

**MICRO FINANCE: A TOOL FOR WOMEN EMPOWERMENT IN  
MEERUT DISTRICT**

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**Abstract**

Women constitute essential part of every economy. The all round development and harmonious growth of a nation would be possible only when women are suspicious at par with man as equal partners in the process of development. Empowerment of women is essential to connect the women labour in the main stream of economic development. It is a multi-dimensional mechanism embracing social, political, economic and social aspects. Of all these facets economic empowerment is of utmost significance in order to achieve a lasting and sustainable development of society. The statement by Pandit Jawaharlal Nehru “When the women move forward the family moves the village moves and the nation moves.” Micro finance is regarded as significant and potent tool for the empowerment of women. The main purveyors of micro finance the Self-Help Groups are informal associations of people who choose to come together to find ways to improve their living conditions. They help to put up Social Capital among the poor, especially women. The success of the group approach in rural micro-finance among women has motivated the tendency to look at all networking as essentially good and desirable in rural community development, without acknowledging the well-established caste, class, ethnic and religious hierarchies that lead to diversities among women. The objective of the present paper is to study the income, expenditure and saving of the members after joining SHGs and to know the role of SHGs in providing rural credit.

**Key words:** - Micro Finance, Self Help Group, Saving, Women Empowerment,

## **Introduction**

Empowerment of women is an inclusive issue. It is a multi-dimensional process which enables women to understand their full distinctiveness and powers in all spheres of life. Women represent an essential element of society today they are the instruments of civilization. They constitute half the world's human resources.

According to United Nations (2001) empowerment is the processes by which women take control and possession of their lives through development of their choices. Thus, it is a progression of acquiring the ability to make strategic life choices in a context where this skill has formerly been denied. Adapting from the report on micro finance programs and women empowerment strategies for growing impact edited by Linda Mayoux and Susan Johnson hosted by Action Aid Ethiopia, Anand (2002) defined empowerment as a continuous process where the powerless people become conscious of their situation and organize themselves to improve it and access opportunities, as an outcome of which women take control over their lives, set their own agenda, gain skills solve problems and development self reliance.

Women empowerment has been accorded a priority in government development programs. Seemingly most of the targeted group programs of the central and state government are using Self Help Group as an instrument for effectively implementing and to make the benefit of trickling down to the destitute.

Once Mahatma Gandhi told "millions of women in our hamlets know what unemployment means. Give the access to economic activities and they will have an access to power and self-confidence to which they hitherto have been strangers.

## **Need for Empowerment of Women in India**

Women represent nearly fifty per cent of national population and are a very important human resource in the nation's development. Fuller and effective utilization of human resources is a means of developing the economy and raising the standard of living of the people of India. However, has not been able to make the best use of its human resources, principally women power. The constitution of India provides for equality and justice to women under articles, 14, 15 and 16 of the constitution of India. Empowerment is closely related to human resources development and human capital building, which is the process of increasing capacities of women in society. Capacity defines the potential for development like the capacity to generate local resources and the capacity to use resources effectively, while performance represents the degree, to which that possible is realized in actual achievement. Capacities of women also mean health condition education level use and control over resources/ public service and social and political strengths.

The national policy for empowerment of women was adopted in 2001 with the objective of ensuring women their rightful place in society by empowering them as agents of socio-economic change and development. Empowerment of women is consequently, an important move towards adopted in the tenth five year plan (2002-07) for development of women with a sight to translating the national policy for empowerment of women into action, a national plan of action for empowerment of women has been contemplated to eliminate all types of prejudice against women and the girl child and their empowerment, major strategies include social empowerment economic empowerment and gender justice.

### **Rural Development**

Rural development assumes special Place in the Indian context for two important reasons first, about two-thirds of the population still lives in villages and there cannot be any progress so long as rural areas remain backward. Second the backwardness of the rural sector would be major impediment to the overall progress of the economy.

### **Concept of Micro Finance and SHGs**

Micro finance is defined as the provision of thrift, credit and other financial service such as money transfer and micro insurance products for the poor to permit them to raise their income levels and get better living standards. Micro finance programs have significant potential to enhance the economic and social empowerment of SHG members.

SHGs are the brainchild of Grameen Bank of Bangladesh, which was founded by Mohammed Yunus. SHGs were started and formed in 1975. In India NABARD is initiated in 1986-87. But the real effort was taken after 1991-92 from the linkage of SHGs with the banks. The group members use collective wisdom and peer pressure to ensure proper endues of credit and timely repayment thereof. For increasing the credit coverage of weaker sections poor and women while ensuring excellent repayment, approach of linking self help groups with banks has been found quite effective.

### **Objectives of the Study**

The objective of the present study is to analyse the status of economic empowerment of women through SHGs in the Meerut district.

- ❖ To examine the impact of SHGs and micro finance on women empowerment
- ❖ To examine the income, expenditure and savings of the members after joining SHGs.

### **Methodology**

The present study is undertaking specific context of Uttar Pradesh. Meerut district has been selected for the study. Random sampling has been used for the selection of villages. Sardhana block of Meerut district has been selected for the study as SHGs in this block are functioning very successfully. 50 respondents have been selected from 10 SHGs.

### **Collection of Data**

The study is descriptive in nature. This study is compiled with the help of the primary data for the period (2013-2014). The primary data has been collected with the help of structured questionnaires. The respondents were asked question seeking information about income, saving, expenditure, credit, influence of SHG etc.

### **Analysis and Interpretation of Data**

The present study is related to the economic empowerment of women in the Western Uttar Pradesh. Five villages were selected from Sardhana Block of Meerut district. In the study area totally 10 SHGs are functioning with 150 members. Table-1 of these 150 members 50 respondents were selected for the study. The sample size was 1/3 of the total members in the SHGs.

**Table-1 SHGs Members**

SN.	Name of Village	No. of SHGs	Total Members
1	Allipur	2	26
2	Bhamori	2	31
3	Jhitkari	2	32
4	Kulanjan	2	27
5	Milak	2	34
Total	5	10	150

Source: field survey

### Age Group of SHGs Members

Age and socio-economic activities are inter-related. Young and middle age group people can actively participate in the socio-economic activities. In the five village of Meerut district, 20-30 and 30-40 age groups are actively participated in the SHGs activities Table-2. 40-50 age people are also in the SHGs, their role is also important for SHGs. They can only control and solve the problems arise in the groups.

**Table-2 Age Group of Respondents**

S.N	Age Group	No of Respondents	Percentage%
1	Less than 20	5	10
2	20-30	15	30
3	30-40	19	38
4	40-50	11	22
Total		50	100

### Reasons for Joining SHGs

The major purpose of the SHG is to promote savings and to advance credit for the productive and expenditure purposes. This is true because many people in the study area become members of SHGs for getting loan and to promote their personal savings, Table-3 In the study area many people 32% joins the SHGs for getting loan, 22% of the respondents joins the SHGs for the financial support, only 18% of the respondents join for improving their savings.

**Table-3 Reasons for Joining SHGs**

S.N	Reasons	No. of Respondents	Percentage %
1.	For getting loan	16	32
2.	For promoting savings	9	18
3.	For financial support	11	22
4.	For achievement	6	12
5.	For other reasons	8	16
	Total	50	100

**Income Level of the Members**

The incomes of the member of SHGs increased. Women members of these groups are now more independent to meet their personal expenditure and they are capable of contributing more to the family income. Many housewives 14% did not earn anything before joining SHGs, but after a member of the SHGs, they are also earning reasonably. This increases the motivation to participate in the SHGs' activities Table-4.

**Table- 4 Monthly income of the Members before and after Joining SHGs**

Sl. No.	Before Joining SHGs			After Joining SHGs	
	Monthly Income Rs.	No. of Respondents	Percentage	No. of Respondents	Percentage %
1.	Less than 1000	8	16	3	6
2.	1000-3000	11	22	13	26
3.	3000-5000	14	28	18	36
4.	Above-5000	10	20	14	28
5	Non-earning members	7	14	2	4
	Total	50	100.	50	100

**Expenditure of the SHGs Members Family**

The family expenditure has improved due to increase in the SHGs members' income. The incremental income not only improves the expenditure of the family but also support the saving needs of the family. Usually working women are being respected by the household members and the society. Nowadays the women in the SHGs are also respected by the others, because they are independent in earning the income and they are contributing to household income, expenditure and savings.

**Table-5 Monthly family expenditure of the members before and after joining SHGs**

Sl. No.	Before Joining SHGs			After Joining SHGs	
	Monthly Income Rs.	No. of Respondents	Percentage %	No. of Respondents	Percentage %
1.	Less than 1000	4	8	2	4
2.	1000-3000	9	18	9	18
3.	3000-5000	16	32	17	34
4.	5000-7000	13	26	14	28
5.	Above-7000	8	16	18	36
	Total	50	100	50	100

Table-6 presents the status of repayments of loans. 46% of the members repay the loan at the time.

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Table-6 Repayment of Loan by SHGs' Members

S.N.	Particulars	No. of Respondents	Percentage
1.	Repayment in time	21	46
2.	Repayment in advance	15	30
3.	Repayment not in time	14	28
	Total	50	100

**Conclusion**

The study was undertaken to analyse how far SHGs have facilitated Meerut district. An important observation has been that the income of the women have increased after joining the SHGs. Monthly household expenditure also has increased considerable level. Rate of the growth of spending are mostly to finance present consumption.

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