

Emerging Role Of Microcredit Through Shgs For Tribal Women: Evidences From The Villages Of Assam, India

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Abstract: The present paper has been devoted to investigate the impact of microfinance as an enabling mechanism in empowering tribal women in rural Assam, India. Assam appears to be a classic case of financial exclusion. Micro credit facilities have become very effective in empowering female workers, particularly in the rural areas of Assam. Women's empowerment through microfinance with SHGs would prove beneficial not only to the individual women, but also to the entire community and family. The paper argues that microfinance is a viable option to achieving the goals of women's access to sustainable employment and income, conveyed by women's SHGs, allowing women to contribute more to the generation of income and thus boost women's well-being.

Keywords: Microfinance, SHGs, non-SHG, Women, Empowerment.

1 INTRODUCTION

Microfinance is an excellent tool for generating income, improving human resources, reducing poverty and empowering women (Kessey 2005). It has emerged as a significant means of providing services to the poor, such as providing small loans or micro loans, to enable them participate in productive activities (Pati, 2010). Microfinance as a model of social transformation through the funding of the poor and economically disadvantaged owes its roots to Nobel laureate Muhammad Yunus. This idea was replicated in India through some kind of collaborative framework with the support of microfinance through self-help group (SHG), non-governmental organizations (NGOs) and microfinance institutions (MFIs). Under the microfinance system, bank loans are granted at market interest rates and without collateral, especially to women through the creation of woman SHGs who have no access to formal banking institution. Most of the poor people are left out of the traditional financial institutions because they have nothing to provide as a security. Microfinance offers opportunities through small-scale loans, deposits and insurance to meet the needs of disadvantaged and poor people overlooked by banks. In other terms, microfinance providing financial support in rural and remote areas by making the poor and low-income community accessible to affordable financial services. It thus provides services in a flexible receptive and reactive way that the formal system would otherwise not have been able to provide such services.

Kulkarni (2011) maintains that the rationale of the potential for empowerment of microfinance is identical to the economic model of empowerment: microfinance makes women economically self sufficient by placing capital and financial resources in their pockets. Microfinance helps poor women to participate in income-generating practices that enable them become financially independent, increasing their decision-making power in the home and community. Consequently, giving women access to micro-credit loans creates a multiplier effect that enhances the impact of the operations of a micro-finance organization, affecting subsequent generations. This paper is intended to help policymakers, microcredit agencies and government institutions in setting priorities for formulation of alternative rural women development programs in India.

2 METHODOLOGY AND RESEARCH DESIGN

Both descriptive and analytical methods were used to achieve the objectives of the study. The present study was conducted in three locations: Dibrugarh, Tinsukia and Dhemaji districts of Assam, India due to availability of women development programs of different non-government microcredit institutions. Following the selection of study areas, a list of rural women receiving credit was obtained from different micro-credit institutions that provide micro-credit for rural people, particularly tribal women. The primary data was collected with the aid of direct observation, focus group conversation, interview method etc. in both quantitative and qualitative component. The study focused semi-structured questionnaires to assess research analysis objectives in quantitative parts. The study brought the non-SHG members into its scope to make a comparative analysis of the study's finding as a control group. Secondary data was taken from online journals, books and various government reports. As stated above, the study uses two-stage stratified random sampling approaches to incorporate the primary data. From the study area six blocks were designated to conduct primary data, three from each district, followed by SHG and ultimate sample size. For the study, six blocks, namely Tingkhng, Joypur and Tengakhat from Dibrugarh district; Hapjan,

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Margherita and Kakopathar from Tinsukia district; Dhemaji, Bordoloni and Machkhowa from Dhemaji district. From each block two villages and thus, an aggregate of fifteen villages were selected randomly. In order to acquire the requisite sample size, the study has encompassed all the members of the SHG groups in the sample region. An equivalent number of non-SHG respondents within the same village were taken for the comparative analysis. A total of 105 SHG households were selected out of which 35 households (33.33 percent) were from Dibrugarh, 37 households (35.23 percent) were from Tinsukia district and 33(31.4 percent) from Dhemaji District. There were a total of 62 non-SHG households out of which 21 (33.87 percent) were from Dibrugarh, 23 (37.09 percent) were from Tinsukia district and 18(29.03 percent) from Dhemaji district.

3 MICROFINANCE AND EMPOWERMENT OF WOMEN

Women are seen as better consumers of micro-credit providers compared to men as women's access to micro-credit had better outcomes, since women tend to spend more money on basic necessities compared to men (Leach and Sitaram 2002). The rationale for offering loans to women, as Mayoux (1999) has pointed out, is that loan repayment rates and family care expenses are often higher among women than among males. In fact, in traditional women's work, women are far more likely to retain control over their loans such as livestock rearing. Women in rural India, however, lived in digital isolation, particularly tribal women who are even unable to assess basic services. Gender aspects have been integrated into micro-credit interventions to consider women's empowerment process through choice-making and socio-economic improvement. Women play a crucial role in their socio-economic and cultural life in a tribal society and are viewed as an economic asset of their society. But in the various walks of life, such as education, employment, and economic empowerment, they still lag far behind. They still have little control over resources and economic activities, although they are hardworking. Therefore, tribal women require economic prosperity to address inequality injustice and impoverishment and achieve their all-round development in society. Empowerment is the process of making it possible for women to gain and retain resources and power to make decisions on their own or to avoid decisions made by others that affect them. Women are now having a platform with the establishment of the Self Help Group that provides an opportunity to attain socio-economic mobility. The mobilization of marginalized women by microfinance results in socio-economic changes that is apparent in alteration a particular social system's structure and functioning. Research on women's socio-economic and political empowerment, particularly tribal women, have been growing over the past two decades. Kantidas (2012) put forward a solid case for tribal women's socio-economic empowerment and addressed women's empowerment obstacles in Assam's tribal area. He figured out that along with cognitive and infrastructural limitations, lack of familiarity regarding modern technology and information is the main reason for tribal women's slow empowerment. Different statistical analyzes suggest that the lack of economic opportunity for women hinders development and poverty reduction in a country. Therefore, ensuring that women are economically empowered is extremely

important. To increase productivity, create wealth, generate income and attain sustainable development, access to financial services is essential for poor people. Empowering women by micro-credit based income generation initiatives is a fresh paradigm in the discourse on development (Fernando, 1997). The basic premise is to empower women by offering them with financial resources to create self-employment and contribute monetary support to their households' development. Different studies indicate that women's involvement in SHGs created an atmosphere for them to access financial resources to meet the needs of households in times of hardship and consumer needs such as family requirements and efficient wealth management. Since the 1990s, the growth of microfinance has greatly expanded women's access to small loans and savings services. Such improved accessibility to microfinance has been seen as leading not only to poverty alleviation and financial security, but also to women's own increasing well-being and social and political inclusion, thereby promoting gender equality and achieving empowerment targets.

4 RESULTS AND DISCUSSION

A. Socio-Economic Characteristics of the SHG and Non-SHG Households

The findings indicate that the maximum population percentage in the study area was in the age group of 18-35 years in both SHG and non-SHG categories (Table-1). The percentage in the age group of 18-35 years was 37.1, 43.2 and 36.3 among the SHG households in the district of Dibrugarh, Tinsukia and Dhemaji, respectively. Similarly, among the non-SHG households, the percentage was 47.6, 47.8 and 38.8 in the district of Dibrugarh, Tinsukia and Dhemaji, respectively, for the said age group.

Table-1: Socio-Economic Characteristics of the Respondents

Features	Dibrugarh		Tinsukia		Dhemaji	
	SHG Households	Non-SHG Households	SHG Households	Non-SHG Households	SHG Households	Non-SHG Households
Age group						
18-35 yrs	13(37.1)	10(47.6)	16(43.2)	11(47.8)	12(36.3)	7(38.8)
35-45 yrs	10(28.5)	6(28.5)	12(32.4)	7(30.4)	13(39.9)	6(33.3)
45-55 yrs	8(22.8)	4(19.0)	6(16.2)	3(13.0)	4(12.1)	3(16.6)
Total	35(100)	21(100)	37(100)	23(100)	33(100)	18(100)
Education						
Illiteracy	16(45.7)	10(47.6)	14(37.8)	9(39.1)	15(45.4)	7(38.8)
Read and write	13(37.1)	6(28.5)	12(32.4)	11(47.8)	11(33.3)	6(33.3)
Signature only	6(17.1)	5(23.8)	11(29.7)	3(13.0)	7(21.2)	5(27.7)
Total	35(100)	21(100)	37(100)	23(100)	33(100)	18(100)
Occupation						
Agriculture	16(45.7)	13(61.9)	17(45.9)	14(60.8)	15(45.4)	11(61.1)
Animal husbandry	6(17.1)	4(19.0)	6(16.2)	3(13.0)	7(21.2)	3(16.6)
Small business	7(20.0)	3(14.2)	9(24.3)	2(8.6)	7(21.2)	3(16.6)
Other than the above	6(17.1)	1(04.7)	5(13.5)	2(8.6)	4(12.1)	1(05.5)
Total	35(100)	21(100)	37(100)	23(100)	33(100)	18(100)

Source: Field survey (Numbers in the brackets denote percentage to the total).

High levels of illiterate households in both SHG and non-SHG households except non-SHG households in Tinsukia were identified in all districts in the sample villages. It was 45.7 percent, 37.8 percent and 45.4 percent among the

SHG households in the district of Dibrugarh, Tinsukia and Dhemaji, respectively. Similarly, percentage was 47.6, 39.1 and 38.8 among the non-SHG households in the district of Dibrugarh, Tinsukia and Dhemaji respectively. It was evident that there was high illiteracy in the study area as in the SHG households of district of Dibrugarh, Tinsukia and Dhemaji only 17.1 percent, 29.7 percent and 21.2 percent, respectively, were capable to put their signature by practice. A low percentage of 37.1, 32.4 and 33.3 were reported about their ability to 'read and write' in Dibrugarh, Tinsukia and Dhemaji, respectively. Regarding the non-SHG households of all the districts, the educational level was equally bleak. From the survey in the sample villages, it is revealed that in Dibrugarh district, 45.7 percent SHG households depend on agriculture followed by 17.1 percent which depend on animal husbandry due to access to microfinance. Moreover, there were 20 percent depending on small business as their source of livelihood and an insignificant number of 17.1 percent SHG households in the sample villages of Dibrugarh district depend on other than the above activities such as dairy, fisheries, wage earning etc. It is further found that in the sample villages of non-SHG households of Dibrugarh district, 61.9 percent depend on agriculture and only 4 households constituting 19 per cent depend on animal husbandry. Likewise, there were 3 households (24.2 percent) depending on small business as their source of livelihood and a negligible number of 1 household (4.7 percent) depend on other than the above activities such as dairy, fisheries, wage earning etc. Similarly, in the sample villages of Tinsukia district, 17 (45.9 percent) SHG households depend on agriculture and only 6 households (16.2 percent) depend on animal husbandry. Furthermore, there were 9 households (24.3 percent) depending on small business as their source of livelihood and 5 SHG households (13.5 percent) depend on other than the above activities such as dairy, fisheries, wage earning etc. It is depicted that in the sample villages of non-SHG households of Tinsukia district, 14 households (60.8 per cent) depend on agriculture and only 3 households constituting 13.0 percent depend on animal husbandry. Likewise, there were 2 households (8.6 percent) depending on Small business as their source of livelihood and a same number of 2 household (8.6 percent) depend on other than the above activities such as dairy, fisheries, wage earning etc. Therefore, it is clear from Table-1 that there have been positive and increased changes in women and the livelihood activities of their family due to SHG initiatives compared to non-SHG households due to microcredit operations.

B. Caste composition of the Study Population

The caste composition of the SHG and non-SHG are exhibited in Table 2. It is revealed that among the categories, the tribal population dominates. It was 45.7 percent in Dibrugarh followed by 4.2 percent in Tinsukia and 60.6 percent in Dhemaji among the SHG households. Next to tribes, the SC and OBC categories found as high.

Table-2: Caste composition of the Study Population

Features	Dibrugarh		Tinsukia		Dhemaji	
	SHG Households	Non-SHG Households	SHG Households	Non-SHG Households	SHG Households	Non-SHG Households
Caste composition						
Schedule Caste	9(25.7)	6(28.5)	11(29.7)	7(30.4)	6(18.1)	5(27.7)
Schedule Tribe	16(45.7)	11(52.3)	16(43.2)	10(43.4)	20(60.6)	10(55.5)
OBC	7(20.0)	3(14.2)	8(21.6)	4(17.3)	6(18.1)	1(05.5)
General	3(08.5)	1(04.7)	2(05.4)	2(08.6)	1(03.0)	2(11.1)
Total	35(100)	21(100)	37(100)	23(100)	33(100)	18(100)

Source: Field survey (Numbers in the brackets denote percentage to the total).

C. Credit Source availability for the Household in Sample Population

Table-3 provides source of credit for the sample households. In all the three districts, dependence on credit from bank, money lenders, and friends was higher for non-SHG households than SHG households. On the other hand SHG households rely comparatively less on banks, money lenders, friends and more on SHG. While higher proportions of non-SHG households depended on banks and money lenders than SHG households, Bank is the second largest source of borrowing money for SHG household (14.2 percent in Dibrugarh, 18.9 percent in Tinsukia and 15.1 percent in Dhemaji). The findings were therefore obvious that micro-financing has an effect on reducing dependence on banks, money lenders and friends

Table-3: Credit Source availability for the Household in Sample Population

Sources	Dibrugarh		Tinsukia		Dhemaji	
	SHG	Non-SHG	SHG	Non-SHG	SHG	Non-SHG
SHG	24(68.5)	Nil(0.0)	25(67.5)	Nil(0.0)	25(75.7)	Nil(0.0)
Bank	5(14.2)	10(47.6)	7(18.9)	10(43.4)	5(15.1)	9(50.0)
Money lender	4(11.4)	7(33.3)	3(8.1)	9(39.1)	2(6.06)	3(16.6)
Friends	2(5.7)	2(9.5)	Nil(0.0)	3(13.0)	1(3.03)	1(5.5)
Others	Nil	2(9.5)	2(5.4)	1(4.34)	Nil(0.0)	5(27.7)
Total	35(100)	21(100)	37(100)	23(100)	33(100)	18(100)

Source: Field survey.

D. Socio-Economic Change through SHG Initiative among Respondents

Table-4 summarizes the socio-economic change among SHG members, as reported by the members, in the sample villages of the Dibrugarh, Tinsukia and Dhemaji districts. More than 55 percent members agreed about Increase in social status through savings or/and credit; more than 82 percent revealed regarding their improvement in consumption pattern, 37.7 percent revealed about their Improvement in relationship between husband-wife, 60.9 percent depicted about their improvements in

financial security and 46.6 percent about their regular savings.

Table-4: Socio-economic Change through SHG Initiative in the Study Villages

Change in Socio-economic Position	Out of 105 Members	Prior to joining SHG	After joining SHG	Change (percent)
Increase in social status	63	5	63	55.2
Improvement in consumption pattern	87	-	87	82.8
Improvement in relationship between husband-wife	51	12	51	37.7
Borrowing from money lenders	68	68	17	-48.5
financial security	96	32	96	60.9
Regular savings	94	45	94	46.6

Source: Field survey.

E. Impact of Microcredit on Control over Financial Assets

The results show that access to micro-credit has a positive impact on the control of tribal women's financial assets in rural areas (Table-5). The results show that rural women who received microcredit have more control over financial resources. Table-5 also reveals a higher likelihood for borrowers to purchase independently. The change percentage of likelihood of buying independently between SHG and non-SHG is 63.80. The findings show that access to microfinance has had a considerable impact on family decision-making (Table-5). Rural women's involvement in decision-making on family spending family planning, child education, and development activities was higher for borrowers than non-borrowers. Our study results show that women who have access to microfinance are more involved in the process of family decision-making compared to non-borrowers. Findings also demonstrate that access to microcredit has a positive effect on control of financial assets in the study areas.

Table-5: Impact of Microcredit on Financial Assets

Socio-economic Change	Out of 105 Respondents	Befo re	After	Change (percent)
Control over Financial resources	87	28	87	56.19
Ability to make purchase independently	84	17	84	63.80
Participation in decision making	92	54	92	36.19

Source: Field survey.

5 CONCLUSION

The results from the empirical study have shown that some women can be empowered by organizing in SHG with the possibilities of managing loans and savings. The signs of empowerment are control over financial resources,

participation in decision making, improvement in consumption pattern and regular savings. Though it was difficult to precisely quantify the impact of microfinance through SHGs on the participating members in the villages of Dibrugarh, Tinsukia and Dhemaji districts, a qualitative improvement in their life has been remarkably manifested among the SHG members in the study villages. It is apparent from the study that because of paramount importance accorded to the SHGs by the funding agencies and the government, the vulnerable sections of the society especially the poor tribal women are mostly advantaged. This study finds important evidence that microfinance through SHGs is a viable alternative to achieve the objectives of women empowerment, particularly in rural India. A perusal of analysis also clearly demonstrates that members of microcredit programs differ, although modestly, from non-members on demographic characteristics, supporting the position that members and non-members differ in basic ways. A conclusion that emerges from this study is that micro finance not only empowers the women economically but also socially.

6 REFERENCES

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