

# Impact Of Microfinance On Social Status Of Jodhpur Rural Women

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## **Abstract:**

*The focus of this paper is on social empowerment of women in Jodhpur. Microfinance through SHG has emerged as a social empowerment tool. Though empowerment is not just talking about finance it is complete growth of an individual that is physical, mental and social. To make the social empowerment happen there was the need of interaction of women with the society and involvement in some socio-economic activity. Microfinance through SHG is enabling women folk to raise their socio- economic levels and improve living. In the study it was found that the social condition of the respondents became stronger after they joined the SHG and got microfinance. The Association of attributes and Yule's Q value used in this study showed the stronger social condition of the respondents after they joined SHG.*

*Keywords: Socio-economic status, SHG – Self Help Group, empowerment, Microfinance, Association of attributes, ICDS (Integrated Child development Services), DWCD (Department of Women and Child Development) Prachetas.*

## **1. INTRODUCTION**

India is entering into an international leadership arena but still some issues need to be focused. Among these women empowerment is the first major milestone. In this paper, I have taken microfinance as a social empowerment tool for women<sup>1</sup> of Jodhpur; though empowerment is not just talking about finance it is complete growth of an individual that is physical, mental and yes spiritual too. To make the social empowerment happen there was the need of interaction of women with the society and involvement in some economic activity. Microfinance through SHG is enabling women folk to raise their socio- economic levels and improve living. Microfinance deals with small finances - microcredit, micro-savings and micro-insurance<sup>2-3</sup>. It has come up as a method that has given and also giving women socioeconomic status and women are able to provide income to the household.

Women have started business ventures and are actively participating in the economy with the facility of financial backing with Microfinance .this gives them confidence, improves their status and makes them more active in decision-making, and also encourage gender equality. According to CGAP report after commencement of microfinance, decline in violence towards women has also been noted.<sup>4-5</sup>

## **2. Review of Literature**

*Bhagwati (2006)* talks about the tree linkage projects of micro- credit through self-help groups linked to bank. This type of credit has proven as higher level of loan recoveries and has facilitated socio-economic empowerment of weaker sections including women folk. *Puhazhendhi and Jayaram (1999)* in their paper also report about the improved economic and social aspects of women by Microfinance and NGO regular training sessions. *SavitaShankar*

(2006) in her study, in Tamil Nadu; talks about the group-lending model as a most popular model for the dispensation of micro credit in India. *Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1997*: says that the welfare of the complete family increases, especially children when resources for women's are increased. *Malhotra (2002)*, talks about the multiple- dimensions of women empowerment, such as economic, socio-cultural, familial and interpersonal, legal, political and psychological<sup>6-7</sup>.

*Agrawal Shruti (2019)*, in her paper "Microfinance-A tool of building social relationships" investigates the role of microfinance as a tool of building social relationships. In this study she concludes that microfinance has put in efforts to build the social relationships of the beneficiaries by making them socially responsible. *Bogale Berhanu Bent, (2018)*, study states that microfinance institutions have made women participants as a channel of reducing poverty and increasing living standard of poor among the people of Ethiopia living under the poverty lines. It has encouraged productivity and diversity and maximized the utilization of the resources<sup>8-9</sup>.

### 3. Empowerment

Empowerment is to stand up for own self and speak up for self rather than looking on someone to support. It is about having the control of self in own hands rather than been in control of the others whether it may be person place or anything. Women empowerment is the process of making them feel the power and provoking them to stand up against the control of the others and help them to help themselves on their own and lead a prosperous and a successful life<sup>10</sup>.

In order to strengthen rights of women's and enabling them to have control over their lives and put forth influence in society there economic participation and socio-economic empowerment are direly important.

### 4. Microfinance And Empowerment

Microfinance with SHG has improved the social condition and living standard of Jodhpur rural women. In order to participate in the group activities and, meetings held by SHG, women are coming out of their house and interacting with each other. They make discussions on the matters related to the finance of the group, its management and utilization. All this has developed the managing skills and had helped them to explore their hidden inner skills. By actively participating in the activities of SHG, confidence level of these rural women also increased.

### 5. Research Methodology

Data for this study were collected by field interviews based on questionnaire including both open ended and close ended questions, from 120 respondents who were SHG members over three blocks of Jodhpur District. SHGs covered were made by ICDS of DWCD Jodhpur. Prachetas of ICDS were interviewed. The questions were designed to get the idea of:-

- Characteristics of the sample i.e. their education, marital status, economic activities, Family members etc.
- Socio-economic conditions of respondents before and after joining the SHG.
- Women's perceptions of their financial situation.
- The financial habits of the respondents (Loan, Savings, expenses etc.)

To fulfill the specific objectives of the study, the data generated was presented in Cross tabulation, Charts and percentage analyses, then were statistically tested using the analytical techniques. The statistical method of Association of attributes was used.

According to Yule and Kendall, "In statistics A and B are associated only when they appear together in greater number of cases than is to be expected, if they are independent." (*Nagar, 2012-13 pg 68*).

In this study following two steps of association of attributes were adopted in order to test the hypotheses-

- Comparison of Observed and Expected frequency
- Yule's Coefficient of Association

### Step1: Comparison of Observed and Expected frequencies-

Based on the probability theory, the comparison is done between Observed or Actual frequency and Expected frequencies. If the observed or actual frequency is greater than the expected frequency, it is said that there is positive association between the attributes and if the observed or actual frequency is less than the expected frequency, it is said that there is negative association between the attributes.

$$N = (A_1) + (A_2) \text{ and also } N = (B_1) + (B_2)$$

$$(A_1) = (A_1 B_1) + (A_1 B_2)$$

$$(B_1) = (A_1 B_1) + (A_2 B_1)$$

Expected Frequency (Fe) = Number of Favorable Events  $\times$  Number of Observations  $\div$  Total Number of Events

$$Fe = CT \times RT \div N$$

Here CT is Column total and RT is Row total of relevant cells; thus

$$(A_1 B_1) = (A_1) (B_1) \div N; (A_2 B_2) = (A_1) (B_2) \div N \text{ \& so on}$$

There can be three types of association between the attributes

- Positive Association- When two attributes are present or absent together in the data, they are said to be positively associated. In this situation the actual frequency is more than expected frequency. If  $(AB) > (A) (B)/N$  than there is positive association between A and B.
- Negative Association- when there is presence of one attribute and absence of another attribute they are negatively associated. If  $(AB) < (A) (B)/N$  than there is negative association between A and B.
- Independence of Association- when two attributes do not have any relationship between them, then there is independence of association. In this condition Actual frequency is equal to expected frequency. If  $(AB) = (A) (B)/N$  than A and B are said to be independent and there is independence of association between them.

### Step 2: Yule's Coefficient of Association

Given by Prof. G. Udny Yule, it gives the relative measure of degree of association of attributes. In this method we can determine the nature of association (i.e. whether the attributes are negatively associated, positively associated or independent.) and the degree to which the attributes are associated, denoted by Q. (Nagar, 2012-13)

$$Q_{AB} = (A_1 B_1) (A_2 B_2) - (A_1 B_2) (A_2 B_1) \div (A_1 B_1) (A_2 B_2) + (A_1 B_2) (A_2 B_1)$$

## 6. EMPIRICAL STUDY

**Social Empowerment:** In this section an attempt was made to analyze the relationship between Microfinance through SHG and Rural Women Social Empowerment- Social empowerment means improvement in Social condition by way of microfinance. In this paper indicators for social empowerment taken were: social participation, respect of women in society, participation in Group Activities and Managerial Skills Development.

### Hypothesis

- $H_0$ : Social Empowerment of respondents is not associated with their SHG joining.
- $H_1$ : Social Empowerment of respondents is associated with their SHG joining.

**Social Participation** The social participation denotes the freedom given to the women in their family to move out and participate in the social activities.

The table III and figure 1 states that Participation in Social activities by respondents was found to be 97.5% after the respondents joined SHG, and it was just 25% when they were not involved with SHG. Association between Social Participation of respondents and their joining SHG.

### Inference :

Above tables IV&V show's that the Social participation of respondents before joining the SHG was very less; there is negative association between the two attributes. While there was positive association seen between the two attributes when the respondents joined the SHG. This shows that after the joining of SHG respondents actively participated in society.

Thus it can be concluded that the Social Participation of respondents increased after they joined the SHG.

### Respect in Society:

Respect is the natural desire of a human life which every human aspires for, this give the person social satisfaction and peace of mind.

Table VI and figure 2 show that the 100% Respondents reported that their Respect in Society increased after they joined the SHG, which was found to be moderate regarding 85% respondents and about 2.5 % respondent reported that they had no respect in society before.

Association between Respect in society of respondents and their joining of SHG.

### Inference

- The above table VII and VIII shows that the Respect in society of respondents before joining the SHG was very less; there is negative association between the two attributes. While there was positive association seen between the two attributes when the respondents joined the SHG. This shows that after the joining of SHG the respondents felt that their Respect in society and family increased.
- Thus it can be concluded that the Respect in society and family of respondents increased after they joined the SHG.

### Participation in Group Activities and Managerial Skills Development

1. Impact of Microfinance on respondents Participation in Group Activities and Managerial Skills Development

The above table IX shows that the 61% respondents were President of the Group, 2.5% were Cash box holder, 2.5% were account maintainer and about 25% respondents were normal group members. The SHG-makes women empowered by involving them in various activities of the group-cash related management and other social responsibility as they were the member of SHG.

- A. Degree of Association (Yule's Method) Between Economic Condition of Respondents and Their SHG Joining Results of Statistical method -Association of Attributes

The table X defines the Indicators of social empowerment. The Indicator holds the Hypothesis True.

**B. Degree of Association between SHG joining and Social Empowerment**

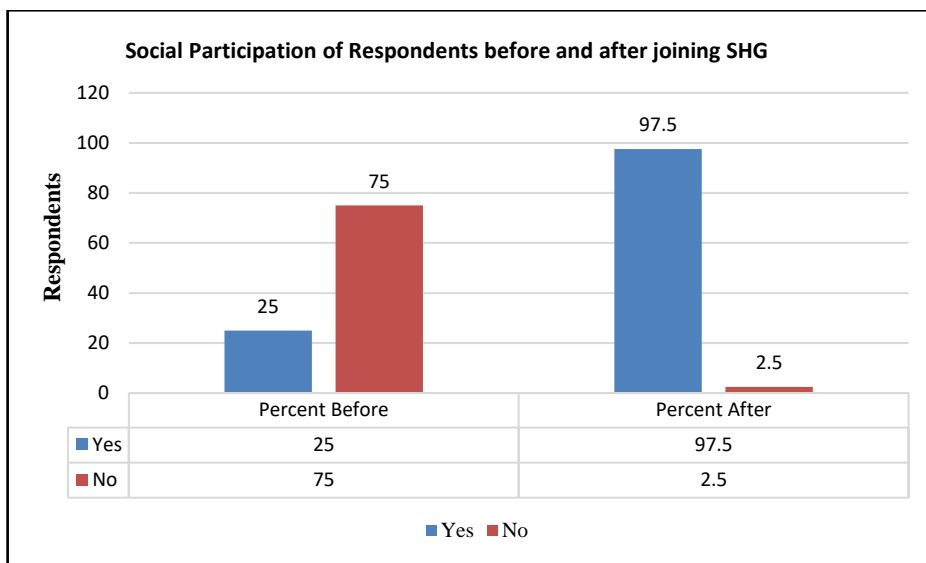
The coefficient of association is denoted by Q. the formula is:  

$$Q_{AB} = \frac{(A B) (\alpha \beta) - (A \beta) (\alpha B)}{(A B) (\alpha \beta) + (A \beta) (\alpha B)}$$

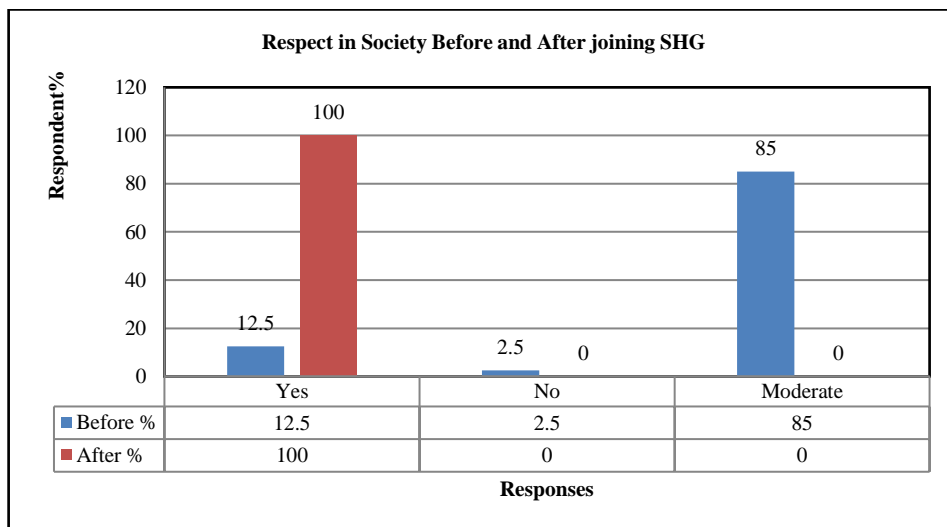
$$Q = \frac{(117 \times 90) - (3 \times 30)}{(117 \times 90) + (3 \times 30)}$$

$$Q = +0.98$$

The Q value lies between +0.75 to +1, thus there is high degree of association between Social participation of respondents (rural women) and their joining SHG. Hence the null hypothesis comes false and the alternative hypothesis comes true.



**Figure.1-** Impact of SHG on Social Participation



**Figure2\_** Respondents Respect in Society before and after joining SHG

**Table I: Contingency Table (a typical Dichotomy form) “p × q” table**

Attribute B	Attribute A			
	A	A <sub>1</sub>	A <sub>2</sub>	Total
	B			
	B <sub>1</sub>	(A <sub>1</sub> B <sub>1</sub> )	(A <sub>2</sub> B <sub>1</sub> )	(B <sub>1</sub> )
	B <sub>2</sub>	(A <sub>1</sub> B <sub>2</sub> )	(A <sub>2</sub> B <sub>2</sub> )	(B <sub>2</sub> )
Total	(A <sub>1</sub> )	(A <sub>2</sub> )	N	

Source: (Nagar, 2012-13)

**Table II: Interpretation for Q**

Degree	Positive Association	Negative Association
Perfect	+ 1	-1
Absence	0	0
High Degree	Between +0.75 to +1	Between -0.75 to -1
Moderate	Between +0.25 to +0.75	Between -0.25 to -0.75
Low Degree	Above 0 and up to +0.25	Above 0 and up to -0.25

Source: (Nagar, 2012-13)

**Table III: Impact of SHG on Social Participation**

Social participation	Frequencies Before	Percent Before	Frequencies After	Percent After
Yes	30	25	117	97.5
No	90	75	3	2.5
Total	120	100	120	100

Social Participation of respondents before and after joining SHG

**Table IV: Observed and Expected frequencies for Social Participation**

II Social participation							
Sub attributes		Observed Frequencies			Expected Frequencies		
		Before	After	Total	Before	After	Total
1	Yes	30	117	147	73.5	73.5	147
2	No	90	3	93	46.5	46.5	93
	Total	120	120	240	120	120	240

**Table V Comparison between Observed and Expected frequencies of Social Participation.**

II Social participation							
Sub attributes		Before Joining SHG			After Joining SHG		
		(Fo-Fe)	Result	Association	(Fe-Fo)	Result	Association
1	Yes	-43.5	(Fo<Fe)	-ve	+43.5	(Fo>Fe)	+ve
2	No	+43.5	(Fo>Fe)	+ve	-43.5	(Fo<Fe)	-ve

**Table VI: Respect in Society before and after joining SHG**

Respect in	Before	Joining	After	Joining
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Society	SHG		SHG	
	No	%	No	%
Yes	15	12.5	120	100
No	3	2.5	0	0
Moderate	102	85	0	0
Total	120	100	120	100

Impact of Microfinance on respondents Respect in Society

**Table VII: Observed and Expected frequencies for respect in society**

III. Respect in Society							
Sub attributes		Observed Frequencies			Expected Frequencies		
		Before	After	Total	Before	After	Total
1	Yes	15	120	135	67.5	67.5	135
2	No	3	0	3	1.5	1.5	3
3	Moderate	102	0	102	51	51	102
	Total	120	0	120	120	0	120

**Table VIII: Comparison between Observed and Expected frequencies.**

III. Respect in Society							
Sub attributes		Before Joining SHG			After Joining SHG		
		(Fo-Fe)	Result	Association	(Fe-Fo)	Result	Association
1	Yes	-52.5	(Fo<Fe)	-ve	+52.5	(Fo>Fe)	+ve
2	No	+1.5	(Fo>Fe)	+ve	-1.5	(Fo<Fe)	-ve
3	Moderate	+51	(Fo>Fe)	+ve	-51	(Fo<Fe)	-ve

**Table IX: The SHG group activities of respondents**

S.No.	Role in SHG	No.	%
1	President	81	67.5
2	cash box holder	3	2.5
3	Account maintainer	3	2.5
4	Member	30	25.0
5	Total Responses	117	97.5
6	No Response	3	2.5
	Total Respondents	120	100.0

**Table X: Nine Square table of Respondents Economic Condition before and after joining SHG**

A. Social Empowerment Indicators			
<b>I. Children Education</b>		Before	After
1	Not studying	+ve	-ve
2	Government school	+ve	-ve
3	Private School	-ve	+ve
Children not studying and govt. school were positive when respondents did not join SHG, while Private School is seen to be positively associated with joining of SHG. Thus Educational Empowerment is proved.			
<b>II. Social participation</b>		Before	After
1	Yes	-ve	+ve
2	No	+ve	-ve
The social Participation was absent before SHG joining and was seen positive after SHG joining of respondents- Social Empowerment-Holds First Hypothesis True			
<b>III. Respect in Society</b>		Before	After
1	Yes	-ve	+ve
2	No	+ve	-ve
3	Moderate	+ve	-ve
The respect of respondent after joining SHG surged - Social Empowerment-Holds First Hypothesis True			

**Table XI: Nine Square Table of Social Participation of Respondents before and after joining SHG**

Social Participation	After SHG	Before SHG
Yes	117	30
No	3	90

**7. CONCLUSION AND FINDINGS**

The tabular and graphical presentation of data shows that the social status was found to have been strengthened as- Participation in Social activities by respondents was found to be 97.5% after the respondents joined SHG and 100% Respondents reported that their Respect in Society increased after they joined the SHG

Microfinance through SHG-makes women empowered by involving them in various activities of the group -cash related management and other social responsibility. From the data it was found that 61% respondents were President of the Group, 2.5% were Cash box holder, 2.5% were account maintainer and about 25% respondents were normal group members of SHG.

The method association of attributes showed +ve association between Strengthened Social Condition and respondents joining SHG And The Q value obtained by Yule’s method is +0.98, which states that there is highly positive association between Social Condition of respondents



(rural women) and their joining SHG. All this means that the Social condition of the respondents became stronger after they joined the SHG and got microfinance

It is been observed that these rural women are curious learners and learn from each other also. They are very curious to know about the numerous government policies and benefits for their development and growth, all this they came to know through various training programs and meetings of SHG's. In the meetings with these participants, I came to know about their enthusiasm to grow and learn what I feel is less in the women who live in urban areas, are educated and are more civilized. The idea behind saying this is to just counter the awareness between the females of various families, status and knowledge level.

## **8. Recommendations**

1. Social empowerment is coming through the participation in the meetings and managing the work over there, but still few members were found to be dormant and some were dominant. Thus there is need of balance between participants. It's true that fittest one survives, but we have to make all do well as for further development we have to have all as one united family. It is recommended that each and every member must speak up and actively participate in the group's activity. Thus, a need of close look in this matter is required. Though parachutes of ICDS Department are actively working but still we need some extra hard work to bring up the backward and weaker section of the rural women.
2. The Social state of women was improved, but there is a long mile to be traveled yet as equality is missing, the people with good social condition were seen to be benefited more than the women who actually had worse condition. There have to be some line drawn so that, we don't see both equally in providing help the poorest females need to be financially supported greater than others. This does not mean that we have to avoid others but poorest must be seriously worked.
3. Most of our respondents were in the range of 40-55 and the younger ones were unable to respond for the social constraints it is therefore it is recommended that the old women are made aware, through various cultural programs, so that they become responsive and understand the changes due in the next generation. This is the present need of society; the rigidity of the old sanskaras and the old rules laid down by the ancestors has to be loosened. They have become redundant now, and are quite a constraint in the development and growth of society, particularly women.
4. There is a need to target unmarried girls, so that on entering their married lives they are already financially strong and can make their own decisions regarding their future. Dependence on family will not help as it encumbers more the individuals rather than helping them. This will give them peace of mind and make them more confident.
5. It was found that the difficulties faced by widow and Divorcee are substantial, as the complete responsibility of home and kids are borne by these ladies alone and we know how difficult is to survive alone, by a lady. The SHGs could serve to be a good support system for these ladies and might lead towards their being emancipated.
6. During survey it was found that most of the respondents had very low level of education. It is therefore needed to focus on the education of the SHG linked women; the weekly meeting concept of SHG can serve as a venue to improve their level of education. The SHG movement has to be made more education oriented as this will improve the education level in the society.

Above all this Empowerment is the feeling that comes from within the person. Women themselves have to take the initiative to empower their selves. Everything and every outer support can help in the process but can't complete it.

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