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The Socio-Economic factors affecting Women Empowerment: A Case Study of Jaipur District.

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Abstract

The socio-economic and demographic factors are often seen as critical factors influencing the involvement of women in managing their households and enterprises and also play an important role in developing and growth of women. It was therefore essential to study socio-economic characteristics to draw any meaningful conclusion on women activities which are being influenced by SHGs and MFIs in Jaipur district, Rajasthan. An attempt is made to focus on the Socio-Economic characteristics of women. There is also a need to identify the problems that are being faced by women so that proper and structured programmes are being introduced by the government to support women in all areas. The MFI sector in the state is trying to achieve and reach the national average value so that it gets counted in one of the developed states in the country.

Key words: Women Empowerment, MFI, SHGs, Socio-Economic factors.

Introduction

The state of Rajasthan occupies nearly 11% of the countries geographical area. This state was formed and merged with India on 30th march 1949. The state does not have a perennial river, but animal rearing, agriculture, mining, minerals, textiles and tourism are the main source of livelihood for the population staying in the state. A significant percent of unskilled workers are given employment on daily wages.

Rajasthan being historically rich it has feudal and patriarchal society where discrimination of gender has always been a concern. This has thus affected women's financial status, health, political involvement and literacy level. The state also suffers from an acute problem of seasonal migration, since the rural areas of Rajasthan lack sufficient economy to offer income to their family for the entire year. Women are commonly and purposely left behind to provide and care for the entire family. This has been difficult for women since an estimated average women's wage is 30% lower than that of a man's wages both working in the same position. While these women work they are also burdened with domestic responsibilities. All this leaves very little scope of growth and development in women's education level and their rights. Also with these factors a major concern in state is a

strong preference of a male child due to which there are high rate of female feticide and infanticide. Thus a strong need of women empowerment is evident considering the status and position of women in this state.

In Rajasthan Self Help movements were started as "social mobilization" of women so that they are positioned better in the society and family rather than these movements being "Microfinance movements". Most of the policy makers and development practitioners realized that only participation of women is not adequate rather some direct arrangements in terms of improving women's economic status is important and needed. That's how many government organisations and voluntary organizations started unifying women into groups to take up businesses and become entrepreneurs. Thus Self Help Group Promoting Institutions (SHPI) play a vital role in promoting women groups and help the new SHGs to self-evolve. The Department of Women and Child Development (DWCD) has initiated and taken the lead to promote women SHGs in Rajasthan.

Self Help Group promoting organisations in Rajasthan

Agency	**Projects**	**Remarks**
Department of Women and Child Development	No specific projects	Groups were formed by Anganwadi workers
NABARD and other Banks	SHG-Bank linkage programmes	Through RRBs, Cooperatives and NGOs.
Department of Rural Development	NRLM, RRLP, WDP, DPIP and MPOWER	Groups majorly consists of BLP households.
Civil Society Organisations	Supported by Government programmes and Donor Agencies.	Government sponsored programmes supported by NGOs.
Cooperatives	-	Cooperatives have stared forming SHGs.
Others	Department of Forest and Industry	-

Source: Rajasthan Microfinance Report 2017.

Microfinance Sector

Livelihood, Employment and Economy.

In Rajasthan the growth of tertiary sector has been maximum and under-employment has been very high in the urban informal sector, due to which poverty still prevails in the state. The GDP growth rate of Rajasthan is 11.2%.

A. Primary Sector

Animal husbandry and Agriculture are the two major sources through which people earn their income in the primary sector. The two professions contribute 35% to the total GDP of the state.

Animal Husbandry

Animal husbandry is one of the traditionally owned income for people in Rajasthan. As agriculture is erratic and scare lot of women and men are engrossed in the animal rearing sector. In the western region livestock is the main source of income for nomads and other local people. Farmers with good source of land rear cattle's whereas small farmers rear sheep's and goats. Some of the farmers in the state have started switching to buffaloes and cross-bred cows from local cows due to proper or more defined irrigation systems like Indira Gandhi NaharPariyojna project of irrigation in western Rajasthan. Animal husbandry contributes 10% to the states total GDP. This particular sector has a great potential for rural self-employment at lowermost investment per unit.

Agriculture

The agriculture sector contributes 25% to the GDP in 2017-2018. The state is the largest producer of coriander and cereals. It is the second largest producer of oilseeds, garlic, cumin and pulses. Majority of marginal and small farmers grow agricultural products at subsistence level that is they grow products for their household consumption, if they have small surplus left they sell it for buying the other household needs. Inequality of landholding among the small and marginal farmers still remain in the state which has become an important issue for people owning lands. The state also faces problem with regional differences in production of agricultural products like rainfall, terrain, technological inputs and irrigation facilities. The western and southern Rajasthan can only produce single crops for their domestic consumption whereas the eastern region can produce and sell multiple high input-based cash crops at the same time.

A. Secondary Sector

The secondary sector includes manufacturing activities, mining and quarrying, water supply, electricity gas and other construction related activities. Wealth from mineral is one of the important source of income in Rajasthan. The non-ferrous minerals contribute in the overall development since the state enjoys a monopoly in this sector it includes copper, zinc and lead. The state is also rich in producing stones which includes granite, kota stone and marble. The state is the largest producer of cement in the country and has been ranked second in producing minerals. The state is also working towards developing the industrial sector which includes agro-processing, electronics, chemicals, granite and cement.

B. Tertiary Sector

The service sector contributes the most in the development of the state. Rajasthan being culturally and historically rich it attracts most of the countries tourism. It attracts both domestic and foreign tourists. This source of tourism has helped and benefited the local people of the state to earn an income and to run their livelihoods.

The Rajasthan government has initiated a new programme by the name "Resurgent Rajasthan". This programme focuses on industrial growth, creates employment opportunities, ensures sustainable development and also strengthens the small, medium and large enterprises or industries. Another programme that has supporting and promoting textiles, wool, handicraft, handloom and precious stone industry is the "Rural Non- Farm Development Agency (RUDA). In the state 75% of women workforce in rural and urban areas are self-employed.

Role of Microfinance in the state

The provision of financial services play an important role in socio-economic development of individuals in the state. The impact of microfinance and its programmes in Rajasthan can clearly be assessed through the wages earned by the beneficiaries, reduction of some credence on money lenders; spending done on children's education, agro-based inputs, health, increment in production level and increased self-confidence and awareness among women.

Microfinance being flexible with its financial services can give momentum to the growing sectors like wool, animal husbandry, tourism, information technology, mutton processing etc. microfinance helps the societies ST, SC and women which is vulnerable segment to grow through formal financial services. Microfinance is taken a source of poverty reduction in the state. This institution in the state operates mainly through two-dimensions:

1. The Microfinance Institutions.
2. The SHG Bank Linkage Programme.

The MFIs work or operates in many forms like cooperative MFI. The 2nd category the company's MFI are registered under Indian Companies Act as "Non-Bank Finance Companies (NBFCs) which gives microcredit to individuals but do not accept deposits, except with few exceptional cases. It is through Bank Linkage Programme that 2 decades demanded for the expansion of MFI programmes and its contribution towards organisations and women empowerment in rural areas. Though Rajasthan is one of the early initiators of forming SHG by Women Development Corporation, but the subsequent progression of SHG Bank Linkage has been erratic and slow.

Current Practices, Initiatives, Potential of Microfinance sector in Rajasthan.

There is huge demand of microfinance institutions for insurance, credit and savings. India due to its increasing population has become one of the largest country which provides microfinance services. The poor section operates in mini-economy where they have varied needs and complex livelihood where their production, trade, consumption, savings, exchange, income earnings and borrowings are in a very small proportion. Their outflow of income is more since it is regular but the inflow of cash is seasonal and sometimes due to bad weather conditions the source of income is blocked. Thus in that case the poor population gets dependent on their credits through savings and insurances. Therefore credit, insurance and savings have to be balanced. The cash flow in the rural household is due to wages from animal products, agriculture and animal sale whereas on the other side the cash outflow that is the expenditure is on clothes,

food, cattle feed, alcohol, health etc. In addition there is also an outflow of cash during birth, marriage, litigation, death, house construction and agro based investments like new wells, tractors, pump sets etc.

Savings

Savings are the surplus amount which people keep aside from their earned income for emergency purposes and thus this way every individual carries temporary cash. There are different forms of savings which usually the household do that is:

- 34% of savings are in the form of cash in the individual's hand.
- 28% of savings are in banks.
- 24% of savings with the LIC or other companies.
- 6% of savings with the SHGs or post offices.

Most of the rural population saves after their harvest season, even the seasonal employers save after the harvest time since they have a regular employment. A very interesting fact has been noted that few agents from the companies like LIC offer insurance/saving products to the rural population. Most of the rural households who have a regular source of income are now linked with the banks.

Now days most of the people prefer deposits which can be easily withdrawn when needed. The demand of innovative savings is also increasing which helps during the predictable life events, for example house construction, marriage etc. The prime concern of the depositor is the security of cash.

Credit

Credit facilities are always in demand for poor population like other class or section of the society, the only difference is that the unprivileged section needs a minimal amount for their expenses.

The reason for which loans are been taken is due to the following three purpose:

- Loans for consumption purpose- predictable and unpredictable purposes.
- Loans for production purpose- buying animal, irrigation, cattle feed, agriculture.
- Loans for life events- death, marriage, birth etc.

Rajasthan being one of the traditional rich state a high level of indebtedness prevails since a large amount of money is spent on social events.

The expenditure on health services increases due to lack of good quality of life such expenditure increases the burden on the household. People are usually dependent for credit from different sources that is 76% of credit is taken from the informal sources, 40% is taken from family and friends, since this source of borrowing does not demand any interest rate. The quantum of taking loans differ from district to district in the state. The new research and study have concluded that most of the moneylenders ask for a guarantor than a collateral from the borrowers.

The population who is borrowing credit usually repays the amount on half-yearly and yearly basis. Thus 21% of loans are repaid on half-yearly base and about 27% of loans are repaid on the yearly

bases and there is no fixed repayment schedule among the lenders and the borrowers. The debt-swapping products can be introduced so that it helps in paying the existing debt.

Insurance

The poor population due to insufficient income can only manage to save through small loans and assets. The dearth of informal coping means and insurance results in indebtedness of assets and savings. There is a need for a system which guarantee's the poor a smooth sail in case of any misfortune or mishap. Therein lies an enormous potential to provide insurance product services through credits and savings. A lot of factors are responsible for limited insurance coverage like lack of literacy in insurance, inappropriate products, incapable insurance programmes as they are not framed according to the rural needs. The agriculture schedule of poor needs to be studied annually before introducing the programmes. The difference between the premium payment and household income of rural individuals dissuades them from insurances.

Microfinance Penetration Index

India being a diverse country with different states, culture, geographical area, climate, size and population does not provide an exact picture of microfinance in the states. The Microfinance Sector state report has used two indices to measure the level of MFI development in the state:

1. Microfinance Penetration Index (MPI).
2. Microfinance Poverty Penetration Index (MPPI).

The two indices show the relative share of MFI clients in the state after the adjustment of population. The national average of our country is 1, thus the value greater than 1 shows that the microfinance sector is developed in that particular state and the value less than 1 shows that the state is still developing in the sector.

The two indices are calculated in the following way:

$$\text{MPI} = \frac{\text{Share of MFI clients in the state}}{\text{Share of population in the state}}$$

$$\text{MPPI} = \frac{\text{Share of MFI clients in the state}}{\text{Share of poor population in the state}}$$

State	MPI	MPPI
Karnataka	2.86	3.86
Andhra Pradesh	4.32	9.33
Tamil Nadu	1.43	1.89
Kerala	1.15	3.01
All India	**1.0**	**1.0**
Rajasthan	**0.34**	**0.46**
Mizoram	0.34	0.36

The above table shows that the average of states in south India are more than the national average (1) thus they are more developed in this sector. The average value of Rajasthan is below (0.34 and 0.46) the national average value thus the state is still developing in this sector.

Analysis

Women Empowerment being one of the country's main factor of development is being tabulated and assessed in this research area. Analysis of different variables is done according to the responses of women through Chi-Square tests. The responses of women reveals the general insight of beneficiaries of SHG women in Jaipur district, Rajasthan. The survey results of respondents is described below.

Assessment of Variables: Land details and Monthly Income.

Land Details * Monthly Income

		Monthly Income					
		Less than 5000	5000-10,000	10,000-15,000	15,000-20,000	More than 20,000	Total
Owns a Land	Yes	5	54	25	1	0	85
	No	5	43	54	9	4	115
Total		10	97	79	10	4	200

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.203[a]	4	.001
Likelihood Ratio	20.538	4	.000
Linear-by-Linear Association	15.639	1	.000
N of Valid Cases	200		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.70.

To find the association between the respondents Land details and monthly income the technique of Chi- square was used, taking the following null and alternate hypothesis:

H0= There is no association between respondents Land details and monthly income.

H1= There is association between respondents Land details and monthly income.

Results are given in the above table the value of Chi-square is 18.203[a]and p-value is .001 which is less than 0.01 indicating that the null hypothesis is **rejected** at 1% of significance. This shows that there is **an association** between respondents Land details and monthly income.

Assessment of variables: Years linked with SHG and Improvement in Credit Facilities.

Years linked with SHG * Improvement in Credit Facilities

		Improvement in Credit Facilities			
		Through Loans	Through Income	Through Savings	Total
Years Linked with SHG	1-5	27	7	3	37
	5-10	51	49	18	118
	10-20	19	12	5	36
	More than 20	1	8	0	9
Total		98	76	26	200

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.491[a]	6	.002
Likelihood Ratio	21.527	6	.001
Linear-by-Linear Association	3.761	1	.052
N of Valid Cases	200		

a. 5 cells (41.7%) have expected count less than 5. The minimum expected count is 1.17.

To find the association between the respondents getting linked to SHGs and improvement in their credit facilities after joining SHGs is shown in the above table by using the technique of chi-square, taking the following the null and alternate hypothesis:

H0= There is no association between the above two factors.

H1= There is an association between the above two factors.

According to the above results the value of chi-square is 20.491[a] and p-value is .002 which is less than 0.01 indicating that the null hypothesis is **rejected** at 1% of significance. This shows that there is **an association** between the number of years the respondents are linked with SHGs and that after getting linked with SHGs their credit facilities have improved.

Assessment of variables: Years linked and Increment in the Annual Income after taking Loans from SHG.

Years linked with SHG * Annual Income increased after taking Loans

		Annual Income increased after taking Loans					
		Less than 2000	2000-5000	5000-7000	More than 7000	None	Total
Years linked with SHG	1-5	21	11	5	0	0	37
	5-10	36	54	16	9	3	118
	10-20	10	20	3	2	1	36
	More than 20	1	2	5	1	0	9
Total		68	87	29	12	4	200

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.597[a]	12	.006
Likelihood Ratio	26.240	12	.010
Linear-by-Linear Association	8.163	1	.004
N of Valid Cases	200		

a. 10 cells (50.0%) have expected count less than 5. The minimum expected count is .18.

To find the association between respondents being linked with the SHGs and their increment in the annual income after taking loans is shown in the above table using the technique o chi- square, taking the null and alternate hypothesis:

H0= There is no association between the above two factors in the table.

H1= There is an association between the above two factors.

Results are given in the table the value of chi-square is 27.597[a] and p-value is .006 which is less than 0.01 indicating that the null hypothesis is **rejected** at 5% of significance. This shows that there is **an association** between the two factors.

Assessment of variables: Education and Number of Loans Repaid.

Education * Number of loans Repaid

		Number of loans Repaid					
		less than 2	2-3	3-4	more than4	none	Total
Education	Literate	53	10	2	1	6	72
	Secondary	42	43	1	1	2	89
	Illiterate	26	12	0	0	1	39
Total		121	65	3	2	9	200

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25.100[a]	8	.001
Likelihood Ratio	27.021	8	.001
Linear-by-Linear Association	.435	1	.510
N of Valid Cases	200		

a. 9 cells (60.0%) have expected count less than 5. The minimum expected count is .39.

To find the association between education and number of loans repaid by the respondents is shown in the above table by using the technique of chi-square, taking the following null and alternate hypothesis:

H0= There is no association between education and respondents repaying loans .

H1= There is an association between education and respondents repaying the loans.

Results are given in the above table the value of chi-square is 25.100[a] and p-value is .001 which is less than 0.01 indicating that the null hypothesis is **rejected** at 5% of significance. This shows that there is **an association** between education and number of loans repaid by the respondents.

Assessment of variables: Monthly Income and Increment in Annual Income after taking loans.

Monthly Income * Increment in Annual Income after taking loans

		Increment in Annual Income after taking loans					
		Less than 2000	2000-5000	5000-7000	More than 7000	None	Total
Monthly Income	Less than 5000	7	1	1	1	0	10
	5000-10,000	42	42	10	0	3	97
	10,000-15,000	17	42	14	5	1	79
	15,000-20,000	0	1	4	5	0	10
	More than 20,000	2	1	0	1	0	4
Total		68	87	29	12	4	200

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	69.762[a]	16	.000
Likelihood Ratio	59.368	16	.000
Linear-by-Linear Association	18.267	1	.000
N of Valid Cases	200		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .08.

To find the association between monthly income of respondents and annual income of respondents increased after taking loans by using the technique of chi-square, taking the following null and alternate hypothesis:

H0= There is no association between the two factors.

H1= There is an association between the two factors.

Results are given in the table the value of chi-square is 69.762[a] and p-value is .000 which is less than 0.01 indicating that the null hypothesis is **rejected** at 1% of significance. This shows that there is **an association** between the two factors.

Conclusion

The analysis of the 200 respondents from Jaipur district shows that the socio-economic conditions of women in the district has improved with the help of SHGs and MFIs. The women have become successful entrepreneurs after getting guidance and help from micro banks and SHGs. The programmes facilitated by the government has also played an important role in the development of these women. They have become more independent and are now saving an amount for their own personal needs. The study also reveals that there is an overall increment in women's income through their entrepreneurial activities. Thus it can be concluded that the socio-economic status of women has improved and they are satisfied with their current situations and life styles.

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