able to understand the banking operations. 49.7 percent of the respondents feels that their standard of living has improved. 53.4 percent of the respondents says that they got leadership and communication skills. 56.8 percent of the respondents are now aware of health education and 59.2 percent of the respondents agree that they now make decisions in community, village and in the household. It reveals that 44.7 percent of respondents developed a saving habit, 32.8 percent of them have access to the larger quantum of resources, 31.9 percent have got technical guidance, and 30.6 percent are benefited through promotional assistance.
15. It is inferred from the study that, before getting a loan from banks, 23.9 percent respondents did not move from one place to another place but after getting a loan from banks only just 1.4 percent respondents only do not move from one place to another place.
16. The communication skill is another outcome of women borrowers. The level of communication skills of the

respondents has improved from 22.8 percent to 56.4percent after getting alloan from banks.

17.Vocational skill is one of the factors which help to develop their personality in the society. This vocational skill is improved from 27.4 percent (good) to 52.8 percent and 18.3 percent (moderate) to 39.6percent after getting alloan from banks.

18.Leadership skill is one of the important indicators for the development of the women borrowers. In the study area, only 19.3percent of the respondents involved in leadership activities before getting alloan from banks but after getting alloan from banks62.4percent of the respondents actively involved in the activities of the business.

19.Knowledge is another personal development factor of the women in the society. Without having required knowledge, no one can lead a successful life in the society. From the study, only 12.9percent of the respondents had adequate knowledge of understanding about the society before getting alloan from banks. But after getting alloan from banks the percentage of acquiring knowledge has increased from 12.9 percent to 63.5percent.

20.In the modest world, sociability is the most significant factor which develops the society to bear fruits. Before getting alloan from banks the women did not share their ideas in the open forum. But after getting alloan from banks, they are willing to exchange their ideas in the family and friends and develop the habit of sociability. It is inferred from the study that before getting alloan from banks, only 13.6percent of the respondents had the habit of exchanging their views with the family or in any other places, but after getting alloan from banks 72.8percent of the respondents have the habit of interacting effectively with the society.

21.Another important factor in the personal development is achievability. From the study, only 12.5 percent of the respondents had the capacity to achieve things before getting alloan from banks but this achievability has increased to 61.8percent after getting alloan from banks.

22.Relationship between Monthly Income and level of satisfaction of bank loan

In order to find out whether there is any correlation between the income of the respondents and their level of satisfaction of bank loan, chi-square test has been applied. The results of the Chi-square test are furnished below.

Calculated value of Chi-square	= 52.7
Table value at 5 percent level	= 7.815
Degrees of freedom	= 3

As the calculated value of Chi-square is greater than the table value at 5 percent level of significance, there is a relationship between income of the respondents and their level of satisfaction of bank loan.

23. Significant differences in satisfaction of income among the sample respondents based on employment Status

In order to find out the significant difference in satisfaction of income among the sample respondents based on employment, the t' value was calculated and the calculated 't' value was found to be 0.6381 which is lower than the table value 1.97 which is significant at 0.05 level. Therefore, the null hypothesis is accepted and concluded that there is no significant difference in satisfaction of income among the respondents between employment statuses.

CONCLUSION

Women's contributions are dynamic and their empowerment would accelerate the pace of social development. Investing in women's competences and empowering them to accomplish their choices and opportunities is the definite way to contribute to the economic growth and the overall development. The empowerment of rural women leads to benefit not only to individual women but also to the families and the community as a whole.

Micro-credit has been able to attract more and more savings each year and is supplying much micro-credit to the needy poor women. Microfinance helps the rural poor to improve their standard of living and fulfilled their credit needs. Microfinance increases the productivity of self-employment in the informal sector of the economy. It is not just a financing system, but a tool for social change, especially for women. Micro-finance for the poor and women has received extensive recognition is a strategy for poverty reduction and for economic empowerment. It can be concluded that there is the positive impact of micro-credit activity on socio-economic indicators of women bank borrowers. From all facts, it can conclude that the micro-credit played important role in Tuticorin District.

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**N. Nagalakshmi****PhD (Economics), Full Time Research Scholar, V.O.C. College, Thoothukudi.****Dr. S. Kanthimathinathan****Associate Professor of Economics, V.O.C. College, Thoothukudi.**

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