

Karnataka's Women Empowerment Programmes

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Abstract: *Women are amongst the most vulnerable segments of society across religions, communities, castes, linguistic groups, etc. However, women who are financially independent and thus empowered, have become upwardly mobile and empirical evidence supports this statement. The corollary is that if women are financially empowered, they can become upwardly mobile thus rendering it difficult for vested interests to exploit them. This is also an easier way of empowering women since the government at the state level or at the federal level need not involve itself actively in the exercise given that intermediaries like formal financial institutions like banks and MFIs, NGOs and local self-governments are better suited to take up this exercise. All that the state or federal government has to do is to set aside a nominal sum for the purpose (since banks finance the women borrowers) and supplement the efforts of the intermediaries in terms of infrastructure, regulatory machinery, etc. Hence the researcher sought to ascertain how the three major stakeholders associated with women empowerment programmes, namely, bank officers, MFIs and consultants, viewed the said programmes. In the process, the researcher was also able to identify the demerits of the said programmes from their perspective. The researcher concludes that the stakeholders do not necessarily view the programmes as instruments that can help women become stronger and more confident, especially in controlling their lives and claiming their rights. Such programmes should also instil entrepreneurial flair and innovative spirit in the women beneficiaries by giving them a sense of empowerment. Intermediation cannot be fully done away with, in the implementation of these programmes given the localized and sedimented character of the business these beneficiaries are generally into. However, state-of-the-art technology can be exploited by banks in particular to minimise intermediation and improve the comfort level of existing as well as prospective beneficiaries. Since the financial inclusion of women is yet to gather steam in the country, banks would do well to prescribe the kind of repayment schedule the beneficiaries are comfortable with. As they go along, banks can redefine the repayment schedule in line with what they prescribe for mainstream borrowers. After all, these beneficiaries are new to institutional finance and are yet to understand fully the nitty-gritty details of the programmes. Last but not least, banks will do well not to underfinance the projects since it could drive back the beneficiaries to borrow from the local loan sharks.*

Keywords: corollary; empirical evidence; financial inclusion; nitty-gritty; upwardly mobile

1. Theoretical background of the problem

Women empowerment is vital for any country be it economically advanced or otherwise. If one half of the population is not on a par with the other half (the other half being men, in this case), the society concerned and thus the country concerned cannot progress. Further, sooner rather than later, the gulf between the two segments has to be minimised if not eliminated if overall growth is to be achieved by the country and by extension, the country's economy. India is one country where there have been disparities between the two sexes although owing to policies like gender equality and proactive provisions of a vibrant constitution that treat men and women as equal, the gulf between the sexes on various parameters has been narrowing. But then such narrowing of the gulf is pronounced in urban and semi-urban India while in rural India, such narrowing of the gulf is by and large restricted to the affluent sections of society. In this backdrop, the state government concerned and the federal government have been launching various programmes to empower women and thus help them lead normal lives, on a par with their men counterpart.

2. Statement of the Problem

Women empowerment programmes have been under implementation for quite some time now. All the same, the outcome of such programmes has not matched the expectations of the planners, government, policy makers and planners behind the said programmes. In other words, outlays have not transformed into outcomes. Hence it is

necessary to ascertain whether there has been any lacuna in the implementation part. To identify the lacuna, if any, it is necessary to ascertain if those entrusted with the implementation of such programmes view them from the right perspective. Additionally, one has to ascertain whether there are glitches along the way and if so, how they are to be handled. The present study proposes to address these problems.

3. Review of Literature

- 1) *Piyush Tiwari and S M Fahad* in their concept paper "Microfinance Institutions in India", Piyush Tiwari and S M Fahad maintain that more than subsidies, the poor need access to credit (Gupta, Chawla, & Harkawat, 2012). Absence of formal employment make them 'non-bankable', so to speak. This forces them to borrow from local moneylenders at exorbitant interest rates. They conclude that the poor repay their loans and are willing to pay interest rates which are higher than those levied by commercial banks provided access to credit is allowed. Group pressure and sequential lending motivate prompt repayment and account for extremely low default rates. Secondly, the poor save and hence microfinance should help them to borrow as well as save. These two findings imply that banking on the poor can be a profitable business.
- 2) *Rajarshi Ghoshin* the article "Microfinance in India: A critique" traces the evolution of microfinance revolution in India (Ravi, Vikkraman, & Kumaravel, 2012). The researcher says that MF has been a powerful tool for poverty alleviation and women empowerment. The

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researcher says that where institutional finance failed microfinance delivered, but the outreach is too small. There is also a question mark on the viability of the microfinance institutions. The researcher suggests that there is a need for an all-round effort to help develop the fledgling microfinance industry while tackling the trade-off between outreach and sustainability.

- 3) Ajai Nairin "Sustainability of Microfinance Self Help Groups in India: Would Federating Help?" asserts that the major form of microfinance in India is that based on women's Self Help Groups (SHGs), which are small groups of 10-20 members (Deininger & Liu, 2013). These groups collect savings from their members and provide loans to them. They also obtain loans from banks and on-lend them to their members. Delinquencies on these loans are reported to be less than 5%. The researcher however says that the sustainability of the SHGs has been suspect because several essential services required by the SHGs are provided free or at a significantly subsidized cost by organizations that have developed these groups. The paper explores the merits and constraints of federating. The findings suggest that federations could help SHGs become institutionally and financially sustainable because they provide the economies of scale that reduce transaction costs and make the provision of these services viable. However, their sustainability is constrained by several factors – both internal, related to the federations themselves and external, related to the other stakeholders. The paper concludes by recommending some actions to address these constraints.

4. Research Gap

The reviewed literature has no doubt thrown light on the various aspects of the country's microfinance industry and women empowerment programmes. Group pressure and sequential lending have motivated prompt repayment in some cases. In some cases, MFIs have alleviated poverty by raising the income and enhancing the economic status of women beneficiaries who patronize them. These reviews would have been complete if the researchers had also examined the perception of women empowerment programmes by stakeholders like banks and the beneficiaries in particular. Thus a research gap has arisen which this study seeks to bridge.

5. Scope of the Study

The study confines itself to the major stake-holders, namely, bank officers, beneficiaries and consultants based out of Bangalore (rural and urban districts), Karnataka.

5.1 Objectives of the study

The objectives of the study are to:

- 1) Ascertain how the respondents perceive the women empowerment programmes
- 2) Identify and analyse the demerits implicit in the women empowerment programmes

5.2 Hypothesis proposed to be tested

The study proposes to test the following hypothesis: "Marketing support is inadequate in women empowerment programmes"

5.3 Research design

The following paragraphs explain how the research is designed.

5.3.1 Research methodology

The study is descriptive in nature and uses the 'fact-finding' survey method. Interview schedules specially designed for the purpose were administered to the respondents for collection of primary data. Being a structured / directive interview, the interview was conducted with a detailed standardised schedule.

5.3.2 Sources of data

Data required for the research has been collected from both primary and secondary sources. Primary data has been collected from bank officers, beneficiaries and consultants.

Secondary data has been collected from banks, the financial press and the Association of Karnataka Microfinance Institutions and the government of Karnataka in soft as well as hard versions. In addition, the researcher interacted extensively with other stakeholders associated with India's forex market.

5.3.3 Sampling plan

Bank officers: Given the limited number of bank officers into financing women beneficiaries of MFIs in the area covered by the study, purposive or judgement sampling under the non-probability method has been deployed. The researcher selected 30 such bank officers operating in the area covered by the study. This criterion, according to the researcher, is the most appropriate one for the present study. What is important is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus it guarantees inclusion of the relevant elements in the sample. Probability sampling plans cannot give such a guarantee.

Women beneficiaries: Simple random sampling under the probability sampling method has been undertaken to select the women beneficiaries since it gives each element an equal and independent chance of being selected. Accordingly, Interview Schedules was administered to 100 women beneficiaries. The first 50 Interview Schedules received from them, duly completed, were selected for the study.

Consultants: Given the limited number of consultants in the area covered by the study, purposive or judgement sampling under the non-probability method has been deployed. The researcher selected 30 consultants operating in the area covered by the study at least for the past ten years. This criterion, according to the researcher, is the most appropriate one for the present study. What is important is the typicality and the relevance of the sampling units to the study and not their overall representativeness to the population. Thus it guarantees inclusion of the relevant

elements in the sample. Probability sampling plans cannot give such a guarantee.

5.3.4 Data collection instruments

Interview schedules, specially designed for the purpose, were drafted and pre-tested in order to identify the possible weaknesses in the instrument. Upon receipt of feedback, they were appropriately revised and finalised for administration to the respondents for collection of primary data.

The Interview Schedules featured open questions and closed questions. Open questions were included since the objective was to identify opinions, ascertain degrees of knowledge and seek suggestions and more information. In some cases, the subject matter of the question could be outside the range of the respondent's experience and hence open questions were deemed a better alternative. Further, open questions would help in determining the depth of the feelings and intensity of the expressions of the respondent (Krishnaswamy & Ranganatham, 2005). Open questions might give the respondent a chance to think through the topic. Since it is practically impossible for the researcher to assess the level of information possessed by the respondent, open questions came in handy. The response freedom inherent in open questions could elicit a variety of frames of references from the respondent, which might provide unanticipated insights. Given the qualitative nature of the values the variables would elicit from the respondents, they could lend themselves ideally to statistical tools like Likert scale and chi-squared test.

5.4.5 Data processing and analysis plan

Non-parametric statistical units were used to test the association between some qualitative characters and conclusions were drawn on the basis of formation of H_0 and H_1 . To be specific, Likert scale and chi-square test were applied to test the hypotheses.

5.4.6 Limitations of the study

Primary data has at times been deduced through constant topic-oriented discussions with the respondents. It is possible that a certain degree of subjectivity, albeit negligible, has found its way in. In addition, one has to admit that the respondents, being human, could err. Hence, the researcher would like to admit that the findings of the thesis, which draw equally heavily from the discussions the researcher held with the said respondents, may have been affected, albeit to a negligible extent. In the circumstances, it will not affect the accuracy of the findings of the study.

5.5 Analysis of primary data collected from the 50 beneficiary respondents

In the following paragraphs, the primary data collected from the 50 beneficiary respondents is analysed.

5.5.1 Perception of women empowerment programmes

Women empowerment programmes are generally introduced with a great deal of fanfare by the government / sponsors concerned. However, how the beneficiaries perceive such programmes is equally important from the point of view of the success of the programmes. Hence the researcher

requested the respondents to reveal their perception of the women empowerment programmes being introduced periodically. Their replies to the query appear in the following Table.

Table 1: Perception of women empowerment programmes

Perception	Number of respondents
An activity directed at the welfare of a vulnerable section of society	43
A poverty alleviation mechanism with a focus on women	39
A focused financing activity to empower women	36
A financial inclusion exercise with a focus on women	33
Just another financing programme	31

43 respondents view women empowerment programmes as an activity directed at the welfare of a vulnerable section of society. 39 respondents view women empowerment programmes as a poverty alleviation mechanism with a focus on women. 36 respondents view women empowerment programmes as a focused financing activity to empower women. 33 respondents view women empowerment programmes as a financial inclusion exercise with a focus on women. 31 respondents view women empowerment programmes as just another financing programme.

5.5.2 Demerits of the women empowerment schemes in place now

However carefully designed they may be, every women empowerment programme suffers from certain demerits. Hence the researcher requested the respondents to reveal the demerits if any they find in the women empowerment programmes in place now. Their replies to the query appear in the following Table.

Table 2: Demerits of the women empowerment schemes in place now

Demerits	Number of respondents
Indirect lending is not hassle-free	44
Repayment period is inadequate	43
Loan amount is inadequate	40
Marketing support is inadequate	36

The demerit cited by 44 respondents is that indirect lending is not hassle-free. The demerit cited by 43 respondents is that the repayment period is inadequate. The demerit cited by 40 respondents is that the loan amount is inadequate. The demerit cited by 36 respondents is that marketing support is inadequate.

5.6 Analysis of primary data collected from the 30 bank officer respondents

In the following paragraphs, the primary data collected from the 30 bank officer respondents is analysed.

5.6.1 Perception of women empowerment programmes

Women empowerment programmes are generally introduced with a great deal of fanfare by the government / sponsors concerned. However, how the beneficiaries perceive such

programmes is equally important from the point of view of the success of the programmes. Hence the researcher requested the respondents to reveal their perception of the women empowerment programmes being introduced periodically. Their replies to the query appear in the following Table.

Table 3: Perception of women empowerment programmes

Perception	Number of respondents
A financial inclusion exercise with a focus on women	27
A poverty alleviation mechanism with a focus on women	26
A focused financing activity to empower women	25
An activity directed at the welfare of a vulnerable section of society	24
Just another financing programme	23

27 respondents view women empowerment programmes as a financial inclusion exercise with a focus on women. 26 respondents view women empowerment programmes as a poverty alleviation mechanism with a focus on women. 25 respondents view women empowerment programmes as a focused financing activity to empower women. 24 respondents view women empowerment programmes as an activity directed at the welfare of a vulnerable section of society. 23 respondents view women empowerment programmes as just another financing programme.

5.6.2 Demerits of the women empowerment schemes in place now

However carefully designed they may be, every women empowerment programme suffers from certain demerits. Hence the researcher requested the respondents to reveal the demerits if any they find in the women empowerment programmes in place now. Their replies to the query appear in the following Table.

Table 4: Demerits of the women empowerment schemes in place now

Demerits	Number of respondents
The cost of small-ticket loans is higher for banks	27
Lending in remote areas is expensive	26
Lending decisions cannot be based on automated scoring	25
Beneficiaries unable to provide collateral	24
Marketing support is inadequate	20

The demerit cited by 27 respondents is that the cost of small-ticket loans is higher for banks. The demerit cited by 26 respondents is that lending in remote areas is expensive. The demerit cited by 25 respondents is that lending decisions cannot be based on automated scoring. The demerit cited by 24 respondents is that beneficiaries unable to provide collateral. The demerit cited by 20 respondents is that marketing support is inadequate.

5.7 Analysis of primary data collected from the 30 consultant respondents

In the following paragraphs, the primary data collected from the 30 consultant respondents is analysed.

5.7.1 Perception of women empowerment programmes

Women empowerment programmes are generally introduced with a great deal of fanfare by the government / sponsors concerned. However, how the beneficiaries perceive such programmes is equally important from the point of view of the success of the programmes. Hence the researcher requested the respondents to reveal their perception of the women empowerment programmes being introduced periodically. Their replies to the query appear in the following Table.

Table 5: Perception of women empowerment programmes

Perception	Number of respondents
A financial inclusion exercise with a focus on women	27
A focused financing activity to empower women	26
An activity directed at the welfare of a vulnerable section of society	25
A poverty alleviation mechanism with a focus on women	24
Just another financing programme	24

27 respondents view women empowerment programmes as a financial inclusion exercise with a focus on women. 26 respondents view women empowerment programmes as a focused financing activity to empower women. 25 respondents view women empowerment programmes as an activity directed at the welfare of a vulnerable section of society. 24 respondents view women empowerment programmes as a poverty alleviation mechanism with a focus on women. 24 respondents view women empowerment programmes as just another financing programme.

5.7.2 Demerits of the women empowerment schemes in place now

However carefully designed they may be, every women empowerment programme suffers from certain demerits. Hence the researcher requested the respondents to reveal the demerits if any they find in the women empowerment programmes in place now. Their replies to the query appear in the following Table.

Table 6: Demerits of the women empowerment schemes in place now

Demerits	Number of respondents
Lending in remote areas is expensive	27
Lending decisions cannot be based on automated scoring	26
The cost of small-ticket loans is higher for banks	25
Beneficiaries unable to provide collateral	25
Marketing support is inadequate	24

The demerit cited by 27 respondents is that lending in remote areas is expensive. The demerit cited by 26 respondents is that lending decisions cannot be based on automated scoring. The demerit cited by 25 respondents is that the cost of small-ticket loans is higher for banks. The demerit cited by 25 respondents is that beneficiaries unable to provide collateral. The demerit cited by 24 respondents is that marketing support is inadequate.

6. Summary of findings

In the following paragraphs, a summarised version of the findings arrived at, by analysing the primary data furnished by respondents, is furnished:

6.1 Beneficiary respondents

- 1) 43 respondents view women empowerment programmes as an activity directed at the welfare of a vulnerable section of society. 39 respondents view women empowerment programmes as a poverty alleviation mechanism with a focus on women. 36 respondents view women empowerment programmes as a focused financing activity to empower women. 33 respondents view women empowerment programmes as a financial inclusion exercise with a focus on women. 31 respondents view women empowerment programmes as just another financing programme.
- 2) The demerit cited by 44 respondents is that indirect lending is not hassle-free. The demerit cited by 43 respondents is that the repayment period is inadequate. The demerit cited by 40 respondents is that the loan amount is inadequate. The demerit cited by 36 respondents is that marketing support is inadequate.

6.2 Bank officer respondents

- 1) 27 respondents view women empowerment programmes as a financial inclusion exercise with a focus on women. 26 respondents view women empowerment programmes as a poverty alleviation mechanism with a focus on women. 25 respondents view women empowerment programmes as a focused financing activity to empower women. 24 respondents view women empowerment programmes as an activity directed at the welfare of a vulnerable section of society. 23 respondents view women empowerment programmes as just another financing programme.
- 2) The demerit cited by 27 respondents is that the cost of small-ticket loans is higher for banks. The demerit cited by 26 respondents is that lending in remote areas is expensive. The demerit cited by 25 respondents is that lending decisions cannot be based on automated scoring. The demerit cited by 24 respondents is that beneficiaries unable to provide collateral. The demerit cited by 20 respondents is that marketing support is inadequate.

6.3 Consultant respondents

- 1) 27 respondents view women empowerment programmes as a financial inclusion exercise with a focus on women. 26 respondents view women empowerment programmes as a focused financing activity to empower women. 25 respondents view women empowerment programmes as an activity directed at the welfare of a vulnerable section of society. 24 respondents view women empowerment programmes as a poverty alleviation mechanism with a focus on women. 24 respondents view women empowerment programmes as just another financing programme.
- 2) The demerit cited by 27 respondents is that lending in remote areas is expensive. The demerit cited by 26

respondents is that lending decisions cannot be based on automated scoring. The demerit cited by 25 respondents is that the cost of small-ticket loans is higher for banks. The demerit cited by 25 respondents is that beneficiaries unable to provide collateral. The demerit cited by 24 respondents is that marketing support is inadequate.

7. Conclusions

Conclusions are inferences / generalisations drawn from the findings and relate to hypotheses. They are answers to the research questions or the statements of acceptance or rejection of hypotheses. As explained already, this study proposes to test the following hypothesis:

“Marketing support is inadequate in women empowerment programmes”

Hence H_0 and H_1 are as follows:

H_0 : Marketing support is not inadequate in women empowerment programmes

H_1 : Marketing support is inadequate in women empowerment programmes

On the basis of the primary data collected from the respondents, vide Tables: 1, 3 and 5, a chi-square test was applied to ascertain the association, if any, between the three variables. The following Table reveals the computation made using MS-Excel.

Category	Observed Values		
	Yes	No	Total
Beneficiaries	36	14	50
Bank officers	20	10	30
Consultants	24	6	30
Total	80	30	110
Expected Values			
Category	Yes	No	Total
Beneficiaries	36.36364	13.63636	50
Bank officers	21.81818	8.181818	30
Consultants	21.81818	8.181818	30
Total	80	30	110
	Yes	No	
o-e	-0.3636	0.3636	
	-1.8182	1.8182	
	2.1818	-2.1818	
(o-e) ²	1	1	
	1	1	
	1	1	
((o-e) ²)/e	0.0275	0.0733	
	0.0458	0.1222	
	0.0458	0.1222	
CV	0.1192	0.3178	0.4369
TV			5.991465
p			0.85

The calculated value of χ^2 is 0.4369, lower than the table value of 5.991465 for an alpha of 0.05 at two degrees of freedom. Hence the null hypothesis is accepted and the research hypothesis is rejected. $p=0.85$ is the inverse of the one-tailed probability of the chi-squared distribution.

8. Recommendations

The following are the researcher's recommendations:

- 1) More than anything else, empowerment programmes should be viewed as what they are – they should help the women beneficiaries become stronger and more confident, especially in controlling their lives and claiming their rights.
- 2) Additionally, such programmes should instil entrepreneurial flair and innovative spirit in the women beneficiaries by giving them a sense of empowerment. Once this is ensured, all the other objectives are automatically ensured. For example, the programmes will instil pride and power in the community of women as a whole. Women are financially included and the programmes automatically succeed as a poverty alleviation tool too.
- 3) Indirect lending or lending through an intermediary, as pointed out by the three respondent categories, is not hassle-free. But then, direct lending is obviously not practicable; nor is it financially viable for the banks. The best way out for the financier, namely the banks and the beneficiaries, is to minimise human intervention by maximising exploitation of technology. The latter should help both the sides in terms of resources like time, energy and money saved. A hassle-free mechanism will inspire more and more prospects to benefit from the programme. With even the staid public sector banks committed to exploit technology to improve their bottom lines, this should not be a difficult task either.
- 4) The financiers or banks should be considerate in prescribing the repayment period. The beneficiaries, by and large, are not exposed to the formal or institutional format of financing. It takes some time for them to fall in line with the rigid pattern that formal or institutional financing warrants. Thus the repayment schedule should be governed by the realities obtaining on the ground and not by armchair perspective.
- 5) An under-financed project is as good or as bad as an unfinanced project and hence cannot succeed. When a project is underfinanced, the beneficiary turns to the local loan shark, thereby defeating the very purpose underlying the formal or institutional financing system. However, intermediaries like MFIs and SHGs can help the banks in estimating the project outlay as realistically as possible. Hence the researcher recommends that the banks be as realistic as possible while estimating the project cost or the financial requirements of the beneficiaries and towards this end, utilise the services of the intermediaries effectively.
- 6) Marketing support is indispensable for projects of this kind to succeed in particular. This is something the banks cannot achieve on their own. Banks are required to focus on banking and not on the marketing of products turned out or services rendered by their borrowers. It is for the MFIs and SHGs to rope in the services of the local self-government concerned for the purpose. The latter has the wherewithal to help the MFI or SHG concerned to market the products turned out by the beneficiaries. Since it is the local people that benefit from the programmes, the local self-governments are bound to chip in with their mite for the purpose.

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