# Socio-Economic and Communicational Traits related to Impact of Micro Finance on Empowerment of women of Rewa District

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## ABSTRACT

This study was conducted in Rewa district of Madhya Pradesh with the objective to analyze the association between Socio-Economic and communicational variables and Empowerment of women of self-help groups members and to find out the constraints in proper functioning of Self-help group. The result shows that education, occupation, family size, mass media contact and level of exposure were found to have significant association with impact of the microfinance on them.

**Key words:** *Socio-Economic and communicational Traits, Empowerment, Microfinance, socio-economic impact, Self-help group.*

## INTRODUCTION

Diverse initiatives and strategies are underway to address economic vulnerability and marginalization of women. One notable approach involves the utilization of Self-Help Groups (SHGs) to advance rural development objectives. The genesis of SHGs can be traced back to the Grameen Bank of Bangladesh, established by Muhammad Yunus. SHGs consist of small, economically homogeneous groups of rural poor who willingly contribute to a collective fund for lending among members based on group decisions. This structure promotes group cohesion, self-awareness, and economic empowerment through democratic processes (Rangarajan, 2004). Core functions of SHGs include promoting self-reliance through microfinance and microcredit, often involving modest contributions from members, such as ten rupees per month.

Research indicates that microfinance significantly impacts the socio-economic status of members and their families, particularly in terms of access to resources, healthcare, and sanitation facilities. Additionally, SHGs liberate impoverished families from the clutches of private moneylenders, breaking the cycle of poverty and hunger, while also facilitating their integration into the formal banking system for business expansion (Krishna *et al.,* 2017).

Typically comprising 10-20 members with similar socio-economic backgrounds, SHGs operate as village-based committees, pooling regular savings to address emergency needs. They effectively recycle resources among members to tackle productive and emergent credit needs (Krishna *et al.,* 2017). SHG membership increases women's access to information and their participation in some agricultural decisions.(Raghunathan *et al.,* 2019).

Rewa district ranked first; among all district of Madhya Pradesh with highest number of SHGs.Rewa block of Rewa district have 1,372 self-help groups involving 3,783 women in economic and social activities. (NRLM office Rewa 2019). Considering such strength in numbers this study was planned with the objectives to analyze the association between Socio-Economic and communicational variables and impact of microfinance on self-help groups members and to find out the constraints in proper functioning of Self-help group considering various measure to overcome them from their point of view.

## METHODOLOGY

The National Rural Livelihood Mission (NRLM) Project has been running in the Rewa district since 2015 for improving the livelihood of women beneficiaries through self-help groups. The district comprised of nine blocks. Out of these blocks; Rewa

block was selected on the basis of higher number of rural women beneficiaries under NRLM project. A cluster consisting five villages of Rewa block was selected due to higher concentration of self-help groups members. A list of Self-help group members was prepared from this cluster and respondents were selected from each village through proportionate random sampling method.

The data was collected personally with the help of pre tested interview schedule. The appropriate statistical tools like percentage, average and Chi-square test statistic were applied for drawing the inferences based on statistical results obtained from statistics analysis done. Chi-square test statistics is given as

$$\chi^2 = \sum \frac{(o-e)^2}{e} \quad \text{With d.f. (r - 1) (c - 1)}$$

Where, $\chi^2$: Value of chi-square

N: total number of observation

C: Co-efficient of association

For practical explanation of the extent of association,

the contingency co-efficient of association values were interpreted as -

i)  To 0.20 (negligible association)
ii)  0.21 to 0.40 (fair association)
iii)  0.41 to 0.60 (good association)
iv)  Above 0.60 (excellent association)

**Correlation Analysis:**

The relation of selected independent variables was ascertained with the help of pearson's product moment correlation coefficient. The value of correlation coefficient will be worked out by using the following formula.

$$r_{xy} = \frac{COV(X.Y)}{\sqrt{(V(x) \times V(y))}}$$

Where,

rxy = Correlation coefficient between x and y.

COV(X.Y) = Co-variance between x and y

V(x) = Variance of x and V(y) = Variance of y.

**RESULTS AND DISCUSSION**

*Table 1*
*Distribution of the respondents according to their socio-economic and communicational profile*

*n=120*

| Independent variable | Categories | No. of respondents | Percentage |
|---|---|---|---|
| Age | Very young (up to 25) | 31 | 25.83 |
| | Young (26 - 30) | 51 | 42.50 |
| | Experienced young (31 - 35) | 38 | 31.67 |
| Caste | Backward category (SC / ST) | 27 | 22.50 |
| | Other backward category (OBC/SBC) | 52 | 43.33 |
| | General | 41 | 34.17 |
| Education | Illiterate | 13 | 10.83 |
| | Up to primary level | 59 | 49.16 |
| | Up to middle level | 26 | 21.67 |
| | High school & above | 22 | 18.34 |
| Primary occupation before joining SHG | Agriculture | 30 | 25.00 |
| | Agriculture + Business | 32 | 26.67 |
| | Agriculture + Labour wages | 42 | 35.00 |
| | Others | 16 | 13.33 |
| Family Size | Small | 30 | 25.00 |
| | Medium | 50 | 41.67 |
| | Large | 40 | 33.33 |

| | | | |
|---|---|---|---|
| **Annual income of family before joining self-help group** | Less than average | 27 | 22.50 |
| | Average | 52 | 43.33 |
| | More than average | 41 | 34.17 |
| **Social Participation** | Low | 37 | 30.83 |
| | Medium | 57 | 49.17 |
| | High | 26 | 23.33 |
| **Extension Contact** | Low | 29 | 24.17 |
| | Medium | 53 | 44.17 |
| | High | 40 | 33.33 |
| **Mass Media Contact** | Low | 29 | 24.17 |
| | Medium | 55 | 45.83 |
| | High | 36 | 30.00 |
| | Medium | 22 | 18.33 |
| | High | 63 | 52.50 |

Data in Table 1 presents distribution of the respondents according to their socio-economic and communicational profile.

**Socio-economic Variables:** Out of total respondents, majority belonged to middle age group (42.50%) followed by old age group (31.67%) and young (25.83%). Out of the total respondents, 49.16 per cent was found to have up to primary level of education, 21.67 per cent had up to middle level of education, 10.83 per cent were up to illiterate and remaining 18.34 per cent were educated up to high school and above. Out of total respondents, majority belonged to OBC category (43.33%) followed by general category (34.17%) and backward category (SC/ST) (22.50%). Out of the total respondents, occupation of majority (35.00%) was found to have agriculture with labour wages, 26.66 per cent agriculture with Business, 25.00 per cent had agriculture only and remaining 13.33 per cent have other occupations before joining self-help group. Out of total respondents, majority belonged to medium size of family (41.67%) followed by large size of family (33.33%) and small size of family (25.00%). It was found that out of total respondents, majority belonged have average annual income of the family before joining SHG (43.33%) followed by above average annual income of the family before joining SHG (34.17%) and less than average annual income of the family before joining SHG (22.50%). Out of total respondents, majority belonged to medium social participation (49.17%) followed low social participation (27.50%) and high social participation (30.83%).

**Communicational Variables:** Out of total respondents, majority had medium extent of extension contact (44.17%) followed by high extent of extension contact (33.33%) and low extent of extension contact (24.17%). Out of total respondents, majority belonged to medium mass media contact (45.83%) followed by high mass media contact (30.00%) and low mass media contact (24.17%) respectively. Out of total respondents, majority belonged to medium level of exposure (44.17%) followed by low level of exposure (32.50%) and medium level of exposure (23.33%).

*Table 2*
*Distribution of the respondents according to overall extent of impact of micro finance*

| Extent of impact of microfinance | No.of respondents | Percentage |
|---|---|---|
| Low | 27 | 22.50 |
| Medium | 60 | 50.00 |
| High | 33 | 27.50 |
| **Total** | **120** | **100** |

The data in Table 2 shows that out of total, half of the respondents exhibits medium level of socio-economic impact ( 50.00%) followed by high level of socio-economic impact (27.50%). Only 22.50 per cent shows low socio-economic impact. The results are in sync with Mary *el al.,* (2012).

*Table 3*
*Association between socio-economic & communicational profile of the respondents with impact of the micro finance on them*

| Characteristics | $\chi^2$ | C | Degree of association |
|---|---|---|---|
| Age | 4.36 | 0.10 | Negligible |
| Education | 14.85 | 0.36 | Fair |
| Caste | 2.26 | 0.13 | Negligible |
| Occupation before joining Self -help group | 17.55 | 0.34 | Fair |
| Family size | 16.06 | 0.3 | Fair |
| Family income before joining Self -help group | 2.24 | 0.14 | Negligible |
| Social participation | 1.8 | 0.13 | Negligible |
| Extension contact | 13.30 | 0.34 | Fair |
| Mass media contact | 12.34 | 0.13 | Fair |
| Level of exposure | 13.94 | 0.24 | Fair |

Data in Table 3 presents association between socio-economic & communicational profile of the respondents with impact of the micro finance on them. The value of chi- square indicated that independent variables like education, occupation, family size, extension contact, mass media exposure and level of exposure had significant association with impact of the micro finance on them whereas variables like age, caste, occupation, family income before joining SHG and social participation was found to have non-significant association with impact of the micro finance on them.

The association between age and extent of impact of micro finance on respondents was found to be non-significant (2 value 4.36).

The association between education and extent of impact of micro finance on respondents was found to be significant (2 value 14.85 ). Similar results were also revealed by Srivastava *et al.,* (2013)

The association between caste and extent of impact of micro finance on respondents was found to be non-significant (2 value 2.26 ).

The association between occupation and extent of impact of micro finance on respondents was found to be significant (2 value 17.55) .

The association between family size and extent of impact of micro finance on respondents was found to be significant (2 value 15.13).

The association between family income (before joining SHG) and extent of impact of micro finance on respondents was found to be non-significant (2 value 2.26).

The association between social participation and extent of impact of micro finance on respondents was found to be non-significant (2 value 4.36). Similar results were also revealed by Srivastava *et al.,* (2013).

The association between extension contact and extent of impact of micro finance on respondents was found to be non-significant (2 value 13.30). Similar results were also revealed by Mehta and Sonwane (2012).

The association between mass media contact and extent of impact of micro finance on respondents was found to be significant (2 value 12.34) . Similar results were also revealed by Nhemachena and Hassan (2007).

The association between level of exposure and extent of impact of micro finance on

respondents was found to be significant (2 value 13.94).

All significant independent variables found to have fair degree of association with the dependent variables.

*Table 4*
*Constraints perceived by the women members of self-help groups.*

| S.No. | Constraint | No. of respondents | Percentage | Rank |
|-------|------------|--------------------|------------|------|
| 1. | Lack of participation of women members | 92 | 76.66 | I |
| 2. | Loan are not sufficient | 84 | 70.00 | II |
| 3. | Lack of adequate financial support | 73 | 60.83 | VII |
| 4. | Delayed  financial supply or loan | 68 | 56.66 | VIII |
| 5. | Lack of market facility for self-help groups | 76 | 63.33 | VI |
| 6. | Lack of knowledge about agriculture | 55 | 45.83 | XI |
| 7. | Individual members are reluctant to attend training | 80 | 66.66 | IV |
| 8. | Lack of interest  in the meeting | 82 | 68.33 | III |
| 9. | Non availability of resources | 65 | 54.16 | IX |
| 10. | Family restriction | 78 | 65.00 | V |
| 11. | Lack of education | 63 | 52.50 | X |

Data in Table 4 shows the constraints perceived by the women members of self-help groups. It was found that Lack of participation of women members  ranked first and reported by 76.66 per cent members followed by insufficient loan ( II rank, 70.00%), lack of interest in the meeting ( III rank, 68.33%), Individual members are reluctant to attend training ( IV rank, 66.66%), Family restriction ( V rank, 65.00%), Lack of market facility for self-help groups ( VI rank, 63.33%), Lack of adequate financial support ( VII rank, 60.83%), Delayed financial supply or loan ( VIII rank, 56.66%), Non availability of resources ( IX rank, 54.16%), Lack of education ( X rank, 52.50%), Lack of knowledge about agriculture ( XI rank, 45.83%).

Therefore it can be conducted that Lack of participation of women members and insufficient loans are major constraints perceived by women self-help group members.

**CONCLUSION**

Women are coming forward for changing their marginalized condition irrespective of their caste, creed and age. SHGs are proving to be an effective tool to achieve the same. The impact of micro finance can be enhanced with the help of proper training and financial support.

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