

# Does Microfinance Empower Rural Women? – A Study In Vellore District, Tamil Nadu

\* *K. Rajendran*  
\*\* *Dr. R. P. Raya*

## INTRODUCTION

Microfinance is considered as a development tool to alleviate poverty in Asian, African and South American countries. Microfinance gives quick and tangible results to the poor people, especially women. Microfinance, when extended to people, especially women, in rural areas coupled with supporting activities like training, raw material's supply, marketing of products leads to investment in micro enterprises, women may become entrepreneurs, generate main or additional income to the family, poverty is reduced, and development takes place and the women get the self-confidence to go for enterprising activities with social, economic and political empowerment and with her increased knowledge and awareness, development takes place. When the group of people join as a group and are provided with required financial assistance, mass development takes place with considerable reduction in poverty, and the empowerment leads to social and economic development in a holistic and sustainable manner.

India's development planning has always aimed at removing inequalities in the process of development, recognizing that women lag behind due to several socio economic, cultural and political factors and the five year plans have been paying attention to women's welfare, female education, and their access to resources and empowerment. From the 6<sup>th</sup> five year plan, women were recognised as a separate target group and government's efforts are focused to raise their social, economic and political status at par with men. From a small beginning in early 1980s, the field of micro finance made significant progress as a movement in our country, with the active support of Reserve Bank of India, NABARD, SIDBI and NGOs and micro finance emerged as a giant due to the major efforts of NABARD, Banks and NGOs. The concept of Self Help Group is not ultimately a micro credit project, but an empowerment process (Micro credit summit 2001). The concept of Self Help Group and Micro finance are aimed at empowering poor women, which helps the family to come out of poverty.

Empowerment literally means making someone powerful; facilitating the weak to attain strength, enable someone to confront injustice and oppression. Empowerment is a process which makes the powerless to acquire and control over power through awareness, capacity building, participation in decision making, acquiring information, attaining confidence and self employment. It is the process by which the powerless gain control over physical, human and financial resources. It is not only extrinsic - but also intrinsic capacity of self confidence and inner transformation to overcome barriers to access resources. In the process of empowerment, women become economically important, not only in earning, but also in controlling their income.

## REVIEW OF LITERATURE

There is a mixed picture about the impact of microfinance among researchers. Microfinance brought considerable improvement in decision-making skills among the women (Anjugam and Alagumani 2001), gave them confidence in managing the financial crisis of the family, decision making capacity in household matters, and assertiveness in protesting against social evils like drinking, gambling (Puhazhendi and Badyata 2002), positive effect of economic and social development in Andhra Pradesh and social empowerment in Tamil Nadu (Satyasai 2003), improvements in decision-making and monitoring the village development activities (Gariyali and Vettivel 2004), Women moved from wage work to self employment and retained their control over their earnings (Veena 2005), which resulted in access and control over resources at the household level (Punithavathy and Eswaran 2006), Women were economically empowered after joining Self Help Groups (Leelavathy and Aradhana 2006). SHGs lead to social and economic empowerment of rural women (Karmakar 2008).

---

\* *Research Scholar*, Department of Management Studies, Pondicherry University, Puducherry. E-mail: kraj1962@gmail.com.

\*\* *Professor & Head*, Department of Management Studies, School of Management, Pondicherry University, Puducherry.

E-mail: drrpraya@gmail.com.

Malhotra and Schuler (2006) reported conflicting results, some studies conclude that micro credit participation is empowering women in Bangladesh (Hashemi, Schuler, Riley 1996, Kabeer 1998), while others conclude that it is not (Goetz and Gupta 1996). Similarly, Kabeer (1994,1999), Khandker (1999) , Park and Sen (2001) , Mayoux (2001), Hulme and Mosley (1996), Moser (1993), Friedman (1992), reported that micro finance contributed to women empowerment, whereas Goetz and Sen Gupta (1996), Coleman (1999, 2004) ,Amin et al (2003) disagree with them.

## **STATEMENT OF THE PROBLEM**

The above brief review of literature has shown that microfinance empowered rural women in many aspects of their life. No study was conducted in Vellore district about the impact of micro finance on the empowerment of rural women. Hence, the study was undertaken in Vellore district, Tamil Nadu to assess the impact of microfinance on women empowerment.

## **OBJECTIVES OF THE STUDY**

The present study is undertaken with the following specific objective:

✿ To evaluate the empowerment of rural women in Vellore district, Tamil Nadu as a result of participating in micro finance programme.

## **HYPOTHESES**

The following hypotheses are proposed to evaluate empowerment of the respondents in Vellore district :

**H1: There is no significant relationship between the age and empowerment of women.**

**H2: There is no significant relationship between the educational status of the respondents and empowerment.**

**H3: There is no significant relationship between the period of membership with SHGs and empowerment.**

**H4: There is no significant relationship between the loan amount and empowerment.**

## **RESEARCH METHODOLOGY**

✿ **Sampling Design:** A three stage sampling procedure was adopted. Vellore district in Tamil Nadu was selected based on the number of SHGs in the state of Tamil Nadu. In the second stage, two blocks in Vellore district were selected, which are having the average number of SHGs in the district, out of the 20 blocks in the district. Accordingly, Natrampalli and Nemili blocks, which are located at the extreme opposite end of the district were selected. List of SHGs in these two blocks were obtained from the Project Officer of Mahalir Thittam, Vellore. The SHGs were selected randomly in the two blocks @45 SHGs from each block.

✿ **Data Collection:** To test the above hypotheses, respondents were interviewed and data were collected during 2008-09 with the pre tested and well structured questionnaire schedule. This study is a descriptive one and the variables are identified from the earlier research studies.

✿ **Selection of Respondents:** SHGs in Natrampalli and Nemili blocks of Vellore district were taken for the study, 45 Self Help Groups were identified from each block, and 5 members from each SHG were selected randomly and in total, 450 sample respondents were chosen for the study, and the study was carried out during 2008-09. 225 respondents were selected from each block representing 90 SHGs i.e. 5 respondents were selected from each SHG and the study was carried out with 450 respondents. Groups formed in the last ten years were studied. Members of the groups were interviewed with the pre tested and well structured questionnaire schedule.

✿ **Analysis of Data:** Descriptive statistical analysis such as mean, percentage etc. was carried out and ANOVA tests were also carried out wherever necessary.

✿ **Profile of the Respondents :** Natrampalli and Nemili blocks in Vellore district (Tamil Nadu) were selected for the study; these two blocks have similarities in number of SHGs and population below poverty line. Majority of the respondents are less than 40 years of age (343 respondents out of 450) and 107 respondents were beyond 40 years of age. Most of the respondents (59.1 percent) had studied up to 10<sup>th</sup> standard (S.S.L.C), while nine respondents (2 percent) were graduates. One third of the respondents joined the Self Help Groups for the purpose of savings and 22 percent of the respondents joined the SHGs to supplement their family income and 11 percent of the respondents

joined the groups to save as well as to avail loans. It is worth mentioning that only 43 respondents joined Self Help Groups exclusively to start income generating activities. Some of the respondents have multiple reasons to join the groups, and very few joined to gain special status and to get subsidy from banks. Most of the respondents received loans amounting to less than ₹ 5000/- and 88 percent of respondents received loans less than ₹ 50000/- only 14 respondents out of 450 respondents received loan amount of more than ₹ 1 lakh as loan. Only 13.33 percent of the respondents used loans for consumption purposes, and the remaining respondents used loans for production purposes.

✿ **Analysis of Data and Discussions** : The primary objective of the study is to evaluate the impact of microfinance among rural women in three dimensions of empowerment viz. economic, social and political. For each aspect of empowerment, a set of variables were selected to assess the level of empowerment among the respondents.

✿ **Economic Empowerment** : The status of women is connected with their economic position, or status which depends on their participation in economic activities such as ability to access credit, role in decision making in financial matters etc.,

The following variables have been used to assess the economic empowerment among the respondents as a result of microfinance.

- ✿ Increase in income;
- ✿ Increase in savings;
- ✿ Increase in income generating activities;
- ✿ Reduction of poverty in the family;
- ✿ Reduction of dependency on money lenders;
- ✿ Ability to meet the financial crisis in the family.
- ✿ Role in decision making related to savings, expenses and child education.

✿ **Social Empowerment**: Social empowerment is a gradual process, a cumulative effort of economic and political empowerment. But without social empowerment; it is very difficult to achieve economic and political empowerment. Independent mobility, freedom of expression of views in the house, groups as well as in other places, social interaction with outsiders and assertiveness to fight against injustice and problems are the indicators of social empowerment. With this background, the following variables had been selected to assess the impact of social empowerment among the respondents.

✿ Assertiveness in participating protests against alcohol abuse by male members of the family, environmental pollution, drinking water problems, dowry related problems and abuse of women by their husbands.

- ✿ Participation in rallies for Women's day, child labour abolition.
- ✿ Moving to other places independently without the support of male members.
- ✿ Expression of views in family as well as in groups.
- ✿ Interaction with bankers/Government offices and Non Governmental Organizations.

✿ **Political Empowerment**: Participation of women in political process at the grass root level enhances their social status and it helps to solve the local problems, particularly drinking water, health, education, child development, social security for aged, disabled and in grass root level planning.

Based on the above facts, the following variables were used to assess the empowerment of women.

1. Participation in Gram Saba meetings;
2. Voting independently;
3. Participation in elections as contestants.

In this section, effectiveness of micro finance in terms of empowerment is analyzed and the opinions of the respondents is presented in the Table 1.

The study reported that majority of the respondents (434 respondents) informed that microfinance increased the income of the family and the increase in income by micro finance is an important indicator of women empowerment. It is interesting to observe that majority of the respondents (369 respondents) opined that microfinance enhanced the savings of women, which helps them to meet urgent family needs and many of the respondents indicated that they joined the SHGs to save money.

Microfinance helped to undertake income-generating activities, and the income-generating activities generates

Table 1 : Empowerment of Women (N=450)								
S. No.	Variable	VG	G	M	L	VL	Mean	SD
<b>Economic Empowerment</b>								
1	Increase in income.	53 (11.8)	152 (33.8)	229 (50.9)	14 (3.1)	2 (0.4)	3.5333	0.7580
2	Improvement in savings.	103 (22.9)	160 (35.6)	109 (24.2)	75 (16.7)	3 (0.7)	3.6333	1.0323
3	Undertaking income generating activities	101 (22.4)	165 (36.7)	101 (22.4)	80 (17.8)	3 (0.7)	3.6244	1.0396
4	Reduction of dependency on money lenders.	172 (38.2)	130 (28.9)	111 (24.7)	33 (7.3)	4 (0.9)	3.9622	1.0015
5	Reduction of poverty in the family	143 (31.8)	127 (28.2)	156 (34.7)	21 (4.7)	3 (0.7)	3.8578	0.9449
<b>6 Level of participation in decision making in the following household decisions.</b>								
6.1	Savings	103 (22.9)	161 (35.8)	162 (36.0)	21 (4.7)	3 (0.7)	3.7656	0.8817
6.2	Expenses	62 (13.8)	97 (21.6)	241 (53.6)	43 (9.6)	7 (1.6)	3.3644	0.8907
6.3	Children's education	172 (38.2)	196 (43.6)	66 (14.7)	6 (1.3)	10 (2.2)	4.1422	0.8738
6.4	Able to deal with the financial crisis of the family	121 (26.9)	163 (36.2)	136 (30.2)	22 (4.9)	8 (1.8)	3.8156	0.9458
<b>8 Social Empowerment</b>								
8.1	Moving independently	127 (28.2)	185 (41.1)	99 (22)	27 (6)	12 (2.7)	3.8622	0.9825
8.2	Expressing views freely	165 (36.7)	190 (42.2)	77 (17.1)	15 (3.3)	3 (0.7)	4.1089	0.8490
8.3	Able to discuss freely with bankers/ Government officers/NGOs and others	206 (45.8)	156 (34.7)	72 (16.0)	11 (2.4)	5 (1.1)	4.2156	0.8779
<b>9 Microfinance helped the members to participate in protests against</b>								
9.1	Illicit liquor sales / alcoholic use	18 (4)	84 (18.7)	47 (10.4)	57 (12.7)	244 (54.2)	1.9911	1.3967
9.2	Pollution	31 (6.9)	141 (31.3)	71 (15.8)	59 (13.1)	148 (32.8)	2.5978	1.4835
9.3	Drinking water problem	81 (18.0)	154 (34.2)	73 (16.2)	26 (5.8)	116 (25.7)	3.0644	1.5731
9.4	Dowry	31 (6.9)	39 (8.7)	49 (10.6)	55 (12.2)	286 (61.3)	1.8067	1.3468
9.5	Abuse of fellow group members by husbands	12 (2.7)	24 (5.3)	40 (8.9)	64 (14.2)	310 (68.9)	1.5200	1.0969
<b>10 Participation in rallies on</b>								
10.1	Women's day	159 (35.3)	154 (34.2)	72 (16.0)	33 (7.3)	32 (7.10)	3.7689	1.3595
10.2	Child Labour Abolition	106 (23.6)	106 (23.6)	75 (16.7)	59 (13.1)	104 (23.1)	3.0467	1.6031
<b>11 Political empowerment</b>								
11.1	Women participation in Gram sabha meetings.	104 (23.1)	196 (43.6)	113 (25.1)	26 (5.8)	11 (2.4)	3.7911	0.9442
11.2	Able to cast votes independently.	221 (49.1)	170 (37.8)	52 (11.6)	6 (1.3)	1 (0.2)	4.3422	0.7510
(Legends: VG=Very Great, G=Great, M=Medium, L=Low, VL=Very Low ; Figures in parenthesis refers percent to total)								
Source: Primary data								

additional income to the family and in some households, it is a main source of income to the family, and these activities converted wage earners into entrepreneurs. Microfinance reduced the dependency on money lenders, and it also reduced poverty among rural families.

SHG and microfinance resulted in improving decisionmaking ability of women in family-related matters, respondents play a moderate role in decisions relating to expenses, and their role is high with regard to children's education and savings-related decisions. When people are economically empowered, they are ready to face the financial crisis in the family, the study reported that 284 respondents out of 450 respondents expressed that they are unable to face the financial crisis in the family. An empowered individual will move independently to other places

without the support of others, it is an indicator of empowerment. The study reported that 70 percent of respondents informed that they move independently to other places without the support of male members of the family.

Whether microfinance empowered women to express their views freely in the family as well as in groups? - To this question, 360 respondents expressed that they are able to express their views freely in the family as well as in groups, and the study reported that 362 respondents expressed that they were able to discuss issues freely with bankers, government officers, NGOs and others.

One of the main objectives of the microfinance programme is to improve the social assertiveness of members, and this is indicated by their protest against social evils like drinking, abusing wife, dowry, child labour, etc. Only 22.7 percent of the respondents protested against liquor consumption to a great extent, and majority of the respondents' participation in protest against liquor was very low. Vellore district is known for pollution of leather tanneries, but only 172 respondents had participated in protest against pollution; however, 235 respondents participated in protest against the drinking water problem.

Protest against dowry by the respondents was low and there was no appreciable level of participation. There was a very poor response in protesting against the abuse of fellow members by their husbands. Respondents' participation in protest against dowry and abuse of fellow group women by their husbands was negligible; there was some participation in the protests against illicit liquor and pollution. The study reported that most of the respondents participated in the rallies organized on women's day and for child labour abolition. Participation in women's day rally was high because NGOs organized rally on this day throughout the district. There is a remarkable impact of microfinance on political space of rural women, Microfinance empowered vast majority of respondents to vote independently, without the direction of their husbands since 391 respondents said they voted independently. Another major impact of micro finance was that 67 per cent of the respondents participated in the Gram Saba meetings. One Panchayat president was elected from Natrampalli block, and two ward councilors were elected from each block from the SHG members in the local body elections held in 2006.

## RESULTS

❁ **Empowerment:** Women voted independently without any direction from others, and their high level of participation in the Grama Saba meetings have indicated that there is a better level of political empowerment. Regarding economic empowerment, respondents informed the researchers that microfinance reduced dependency on money lenders, improved their role in decision-making and increased their ability to face financial crises in the family, which are some good indicators of empowerment due to SHGs. SHGs helped the members in better social interaction with bankers, NGOs and free expression of views are some of the good indicators of social empowerment, but their participation in protest against social problems such as liquor abuse, pollution, dowry related problems, and protest against abuse of fellow group members were very low. Among the three dimensions of empowerment, microfinance brought political empowerment and economic empowerment than social empowerment among the rural women.

S.No	Empowerment	Block	Mean	Standard Deviation
1	Economic empowerment	Nemili	3.5202	.61520
		Natrampalli	3.9666	.62019
		<b>Total</b>	<b>3.7434</b>	<b>.65622</b>
2	Social empowerment	Nemili	2.3799	.68230
		Natrampalli	3.0809	.59239
		<b>Total</b>	<b>2.7304</b>	<b>.72833</b>
3	Political empowerment	Nemili	3.9867	.62664
		Natrampalli	4.1467	.71076
		<b>Total</b>	<b>4.0667</b>	<b>.67405</b>

Source: Output of SPSS



It is evident from the Table 2 the weighted mean value indicates that respondents of Natrampalli block are found to have better economic, social and political empowerment than the respondents from Nemili block in all aspects of empowerment.

## TESTING OF HYPOTHESES

**1) There is no significant relation between age and empowerment of women as a result of participation in microfinance :** The study reported that age of the respondents is not having any significant relationship with the managerial abilities. The Table 3 shows that the calculated values of F are higher than the hypothetical value at 5 per cent, the null hypothesis is accepted. Hence, the age of the respondents is not having any relationship with the empowerment of the members of SHGs in Vellore district and could be considered to be independent of each other.

<b>Empowerment</b>	<b>Age</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>F</b>	<b>(Sig.)</b>
Economic empowerment	Less than 25 years	3.7507	.67113	1.192	.312
	26 to 30 years	3.7007	.64831		
	31 to 35 years	3.7223	.63922		
	36 to 40 years	3.6709	.68908		
	41 to 50 years	3.8868	.65717		
	Above 51 years	3.7194	.53123		
	<b>Total</b>	<b>3.7434</b>	<b>.65622</b>		
Social empowerment	Less than 25 years	2.8186	.69825	.829	.530
	26 to 30 years	2.6978	.66514		
	31 to 35 years	2.6467	.74246		
	36 to 40 years	2.6968	.71234		
	41 to 50 years	2.8317	.78566		
	Above 51 years	2.7165	.91784		
	<b>Total</b>	<b>2.7304</b>	<b>.72833</b>		
Political empowerment	Less than 25 years	4.0789	.71207	.314	.905
	26 to 30 years	4.0270	.68702		
	31 to 35 years	4.0511	.65671		
	36 to 40 years	4.0460	.68892		
	41 to 50 years	4.1389	.61821		
	Above 51 years	4.0882	.81462		
	<b>Total</b>	<b>4.0667</b>	<b>.67405</b>		

**2) There is no significant relationship between the educational status of the respondents and empowerment :** It is evident from the Table 4, that the calculated values of F are significant at 1 percent level, the null hypothesis is rejected. Hence, it is concluded that there is a significant relationship ( $p < .01$ ) between educational level and empowerment of rural women and educational status of the respondents influences the empowerment process of rural women.

The study reported that there is a significant relationship between older groups and economic empowerment, since the calculated value of F is significant at 1 percent level ( $F=12.304$ ,  $p=.000$ ) and there is a significant relationship with social ( $F=4.317$ ,  $p=.038$ ) and political empowerment ( $F=5.377$ ,  $p=.021$ ) at 5 percent level. The respondents belonging to the older SHGs are better empowered than their counterparts in the recently formed groups.

There is a significant relationship between the loan amount and economic and social empowerment, as the calculated value of F for economic empowerment is significant at 1 per cent ( $F=8.110$ ,  $p=.000$ ). Similarly, there exists a

Empowerment	Education	N	Mean	Std. Deviation	F	Sig.
Economic empowerment	Illiterate	154	3.9234	.63035	6.968	.000
	Up to SSLC	266	3.6425	.66211		
	Higher secondary	21	3.8300	.57278		
	Degree and above	9	3.4444	.38217		
	<b>Total</b>	<b>450</b>	<b>3.7434</b>	<b>.65622</b>		
Social empowerment	Illiterate	154	2.9534	.69936	8.759	.000
	Up to SSLC	266	2.6017	.69661		
	Higher secondary	21	2.8571	.76938		
	Degree and above	9	2.4222	1.09901		
	<b>Total</b>	<b>450</b>	<b>2.7304</b>	<b>.72833</b>		
Political empowerment	Illiterate	154	4.2143	.61532	9.627	.000
	Up to SSLC	266	4.0113	.66578		
	Higher secondary	21	4.0952	.88909		
	Degree and above	9	3.1111	.22048		
	<b>Total</b>	<b>450</b>	<b>4.0667</b>	<b>.67405</b>		

\*There is no significant relationship between the period of membership and empowerment.

Empowerment	Year of Group formation	Mean	Std. Deviation	F Ratio	Sig.
Economic empowerment	Groups formed before 2005	3.8759	.66824	12.304	.000
	Groups formed after 2005	3.6567	.63463		
	<b>Total</b>	<b>3.7434</b>	<b>.65622</b>		
Social empowerment	Groups formed before 2005	2.8183	.73554	4.317	.038
	Groups formed after 2005	2.6729	.71914		
	<b>Total</b>	<b>2.7304</b>	<b>.72833</b>		
Political empowerment	Groups formed before 2005	4.1573	.64919	5.377	.021
	Groups formed after 2005	4.0074	.68453		
	<b>Total</b>	<b>4.0667</b>	<b>.67405</b>		

Source: Output of SPSS  
\*There is no significant relationship between the loan amount and empowerment.

significant relationship between social empowerment and loan amount, since the calculated value of F is significant at 1 per cent level ( $F=5.227$ ,  $p=.000$ ). The higher the loan amount, the higher is the economic and social empowerment of the respondents. It is also concluded that there is no influence of loan amount on political empowerment.

## **FINDINGS OF THE STUDY**

1. Majority of the respondents were less than 40 years of age (343 respondents out of 450), and 107 respondents were beyond 40 years of age. Most of the respondents (59.1 percent) had studied up to S.S.L.C, while nine respondents (2 percent) were graduates.

2. One third of the respondents joined the Self Help Groups (SHGs) for the purpose of savings and 22 percent of the respondents joined the SHGs to supplement their family income .11 percent of respondents joined the groups to save, as well as to avail loans.

3. Only 43 respondents joined Self Help Groups exclusively to start income generating activities. Some of the

Table 6 : Effect Of Loan On Empowerment					
Empowerment	Loan amount in ₹	Mean	Std. Deviation	F	Sig.
Economic Empowerment	Up to ₹ 5000	3.5771	.68694	8.110	.000
	₹ 5001 to ₹ 9999	3.7017	.65761		
	₹ 10000 to ₹ 24999	3.8279	.53301		
	₹ 25000 to ₹ 50000	4.0172	.57080		
	₹ 50001 to ₹ 100000	3.8665	.57308		
	Above ₹ 150000	4.4936	.31144		
	No loan	4.0750	.64577		
	<b>Total</b>	<b>3.7434</b>	<b>.65622</b>		
Social Empowerment	Up to ₹ 5000	2.8378	.59655	5.227	.000
	₹ 5001 to ₹ 9999	2.4523	.45516		
	₹ 10000 to ₹ 24999	2.5822	.83681		
	₹ 25000 to ₹ 50000	2.5256	1.04737		
	₹ 50001 to ₹ 100000	2.9510	.84537		
	Above ₹ 150000	3.2793	.76958		
	No loan	2.8789	.74917		
	<b>Total</b>	<b>2.7304</b>	<b>.72833</b>		
Political Empowerment	Up to ₹ 5000	4.0290	.62055	1.103	.360
	₹ 5001 to ₹ 9999	3.9906	.77516		
	₹ 10000 to ₹ 24999	4.0943	.78714		
	₹ 25000 to ₹ 50000	4.0313	.56707		
	₹ 50001 to ₹ 100000	4.2000	.52315		
	Above ₹ 150000	4.3929	.48748		
	No loan	4.2222	.64676		
	<b>Total</b>	<b>4.0667</b>	<b>.67405</b>		
Source: Output of SPSS					

respondents cited multiple reasons to join the SHGs and very few joined to gain special status and to get subsidy from banks.

4. NGOs remain as the largest single motivating force for group initiation and formation process as per the views of 247 respondents; Banks and Government departments played a minimal role in motivating the women to join the SHGs.

5. Microfinance brought more amount of political empowerment than economic empowerment among rural women and there is negligible social empowerment. The respondents of Natrampalli block were found to have better economic, social and political empowerment than the respondents from Nemili block in all aspects of empowerment.

6. Age of the respondents is not having any significant relationship with the empowerment.

7. There exists a significant relationship between the educational levels of the respondents, the period of membership in the groups, microfinance loan amount and the empowerment of rural women in Vellore district as a result of micro finance.

## CONCLUSION

Rural women were able to vote independently without any direction from their husbands and there is a high level of participation in Grama Saba meetings. Similarly, they were able to express their views freely in the family and in groups, they were able to discuss issues freely with bankers, government officials and NGOs. Regarding empowerment, women's role in decision-making in children's education had improved considerably, than their role in



savings, expenditure related decision making. There was a moderate increase of income, enhanced savings, undertaking income-generating activities, reduced dependency on money lenders, ability to deal with the financial crisis and the women moved independently to other places without the support of male members of the family. The study reports that there is an appreciable empowerment in the political space than economic empowerment, and there was negligible social empowerment as a result of participating in micro finance through the SHG programme, and it is concluded that there is a high level of political empowerment among women as compared to economic empowerment and there was a poor level of social empowerment.

## LIMITATIONS OF THE STUDY AND DIRECTIONS FOR FUTURE RESEARCH

The study is confined only to women members of SHGs and it excluded male SHGs, which are recently emerging in the state. Low literacy levels, and converting the thought process into verbal reporting was found to be a difficult process; which resulted in low alpha levels for some of the scale items.

This research paves way for further research on the effect of empowerment on promoting alternative livelihood practices in rural areas, effect of empowerment on sustainable rural development, and effect of empowerment on gender equality.

## REFERENCES

1. Anjugam, M. and T. Alagumani. (2001). Impact of micro finance through Self Help Groups: A case study. *Indian Journal of Agricultural Economics*. 56(3): p. 458.
2. Puhazhendi, V. and Badyata K.C. (2002). Self Help Group Bank linkage programme for Poor: An impact assessment. Paper presented at Seminar on Self Help Group Bank Linkage programme at New Delhi 25, 26-11-2002.
3. Satyasai, K.J.S. (2003). *Micro finance in India: Progress and perspective. Institutional change in Indian Agriculture*. Ed. Suresh Pal, Mruthyunjaya, P.K. Joshi, Raka Saxena, New Delhi: National centre for Agricultural Economics and Policy Research. pp. 305-320.
4. Weiss, John, Heather Montgomery and Elvira Kurmanalieva (2003). Micro Finance and Poverty Reduction in Asia: What is the Evidence? ADB Institute Research paper 53. Tokyo: ADBI.
5. Gariyali, C.K. and Vettivel, S.K. (2004). *Women's own: The Self Help movement of Tamil Nadu*. New Delhi: Vetri Publishers. pp. 130-131.
6. Padia, Veena. (2005). *Social mobilization and micro credit for women's empowerment :A study of the Dhan foundation Micro credit, poverty and Empowerment* Ed. Neera Burra. Joy Deshmukh Ranadive and Ranjani K. Murthy, New Delhi: Sage Publications. . pp 161-199.
7. Chandramani (2005). *Self Help Groups for Empowerment of Rural Women. Empowering Rural Women: issues, Opportunities and Approaches*, Ed. R.K. Samanta. Delhi: The Women Press. pp. 131-150.
8. Rajagopalan, Sashi. (2005). Micro credit and women's empowerment: The Lokadrusti case. In Neera Burra. Joy Deshmukh Ranadive and Ranjani K. Murthy (Eds) *Micro credit, poverty and Empowerment* (pp. 245-285). New Delhi: Sage Publications.
9. Iyyampillai, S. (2005). *Endowment, Entitlement and Empowerment: Concept and Evidences from Tamil Nadu*. In *Empowerment of Women in India*. Ed. M. Koteswara Rao, New Delhi: Discovery Publishing House.
10. Devi, Lakshmi K.R. (2006). *Micro Credit Programs, income, gender and Empowerment of women: Some empirical evidences from Kerala*. Ed. Mera Bai: *Women and Economic Reforms: Kerala Experience*, New Delhi, Serial Publications.
11. Bhowmick (2006). Level of Empowerment of Rural Women. In M.C. Behra (Ed) *Globalising Rural Development* (p. 101). New Delhi: Sage Publications.
12. Malhotra, Anju and Sidney Ruth Schuler. (2006). "Women Empowerment as a viable in the International Development." *Measuring Empowerment*. Ed. Deepa Narayanan, Delhi: Oxford University Press. pp. 71-88.
13. Mason, Karen Oppenheim. (2006). *Measuring women's Empowerment: Learning from Cross National Research*. *Measuring Empowerment*. Ed. Deepa Narayanan. Delhi: Oxford University Press. pp. 89-102.
14. Sharma, Puspaj. (2007). Micro finance and Women Empowerment. *Journal of Nepalese Business Studies*. 4 (1): pp. 16-27.
15. Krishnaraj, Maithreyi. (2007). Food security Agrarian crisis and Rural livelihoods: Implication for women. In *Gender, Food Security and Rural Livelihoods* (pp. 24-72). Kolkata: STREE.
16. Karmakar, K.G. (2008) Trends in Rural Finance. *Indian Journal of Agricultural Economics* 63(1): pp. 5-18.