

# **Upliftment of Rural Women through Micro Finance - With Special Reference to Kollegala Taluk of Chamarajanagar District**

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## **Abstract**

*In rural India, for many years, certain crucial qualities like equity and inclusivity have been disregarded. Despite making up almost half of India's population, women are often marginalized in both local and public life. Rural women Upliftment is critical to the welfare of individuals, families, and rural societies. Globally, women make up a sizable portion of the agricultural labour, and their empowerment is crucial for promoting economic efficiency as a whole. In addition to facing obstacles including restricted access to credit, healthcare, and education, rural women are frequently subjected to extreme discrimination, poverty, and climate change. The nature of this study is both descriptive and empirical. The study has used both primary and secondary data. Primary data is collected with the use of questionnaires and field surveys, Personal interviews to attain the data essential for the analysis. Here, respondents' data is collected via a standardized questionnaire. The current study examines the connections between Upliftment of Rural Women and microfinance in the studied area. The study says that There is a Significant Difference Observed Between Factors Influenced on Upliftment of Rural Women before and after Participation in Microfinance and Self-Help Group. Thus, this study concludes that women are empowered through microfinance and self-help group participation.*

**Keywords:** Upliftment, Microfinance, Self Help Groups.

## **Introduction**

Rural India, for many years, certain crucial qualities like equity and inclusivity have been disregarded. Despite making up almost half of India's population, women are often marginalized in both local and public life. Rural women Upliftment is serious to the welfare of individuals, families, and rural communities. In addition to facing obstacles including restricted access to credit, healthcare, and education, rural women are frequently disproportionately affected by poverty, prejudice, and climate change. Numerous micro-entrepreneurs have emerged in rural sections of the nation as a result of microfinance companies' easy-to-repay loans to impoverished rural women. As a result, many impoverished individuals in rural areas now have jobs in addition to working for themselves. The goal of microfinance is to give women more control. It facilitates their entrepreneurship and encourages them to engage in the economy. It boosts their self-esteem, advances their standing, and facilitates decision-making.

With the potential to bring about both a radical shift in societal norms and financial independence, microfinance has become a potent instrument for the empowerment of rural women in India. Traditional gender norms frequently restrict women's ability to participate in the economy in India. Microfinance efforts are essential for promoting entrepreneurship, improving financial literacy, and improving the socioeconomic standing of rural women. The goal of financial empowerment is central to microfinance. Microfinance organizations give women the power to take charge of their financial goals by giving them admission to small loans, savings accounts, and other financial facilities.

Self Help Groups (SHGs) are well-known throughout the world for using microfinance as a cutting-edge instrument to combat poverty and promote rural development. Microfinance and Self-Help Groups (SHGs) have the potential to alleviate poverty, empower women, raise awareness, and ultimately lead to the sustainable development of the country.

Micro finance afforded financial helps to rural women through Self Help Groups. Self- help groups consist of five to twenty women who share a common social and economic background. These women band together and get together on a regular basis in order to save a little amount of money—perhaps as little as Rs. 10 or Rs. 20 every month. The members of the group are then given access to the pooled funds when needed, be it for emergencies, hard times financially, significant life events, or the acquisition of assets. Collateral is not required for the loans obtained via self-help organizations, and the group's peer pressure ensures prompt loan payback.

Members can also learn how to collaborate and function in a group setting. The savings options provided by SHGs are tailored to their members' needs. It also provides its users with an affordable way to receive tiny credits. The SHGs play a major role in empowering women from disadvantaged backgrounds.

They pool their financial resources to lend their members small sums of money with interest. An ethic that prioritizes saving money is produced by this process. Delegated group members define the terms and conditions and handle the loan's accounting.

Self-help groups (SHGs) have the potential to significantly subsidize to the economic, social, and political Upliftment of rural women. SHGs can support rural women's empowerment in a variety of ways, such as:

**Income Generation:** SHGs can help women earn more income through income- generating activities. They can also offer micro-loans to women entrepreneurs to help them sustain their businesses.

**Financial Stability:** SHGs can help women save money and grow banking habits, which can strengthen their bargaining power and make it easier to get loans. SHGs can also provide financial constancy during health emergencies by increasing women's awareness of health concerns.

**Decision-making Skills:** SHGs can help women develop better agency and decision- making skills, such as controlling resources and making purchases on their own. Women can also benefit from the collective wisdom of the group when handling their finances and distributing benefits.

**Psychological Empowerment:** SHGs can help women develop socio-economic self- confidence, which can lead to psychological empowerment, or a sense of effectiveness that's demonstrated in self-esteem and self-confident behaviour.

**Community Action:** SHGs can help women take action on gender issues like child marriages, gender-based violence, and keeping children in school. They can also contribute in non-family groups like credit programs and solidarity movements.

## **Review of Literature**

S. Arunkumar and others (2016) “Empowering Rural Women through Micro Finance: An Empirical Study” The objective of the study is to better understand and assess the role played by microfinance in empowering women in Chidambaram Taluk through Self Help Groups. It also aims to identify the demographic makeup of these groups and provide recommendations on how microfinance could work better in promoting women’s empowerment through self-help groups. Methods/Analysis: This study is both descriptive and empirical in nature. The analysis uses both primary and secondary data. Primary data will be collected through questionnaires and field surveys. According to the study, there is a significant difference between: the ability to solve family problems, self-confidence, the achievement of knowledge and skills, the ability to make decisions, the ability to solve family problems before and after the use of microfinance. Thus, the study concludes that membership of self-help groups and use of microfinance empowers women.

Dr. Abhilash Babu and others (2017) “Role of Micro- Finance in Women Empowerment in India” in This paper reviews the literature in the Indian context and investigates the significance of microfinance in women’s empowerment. There are six sections in the paper. An examination of empowerment conceptually is provided in the first section. An overview of microfinance and its development is given in the second part. The history of microfinance in India is covered in the third section. The impact of microfinance on women’s empowerment is covered in the fourth part. The obstacles to women’s empowerment are discussed in the fifth section, while solutions are offered in the next six sections. the study’s conclusion that microfinance is essential to Indian women’s economic, social, and psychological empowerment. Microfinance is becoming a powerful tool for poverty reduction in the new economy. Self Help Groups (SHGs) and bank linkage programs are major players in the microfinance industry in India. They are an affordable way to offer financial services to the “unreached poor” and have been successful in both empowering the poor by strengthening their collective self-help capabilities and meeting the financial needs of rural women. Women in this country are currently participating in the empowerment movement due to the rapid success of SHGs. Women who are economically capable have a better position and a more active role in the household, greater self-confidence and the ability to influence or make decisions.

## **Research Gap**

One of the objectives of microfinance is to empower women and create employment opportunities by promoting self-employment, which in turn improves the social well-being of poor people. Most of the existing studies, especially economic studies, have focused only on how MFI loans help in poverty alleviation, rather than analyzing their impact on social and financial empowerment and women’s start-up. Most past studies have sought to explore the role and importance of microfinance in women’s empowerment. Thus, the review of literature clearly shows that there is dearth of studies relating to Upliftment of Rural Women. This paper attempts to review how microfinance has been immensely successful as a strategy for the upliftment of rural women. The effort is also to suggest ways to support the Upliftment of rural women in Study area.

## **Objectives of the Study**

1. To Figure out the Role of Micro Finances in Upliftment of Rural Women in Study Area.
2. To Exploring the Effectiveness of Micro Finances in terms of Upliftment of rural women and Entrepreneurial Development.

## **Hypotheses of the Study**

1. There is a Significant Difference Observed Between Factors Influenced on Upliftment of Rural Women before and after Participation in Microfinance and Self-Help Group.

## Methodology of the Study

The present study is an empirical investigation purely based on primary and secondary data. A stratified random sampling method has been adopted for survey. The primary data has collected from beneficiaries of Micro Finance in Kollegala taluk of Chamarajanagara District. The survey has been conducted by taking 100 beneficiaries of Micro Finance in the study area and respondents are stratified randomly selected. Secondary data collected from Various Books, Newspapers, journals, Vlogs, websites of Micro Finance. So, the quality of study depends upon accuracy, reliability and quality of that data. After collection of data, these are arranged in tabular format. The analysis was done by using different statistical tools and the analysed data are presented in tabulated form. The data is analysed by using the Simple tables, Charts, percentage method is used to analyses the data, and Paired sample t test used to Hypothesis.

## Survey Based Analysis and Data Interpretation

A survey of twenty villages such as Linganapura, Jinakanahalli, Gundegala, Harale, Madhuvanahalli, Mudagunda, Thellanuru and other villages Kollegala taluk of Chamarajanagar district of Karnataka state has been conducted 100 of Beneficiaries of Micro Finance women have been interviewed through questionnaire. The research findings are as follows,

**Table 1 Type of Family of Respondents.**

Sl. No.	Type of Family	Respondents	Rank
1.	Nuclear family	96	1
2.	Joint family	04	2
	<b>Total</b>	<b>100</b>	

(Source: field survey)

Table 1 says that 96 % of the respondents belongs to nuclear families and remaining only 04 % of the respondents belongs to Joint family.

**Table 2 Age of Respondent**

Sl. No.	Age group	Respondents	Rank
1.	Below 20 years	10	4
2.	21-30 years	32	2
3.	31-40 years	36	1
4.	41-50 years	16	3
5.	51 and above	08	5
	<b>Total</b>	<b>100</b>	

(Source: field survey)

Table 2 shows that 10 respondents are in the age group up to 20 years, 32 respondents are in the age group 21-30 years, 36 respondents are in the age group 31 to 40 years, 16% of respondents are in the age group. group under 41-50 years and only 08 respondents aged 51 and above.

**Table 3 Marital Status of Respondent**

Sl. No.	Marital Status	Respondents	Rank
1.	Married	60	1
2.	Unmarried	04	3
3.	Widow	24	2

4.	Divorced/separated	02	4
	Total	100	

(Source: field survey)

Table 3 shows that out of 100 respondents, 60 are married, 4 are single, 24 are widowed and only 4 of them are divorced. Currently, married and widowed/divorced women are treated differently in society.

**Table 4 Educational Status of Respondent**

Sl. No.	Level of Education	Respondents	Rank
1.	Illiterate	02	1
2.	Primary	40	2
3.	High school	34	3
4.	PUC	16	4
5.	UG and above	08	6
	Total	100	

(Source: field survey)

Table 4 shows that 2% of respondents were observed as illiterate, followed by 40% of respondents in primary school, 34% in secondary school, 12% in pre-university education, less educated and only 8%. This is mainly because rural women are more inclined to their traditions and do not try to increase their education.

### Impact on Employment

The link between poverty and unemployment are two sides of the same coin. After becoming members of SHG's, job opportunities increased. There are more opportunities in milk production and the number of jobs has increased. The impact of SHGs on employment can be seen from the following table.

**Table No 5 Impact on Employment after Joining SHGs**

Sl. No.	Nature of work	Before	After
1.	Only House work	30	04
2.	Road Side Wenders	12	16
3.	Agriculture labour	32	12
4.	Milk Business	12	36
5.	Lady Tailor	08	12
6.	Shopkeeper	06	10
7.	Flour Mill	04	06
8.	Other	02	04
	Total	100.0	100.0

(Source: field survey)

From the above table we can draw the following conclusions that the percentage of rural women spending their time in domestic work has decreased from 60% to 70% which means they are finding gainful employment after entering Micro Finance. The activities where employment has increased are Milk Production, Tailoring and Flour Mill, suggesting that greater absorption is found in low-skilled jobs that are more suitable for low-skilled women.

**Table No 6 SHGs Members Income Position after Joining SHGs**

Sl. No.	Income of SHGs Member	Before	After
1.	No income	40	00
2.	Up to 20000	26	08
3.	20000 to 40000	16	30
4.	40000 to 60000	12	14
5.	60000 to 80000	06	12
6.	80000 to 100000	0	16
7.	100000 and above	0	20
	Total	100	100

(Source: field survey)

After becoming microfinance beneficiaries, the average income increased, especially 40 members with no income before membership, 30 members became gainful after membership. The income of SHG members increased during the period under review, which was reflected in the increase in variance. SHG members have been positively beneficial in terms of finding better income opportunities.

**Table No 7 SHG Member's Monthly Savings in Rupees after Joining SHGs**

Sl. No.	Monthly Saving of SHGs	Before	After
1.	No Saving	60	00
2.	50	20	12
3.	100	10	24
4.	200	06	40
5.	400	04	13
6.	500	00	08
	Total	100	50

(Source: field survey)

An increase in income, if followed by an increase in savings, results in a sustainable increase in living standards at both the macro and micro levels. The experience of SHGs in terms of increase in savings is shown in the table above. Based on it, the following conclusions can be drawn. After members savings rate increased. People who save 200 rupees a month jumped from 6% to 40%. The increase in member savings is attributed to the strong will of members for their economic improvement and institutional requirements as the bank finances SHGs based on funds generated by SHGs.

**Table No 8 Sources of Borrowing of SHG's Member after Joining SHGs**

Sl. No.	Sources of Loan	Before	After
1.	No loan	42	00
2.	Maravadis	14	04
3.	Relations	20	06
4.	Banks	06	12
5.	Micro Finance Through SHG's	00	78
	Total	100	100

(Source: field survey)

The poverty of SHG members prevented them from borrowing and improving their economic standards, which is reflected in the zero borrowing of 42% of members before joining the SHG. The loan recipient also increased microfinance through SHG by 78% after becoming a member and loan borrowed from relatives decreased from 20% to 06%. Marvadis as reduced from 14% to 04%. Access to SHGs replaced informal sources of loans and the share of loans through SHGs increased.

**Table No 9 Participation in social life of Tribal women after joining SHGs**

Sl. No.	Institutional membership	Frequency
1.	No. Membership in any institute	50
2.	Membership of Gram panchayat	04
3.	Membership in Dairy	24
4.	Women Mandal	10
5.	SDMC Member	04
6.	Membership in cooperative societies	08
	Total	100

(Source: field survey)

After joining the SHG, the participation of women expanded to include membership in other institutes. In this regard, we observed the following trends. Participation in local governance bodies such as village panchayat. Out of the sample of members, 50% of members did not qualify in terms of participation in other institutes. But 50% of members have the option to join other institutions. Involvement in local government bodies is a significant asset as it influences the status and morale of other women.

### Hypothesis Testing

#### Hypotheses of the Study

1. There is a Significant Difference Observed Between Factors Influenced on Upliftment of Rural Women before and after Participation in Microfinance and Self-Help Group.

**Table 10 Weighted Average Method for Analyse of Respondents Opinion about Role of Micro Finance of Upliftment of Rural Women**

Sl. No.	Parameters	Impact of MF	Negative Impact (-1)	No Impact (0)	Good Impact (1)	Substantial Impact (2)	Total & Weighted Value
1.	Income Generation	Before	0 (0)	60 (0)	35 (35)	5 (10)	100 (45)
		After	0 (0)	5 (0)	70(70)	25 (50)	100(130)
2.	Contribution to House Hold Income	Before	0 (0)	70 (0)	28 (28)	2 (4)	100 (32)
		After	0 (0)	05 (0)	70 (70)	25 (50)	100 (120)
3.	Enhance Savings/ Deposits	Before	0 (0)	80 (0)	20 (20)	0 (0)	100 (20)
		After	0 (0)	10 (0)	60 (60)	30 (60)	100 (120)
4.	House Hold Financial Decisions	Before	0 (0)	78 (0)	20 (20)	2 (4)	100 (24)
		After	0 (0)	10 (0)	70 (70)	20 (40)	100 (110)
5.	Improvement in Standard of Living	Before	0 (0)	56 (0)	36 (36)	8 (16)	100 (52)
		After	0 (0)	5 (0)	60 (60)	35 (70)	100 (150)
6.	Decision Making Capability	Before	0 (0)	78 (0)	19 (19)	03 (6)	100 (25)
		After	0 (0)	4 (0)	76 (76)	20 (40)	100 (116)

7.	Change in Social Status	Before	0 (0)	60 (0)	28 (56)	12 (24)	100 (80)
		After	0 (0)	15 (0)	60 (60)	25 (50)	100 (110)
8.	Basic House Hold Facilities	Before	0 (0)	50 (0)	35 (35)	15 (30)	100 (75)
		After	0 (0)	01 (0)	64 (64)	35 (70)	100 (134)
9.	Self Confidence	Before	0 (0)	70 (0)	14 (14)	16 (32)	100 (46)
		After	0 (0)	08 (0)	65 (65)	27 (54)	100 (119)
10.	Attainment of Knowledge and Skills	Before	0 (0)	60 (0)	28 (28)	12 (24)	100 (52)
		After	0 (0)	05 (0)	55 (55)	40 (80)	100 (135)

(Source: field survey)

Table 10 shows that Weighted Average Method for Analyse of Respondents Opinion about Role of Micro Finance of Upliftment of Rural Women. To analyse give weightage to opinion about Impact of Micro finance -1 to 2, -1 for Negative Impact, 0 for No Impact, 1 for good impact and 2 for Substantial Impact on upliftment of rural Women in study area. Finally this data of Weighted Average Method used to test the significant difference between Income Generation, Contribution to House Hold Income, Enhance Savings/Deposits, House Hold Financial Decisions, Improvement in Standard of Living, Decision Making Capability, Change in Social Status, Basic House Hold facilities, Self Confidence, Attainment of Knowledge and Skills before and after Participation in Microfinance and Self-Help Group.

**Table 11 Paired ‘t’ Samples Analyse the Role of Micro Finance of Upliftment of Rural Women**

Income Generation-Economic Empowerment			Contribution to House Hold Income		
	Before	After		Before	After
Mean	0.45	1.2	Mean	0.32	1.2
Variance	0.3475	0.26	Variance	0.2576	0.26
Stand. Dev.	0.5895	0.5099	Stand. Dev.	0.5075	0.5099
n	100	100	n	100	100
<b>t</b>	<b>-17.321</b>		<b>t</b>	<b>-27.0769</b>	
<b>Degree of Freedom</b>	<b>99</b>		<b>Degree of Freedom</b>	<b>99</b>	
<b>Critical Value</b>	<b>1.984</b>		<b>Critical Value</b>	<b>1.984</b>	

Enhance Savings/Deposits			House Hold Financial Decisions		
	Before	After		Before	After
Mean	0.2	1.2	Mean	0.24	1.1
Variance	0.16	0.36	Variance	0.2224	0.29
Stand. Dev.	0.4	0.6	Stand. Dev.	0.4716	0.5385
n	100	100	n	100	100
<b>t</b>	<b>-22.3614</b>		<b>t</b>	<b>-11.4881</b>	
<b>Degree of Freedom</b>	<b>99</b>		<b>Degree of Freedom</b>	<b>99</b>	
<b>Critical Value</b>	<b>1.984</b>		<b>Critical Value</b>	<b>1.984</b>	

Improvement in Standard of Living			Decision Making Capability		
	Before	After		Before	After
Mean	0.52	1.3	Mean	0.25	1.16
Variance	0.4096	0.31	Variance	0.2475	0.2144
Stand. Dev.	0.64	0.5568	Stand. Dev.	0.4975	0.463
n	100	100	n	100	100
<b>t</b>	<b>-18.8315</b>		<b>t</b>	<b>-31.7959</b>	
<b>Degree of Freedom</b>	<b>99</b>		<b>Degree of Freedom</b>	<b>99</b>	
<b>Critical Value</b>	<b>1.984</b>		<b>Vritical Value</b>	<b>1.984</b>	

Change in Social Status			Basic House Hold Facilities		
	Before	After		Before	After
Mean	0.52	1.1	Mean	0.65	1.34
Variance	0.4896	0.39	Variance	0.5275	0.2444
Stand. Dev.	0.6997	0.6245	Stand. Dev.	0.7263	0.4944
n	100	100	n	100	100
<b>t</b>	<b>-11.7504</b>		<b>t</b>	<b>-14.9189</b>	
<b>Degree of Freedom</b>	<b>99</b>		<b>Degree of Freedom</b>	<b>99</b>	
<b>Critical Value</b>	<b>1.984</b>		<b>Critical Value</b>	<b>1.984</b>	

Self Confidence			Attainment of Knowledge and Skills		
	Before	After		Before	After
Mean	0.46	1.19	Mean	0.52	1.35
Variance	0.5684	0.3139	Variance	0.4896	0.3275
Stand. Dev.	0.7539	0.5603	Stand. Dev.	0.6997	0.5723
n	100	100	n	100	100
<b>t</b>	<b>-16.4414</b>		<b>t</b>	<b>-14.2123</b>	
<b>Degree of Freedom</b>	<b>99</b>		<b>Degree of Freedom</b>	<b>99</b>	
<b>Critical Value</b>	<b>1.984</b>		<b>Critical Value</b>	<b>1.984</b>	

Table 11 explore the findings of the paired ‘t’ test reveals that significant difference in all factors those Influence Upliftment of Rural Women in study area the t value is greater than Critical Value so this study says that there is a significant difference observed between Income Generation, Contribution to House Hold Income, Enhance Savings/Deposits, House Hold Financial Decisions, Improvement in Standard of Living, Decision Making Capability, Change in Social Status, Basic House Hold facilities, Self Confidence, Attainment of Knowledge and Skills before and after Participation in Microfinance and Self-Help Group.

### Conclusion

In rural India, for many years, certain crucial qualities like equity and inclusivity have been disregarded. Despite making up over half of India’s population, women are often marginalized in both local and public life. It is critical for the welfare of individuals, families, and rural communities that rural women are empowered. In addition to facing obstacles including restricted access to credit, healthcare, and education, rural women are frequently disproportionately affected

by poverty, prejudice, and climate change. Numerous micro- entrepreneurs have emerged in rural sections of the nation as a result of microfinance companies' easy-to-repay loans to impoverished rural women. As a result, many impoverished individuals in rural areas now have jobs in addition to working for themselves. Empowering women is the aim of microfinance. It benefits them. The present paper observes the relationships between Micro Finance and Upliftment of Rural Women in study area. The study tells that There is a Significant Difference Observed Between Factors Influenced on Upliftment of Rural Women before and after Participation in Microfinance and Self-Help Group. Hence, this study concluded that rural women are empowered through microfinance and self-help group participation.

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