



**IMPACT OF MICROFINANCE ON THE EMPOWERMENT  
OF TRIBAL WOMEN OF HIMACHAL PRADESH**

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## **PREFACE**

According to 2011 Census Data, 8.6% of India's total population belongs to Scheduled Tribes (STs), and the majority of them reside in rural areas (9%), mostly in remote and inhospitable areas such as near forests and hills. Due to the nature of tribal communities' habitation in forests and hilly tracts, this population has remained beyond the realm of the general development process, resulting in widening gaps in infrastructure and development facilities. Tribal studies have been traditionally pioneered by anthropologists over the last hundred years. However, the purpose of the studies were different in those times than what they are conceived now. Concern for a focus on women in tribal studies has been very recent as it emerged out of general interest and concern with women's issues the world over. The value system governing larger Indian society has been in the process of change. With this there has been a shift in the image of tribal women who are thus invariably portrayed as enjoying a better social status than their counterparts in the larger Indian society. Tribal society in the post-Independence era has been witness to unprecedented change, which has been most marked in respect of culture, modes of making a living and social differentiation. Their bearing on women's status in society and gender relations has been far-reaching. The study attempts to highlight the issues involved on the basis of existing ethnographic accounts.

The assumption is that investments of microfinance in microenterprises, small business, transmitted through women self-help groups, surges women's access to productive occupation and income, enable women to make a greater contribution to household income and thereby improve wellbeing for women. Based on field studies conducted in the most backward tribal dominated villages of Chamba, Kinnaur and Lahaul & Spitti districts of Himachal Pradesh and supplemented by secondary sources of data, this study seeks to

investigate the impact of microfinance as a strategy in alleviating poverty and empowering tribal women of Himachal Pradesh.

The present work has been divided into VI chapters, Chapter I explains the concept of microfinance, financial inclusion, SHGs and women empowerment. Chapter II, 'Research Methodology' covers all the relevant issues of the quantitative approaches being followed in the study. This chapter includes nature & scope, need, objectives, hypothesis formulation, pretesting, generalization of items, sampling techniques, analytical tools of quantitative data, significance and limitations of the study. Chapter III, 'Socio-Economic Profile and Effectiveness of Microfinance Training Programmes: An Analysis' comprises of demographic profile of the respondents and analysis of effectiveness of microfinance training programmes on Self Help Groups. Chapter IV, 'An Evaluation of Women Empowerment through Microfinance: Factor Analysis' analysis the various factors influencing women empowerment through Principal Component Analysis and Rotated Component Matrix. Adequacy and Reliability have also been tested in this chapter. Chapter V, 'Impact of Microfinance on Household Decisions' analyzed the extent of change in expenditure on select household items and possession of household items of the respondents in the post period of availing microfinance against the pre-microfinance availing period. The last chapter, 'Summary, Conclusion and Suggestions' summarizes the overall findings of the study and provides the various strategies to further increase the scope of microfinance through SHGs.

The present project is supported by Indian Council of Social Science Research, New Delhi. It is a great honor for us to work on the assigned topic and we feel glad to accomplish our task. Along with our sincerity and interest, there are few people, who really helped us to make this endeavor to be a successful one. At first, we would like to pass our appreciation, gratitude and thanks to our honorable Vice-Chancellor Prof Nishta Jaswal, Former Vice-Chancellor Dr. S.C. Raina

and Registrar, Prof. S.S. Jaswal for their valuable suggestions and ideas in every step of our work. Our special thanks to Prof. S.S. Narta, who contributed a lot in accomplishing this piece of work to be a successful one.

We are also thankful to efforts of all those people who are part of the SHG movement in Himachal Pradesh and we are obliged to all the respondents who warmly co-operated the field investigator in providing relevant information requested for the completion of the project.

Last but not the least, we are also thankful to Mr. Manu Sood and Mr. Suneel for giving this report a final shape in record time.

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## **ABBREVIATIONS USED IN PROJECTS**

<b>ANOVA</b>	Analysis of Variances
<b>BPL</b>	Below Poverty Line
<b>BRI</b>	Bank Rakyat Indonesia
<b>DF</b>	Degree of Freedom
<b>FGD</b>	Focused Group Discussion
<b>GAD</b>	Gender and Development
<b>GAD</b>	Gender and Development
<b>GDP</b>	Gross Domestic Product
<b>KMO</b>	Kaiser-Meyer-Olkin
<b>MFIs</b>	Micro Finance Institutions
<b>NABARD</b>	National Agricultural Bank for Agricultural and Rural Development
<b>NRLM</b>	National Rural Livelihood Mission
<b>PCA</b>	Principal Component Analysis
<b>SGSY</b>	Swarnajayanti Gram Swarajgar Yojana,
<b>SHG</b>	Self Help Group
<b>STs</b>	Scheduled Tribes
<b>WID</b>	Women in Development
<b>WID</b>	Women in Development
<b>WOCCU</b>	World Council of Credit Unions
<b>x<sup>2</sup></b>	Chi-Square

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## **CHAPTER-I**

### **INTRODUCTION**

Until the mid-1960s, the responsibility of meeting the credit needs in the rural/tribal areas of India was entrusted primarily to the co-operative banking sector. As the technological developments in the agricultural sector started gaining momentum, the commercial banks were expected to play a vital role in the rural credit market through branch expansion and direct lending. The overriding objective of nationalization has taken the banking to the masses. The government envisaged that 40 percent of the total credit of the commercial banks should be channelized to priority sectors, groups or regions to support activities that were either considered to be socially beneficial or inherently risky because these measures may have strong impact on rural economy. But, as the Indian economy has been progressing and growing for the past sixty decades after independence, the benefits of such growth have not yet trickled to those who are still attached to their natural habitations because the development of a nation is very much depending on the development of rural/tribal areas, as India is a country of villages and the majority of its population lives in villages and far-flung remote areas and the tribal population is an integral part of India's socio fabric.

India being the second largest tribal dominated area after Africa is one of the most fascinating Nations of World from anthropological point of view. According to the 2011 census the tribal populations group form 11.3 percent of the nation's total population in rural (9,38,19,162) and in urban 2.8 percent. Scheduled tribes communities live in about 15% of the country's area, in various ecological and geo climatic conditions ranging from plains and forests to hills and

inaccessible areas. The tribal populations still continues to suffer from discrimination, marginalization, extreme poverty, conflict and are still deprived of adequate access in the basic needs of life such as health, education, housing, food, security, employment, justice and equity. Issues of sustainable livelihood, social and political participation of the tribal exists as a major problem in India. Tribal groups are at different stages of social, economic and educational development. More vulnerable among them are the tribal women. All these groups need adequate financial assistance to lead reasonable and respectable lives.

Generally speaking there are a large number of studies on tribal communities but only a few are focused on tribal women. Reviewing the studies of tribal women, *K.S. Singh (1988)*<sup>1</sup> has concluded that there is need for generating studies which can fill the information gap on variations that exist on status of tribal women from one region to another and from one community to another". *Singh (1993)*<sup>2</sup> has also reiterated that there are materials on tribal's in general but the existing literature specifically on tribal women is limited in nature. In the present study the focus has been given on SHGs of tribal women in Himachal Pradesh and their role in making them empowered. Tribal Population in Himachal Pradesh is mainly concentrated in Chamba, Kinnaur, and Lahaul & Spitti districts as specified in Table 1.1

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<sup>1</sup> Tribal Women: An anthropological Perspective, in J.P. Singh, N.N. Vyas & R.S. Mann (Eds). Tribal women and development Udaipur: MLV Tribal Research and Training Institute, Tribal Area Development Department, Rajasthan.

<sup>2</sup> Singh, K.S. (1993): Tribal Perspectives, continuity and change in tribal society. Indian Institute of Advance Study, Shimla, pp. 5-10.

**Table 1.1: District-wise Tribal Population in Himachal Pradesh in Scheduled Areas**

<b>Name of District</b>	<b>Total Population</b>	<b>Scheduled Tribe Population</b>	<b>Percentage</b>
Bilaspur	381956	10693	2.80%
<b>Chamba</b>	<b>519080</b>	<b>135500</b>	<b>26.10%</b>
Hamirpur	454768	3044	0.67%
Kangra	1510075	84564	5.60%
<b>Kinnaur</b>	<b>84121</b>	<b>48746</b>	<b>57.95%</b>
Kullu	437903	16822	3.84%
<b>Lahaul-Spiti</b>	<b>31564</b>	<b>25707</b>	<b>81.44%</b>
Mandi	999777	12787	1.28%
Shimla	814010	8755	1.08%
Sirmour	529855	11262	2.13%
Solan	580320	25645	4.42%
Una	521173	8601	1.65%

**Source:** himachalservices.nic.in accessed on 28/08/2018

## **1.1 Financial Inclusion**

The Government of India has adopted many measures to include the excluded under the formal banking services, but the target is still far away. Research on financial exclusion has broadly explained 'exclusion' as those hindrances which prevent unbanked people to avail the benefits of the formal financial system (Leyshon & thrift, 1995<sup>3</sup>; Carbo et al. 2005)<sup>4</sup>, roadblocks for poor to access and lack of

<sup>3</sup> Leyshon & thrift, 1995- Geographies of Financial Exclusion- Financial Abandonment in Britain and the United States. Transactions of the Institute of British Geographers, 20, 312-341.

<sup>4</sup> Carbo, S., Gardener, E., P., M., Molyneus, P., (2005). Financial Exclusion, Palgrave Macmillan, New York.

access by certain sections of the masses. Further, studies in abroad has identified factors responsible for such exclusion is ranging from low-income, ethnic minorities, immigrations; income inequality, unenthusiastic attitude by banks, unemployment; to access, condition, price and self-exclusion (Anderloni & Carluccio, 2005)<sup>5</sup>. Iyer (2015)<sup>6</sup> has reported that, motive for financial inclusion in India is to provide saving, investment and insurance benefits to the poor and the vulnerable mass at an affordable cost. Reserve Bank of India, a decade ago has started the initiative for financial inclusion but researches has validated that the reasons for exclusion in India has many folds e.g., implemented issues, inter-state variations; low-level of education, want of access by certain groups of the society and skeptical performance of self-help groups in delivering micro-credit. Further, financial inclusion is the extension of the frontiers of formal institutional finance to include the hitherto excluded. This is the thrust of growth with equity which alone can empower the poorest of the poor and the weaker, and most vulnerable groups. Financial services denote the entire gamut of services and include credit, savings, insurance, payments and remittance facilities. The objective of financial inclusion is to extend the scope of activities of the organized financial system to embrace within its ambit those hitherto excluded due to uncertain income streams, through access to credit, attempt must be made to help the poor. For growth to be real, it must be informed by equity issues relating to financial exclusion, particularly in the rural sector.

The objective of financial inclusion is to extend financial services to the large hitherto unserved population of the country to unlock its

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<sup>5</sup> Anderloni & Carluccio, 2005-‘Access to Bank Accounts and Payment Services’, New Frontiers in Banking Services: Emerging Needs and Tailored Products for Untapped Markets. Berlin: Springer Verlag.

<sup>6</sup> Iyer (2015)- Banks scurry to expand presence in non-urban areas. The Hindu Buiness Line, p. 11.

growth potential. In addition, it strives towards a more inclusive growth by making financing available to poor in particular. Government of India has been actively pursuing the agenda of financial inclusion, with key interventions in four groups, viz. expanding banking infrastructure, offering appropriate financial products, making extensive and intensive use of technology and through advocacy and stakeholder participation. One of the measures of the level of financial inclusion is the financial inclusion index which is based on three basic dimensions of an inclusive financial system-banking penetration, availability of the banking services and usage of the banking system. The objective of achieving greater financial inclusion in India has been pursued in a regulated space. The framework for financial inclusion has been bank-led to a large extension and banks are closely regulated and supervised entities in the Indian context. However, these initiatives for strengthening financial inclusion are yet to have a substantial impact on the lives of the excluded population, especially the economically vulnerable.

## **1.2 The Concept of Microfinance**

Indian economic policy emphasizes on achieving high growth rates coupled with ensuring that the poor are able to participate equally in the opportunities available in the market economy. The agenda for Inclusion involves creating specific environment through which the poor across the country have open, safe, secure and affordable access to various financial products. Microfinance is one such strategy for inclusive growth, which can be explained as provision of financial services such as loans, savings, insurance, financial literacy, etc. Those who promote the concept of microfinance as an inclusive development tool believe that such unrestricted access will help in poverty alleviation and uniform growth. Various steps have



been taken in this direction since Independence by Government, Financial Institutions, Microfinance Institutions, and NGOs which include SHG-Bank Linkage Programme as one such initiative.

During the last few decades different researches show that the poorest among the poor are the tribals and upliftment of this section of society is need of the hour in the process of socio-economic development. In this regard microfinance to SHGs may be considered as a vital tool for improving the socio-economic conditions of the tribal people living in the rural areas. "Microcredit is based on the premise that the poor have skills which remain unutilized or underutilized. It is definitely not the lack of skills which make poor people poor charity is not the answer to poverty. It only helps poverty to continue and creates dependency and takes away the individual's initiative to break through the wall of poverty. Unleashing of energy and creativity in each human being is the answer to poverty." (Muhammad Yunus, Expanding Microcredit Outreach to Reach the Millennium Development Goals, International Seminar on Attacking Poverty with Microcredit, Dhaka, Bangladesh, January, 2003). In most of the developing countries the tribal population still continues to suffer from discrimination, marginalization, extreme poverty and conflict. Microfinance to SHGs may be considered as a vital tool for improving the socio-economic conditions of the tribal people living in the rural areas, which could generate income and enable poor people to improve their living condition, has recently become a focus of the government. So it becomes important to have a basic understanding of methodologies and activity of MFIs.

- **Group Lending** is one of the most novel approaches of lending small amounts of money to a large number of clients who cannot offer collateral. The size of the group can vary, but most

groups have between four to eight members. The group self-selects its members before acquiring a loan. Loans are granted to selected member(s) of the group first and then to the rest of the members. Most MFIs require a percentage of the loan that is supposed to be saved in advance, which points out the ability to make regular payments and serve as collateral. Group members are jointly accountable for the repayment of each other's loans and usually meet weekly to collect repayments. To ensure repayment, peer pressure and joint liability works very well. The entire group will be disqualified and will not be eligible for further loans, even if one member of the group becomes a defaulter. The creditworthiness of the borrower is therefore determined by the members rather than by the MFI. On one hand, the group formation guides to lower transaction costs for the MFIs, but on the other hand there are social costs related with this process. These social costs can be a negative restraint to group borrowing and joint liability approaches, and include coercive peer pressure, loss of faith and the likelihood that the poorest and most vulnerable will remain excluded or further stigmatized. Such social costs are higher in some societies than in others, depending upon underlying social relations (which influence the ease/difficulty of group formation) and the distances that people must travel to participate in-group activities. In rural areas, these costs can be higher.

- **Individual Lending** unlike MFIs, there are very few conventional financial institutions which provide individual loans to low-income people because poorer clients are considered higher risk clients due to their lack of collateral, plus the labor-intensive nature of the credits and hence the lack of profitability of small-credits.

- **Credit Unions** are the organizations that are formed on the basis of financial relation of savings and loans between its members. They accumulate savings from its members and provide short-term credit to the needed members. The demand for loans in general exceeds the supply of savings. In most rural areas credit unions are still the solitary source of deposit and credit services, besides the informal financial market. Because credit unions have social as well as commercial objectives, they may have a key role to play in offering pro-poor financial services. It has been observed that some women have not benefited much from the credit unions because the level of savings required is too high.
  
- **Village Banking** is a kind of financial services model that assists poor communities to establish their own credit and saving associations, or village banks. Village bank provides non-collateralized loans to its members and a place to invest savings and promote social solidarity. The sponsoring agency provides loan for the village banks and village banks in turn provide individual loans to its members. Peer pressure and peer support among the members are considered as the bank guarantees of these loans, to ensure repayment where small working capital is repaid every four to six months by its borrowers. Borrowers start with a very small loan and gradually they establish loan ceiling. Loan sizes depend on the amount which borrower has saved. Member's savings are kept for the purpose of lending or investing to increase the resource base of the bank. Quest for delivering affordable banking and credit delivery services to the geographically and financially disadvantaged poor is an ongoing process for eons till a ray of hope in the form of Self Help Group approach for building social capital to deliver savings and credit

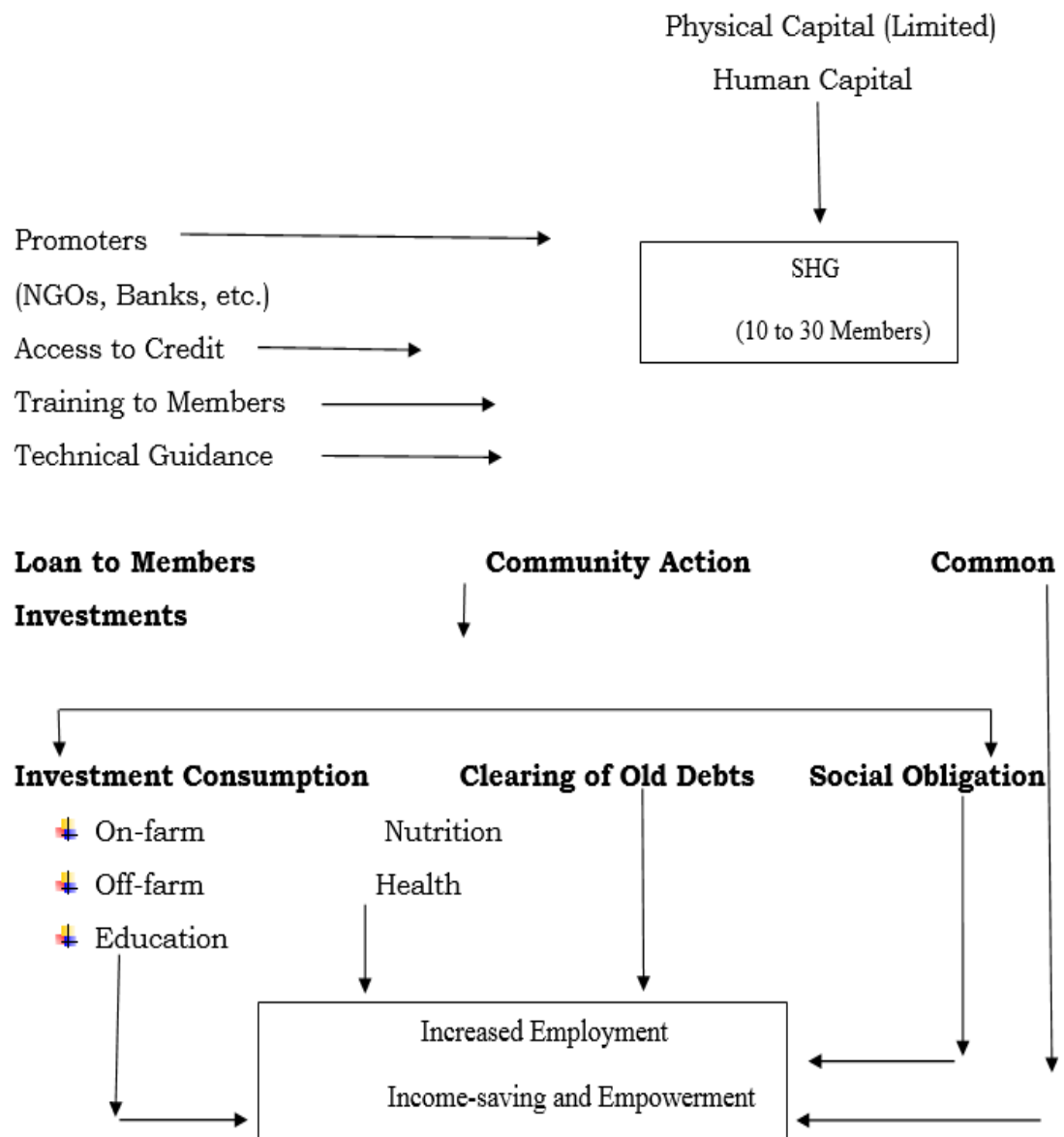
products has been conceptualized. The group approach was then dovetailed into the banking operations which gave birth to the concept of Self Help Group Bank Linkage Programme to work on the synergies of the existing vast network of bank. The SHG-bank linkage programme, being implemented by commercial banks, RRBs and cooperative banks, is the major channel for providing micro finance in the country. It is a strong intervention in economic enablement and financial inclusion for the bottom of the pyramid. A proven platform initially conceived for increasing the outreach of banking services among the poor has since graduated to a programme for promotion of livelihoods and poverty alleviation and an innovation harnessing the synergy of flexibility of informal system with the strength and affordability of formal system. Three radical innovations were introduced through the RBI/NABARD guidelines on SHG-BLP:

- Acceptance of informal groups as clients of banks both deposit and credit linkage;
- Introduction of collateral free lending;
- And permission to lend to group without specification of purpose/ activity and project.

The micro credit programme in India is now the largest in the world. Since independence, the Government of India and the RBI have made concerted efforts to provide the poor with access to credit. Despite the phenomenal increase in the physical outreach of formal credit institutions in the past several decades, the rural poor continue to depend on informal sources of credit because, Micro credit alone cannot alleviate poverty. It needs a holistic approach to improve their employability status. This includes improved skill levels, attention to entrepreneurial aspect, market availability, its problems, new

technology etc. In this regard, the role of the **Self-Help Group (SHG)** is very important and in the socio-economic empowerment of women in India the Self Help Groups (SHGs) have been playing a dynamic role and can be regarded as the most potent initiative since independence for delivering financial services to the poor in sustainable manner. SHGs have demonstrated that what an individual woman cannot achieve can very well be achieved when women of similar background join together and thus provide a great opportunity for the convergence of various activities and organizations intended to promote the empowerment of women. The groups while aiming at promotion of savings and credit also act as pressure groups to address social and economic issues such as education, health and lack of access to natural resources. Self-Help Groups have become the focal point of poverty reduction efforts and occupies pride of place in national programmes such as; Swarnajayanti Gram Swarajgar Yojana, Rural Women Development and Empowerment Project, Swayamsidha Project and promotional programmes of the National Bank of Agriculture and Rural Development. The SHGs are necessary to overcome exploitation, create confidence for economic self-reliance in the poor, particularly in women who are mostly invisible in the social structure and become the basis of action and change and build a relationship of mutual trust between the promoting organization and the rural poor through constant contact and genuine efforts.

## Household Resources



**Figure 1.1: A Typical SHG Model**

### **1.3 SHGs and Women Empowerment**

Empowerment is an active process enabling women to realize their full identity and power in all spheres of life (Gnanadhas & Mahalekshmi, 2011)<sup>7</sup>. Empowerment is a process that takes a person from a position of powerless inaction to responsible action. The process moves through several stages

Participation → Decision Making → Action → Capacity to take responsibility for those actions.

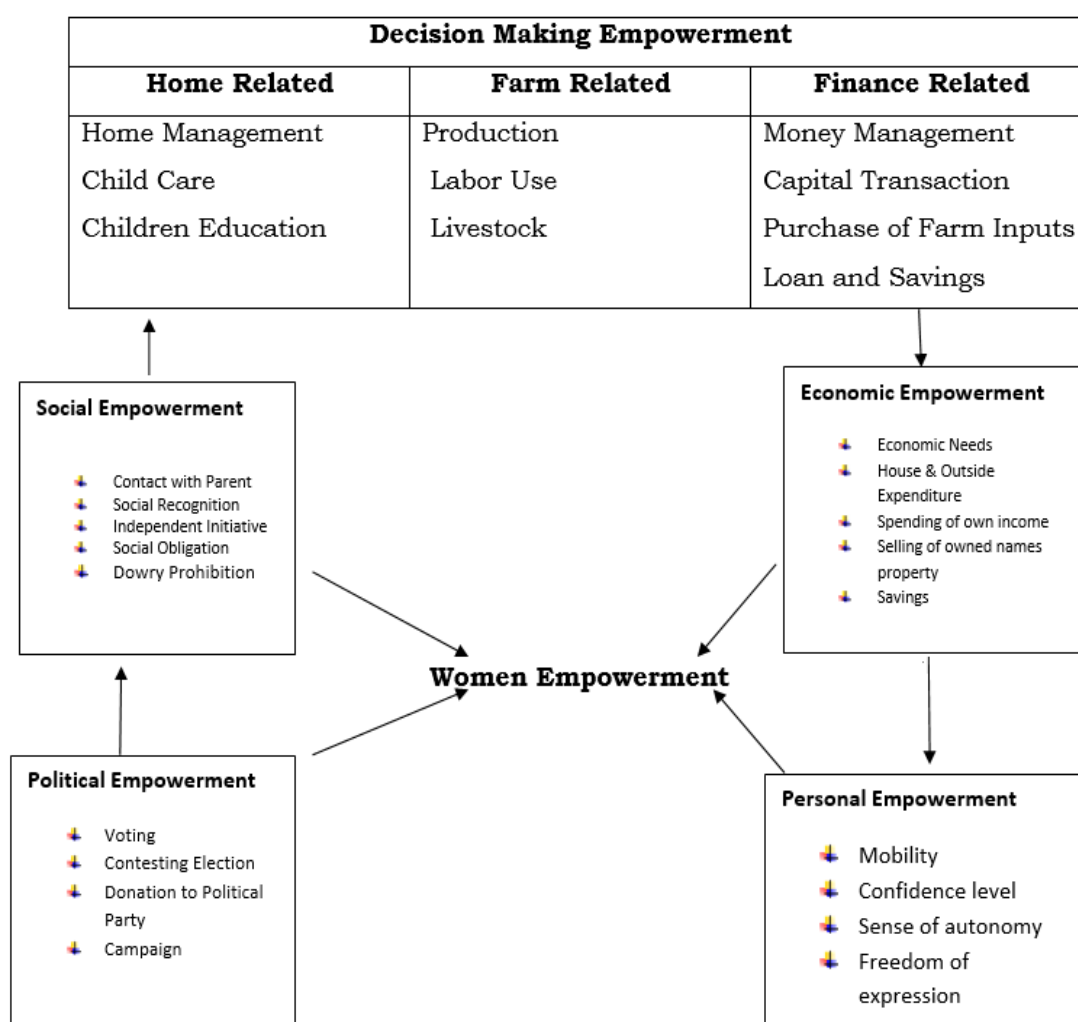
Empowerment can be looked as a means of creating a social environment in which one can take decisions and make choice either individually or collectively for social transformation. Though the problem of women's access to credit dates back to the first International Women's Conference in Mexico in 1975, but numerous reasons have been put forward for emphasizing on the women's access to the micro-credit. Importantly, due to evolution of the 'Women in Development (WID)' and 'Gender and Development (GAD)' perspectives and conducting subsequently a series of international conferences, for example, Copenhagen (1980) and Nairobi (1985) by the United Nations, the active role of the women in the development process has been highlighted in lieu of the prior approach of emphasizing on the women's well-being alone. Thus, women's access to credit has been assumed paramount significance as part of the emerging awareness of women's productive prospects both for national economies, and for women's rights. Empowerment of women includes in its dimension building a positive self-image and self-confidence and ensuring equal participation in the process of bringing about a social change. Economic empowerment has been characterized as the ability to engage freely in any economic activity and the woman's financial

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<sup>7</sup> Gnanadhas, Edwin & Mahalekshmi, M. (2011)- Microfinance and Selfhelp Groups. New Delhi. Discovery Publishing House.

contribution to family support may determine her position within the family and perform as an important source of her empowerment.

The woman, who earns more, is expected to be more competent to exercise intervention in different domains compared to the woman who earns less or nothing. When the right to earning and savings, entrepreneurship skill, marketing ability, managerial capacity and ownership of assets were experienced by women, it could be accepted that they are on the process of economic empowerment.



**Figure 1.2: Women Empowerment**



Generally, Women empowerment is the buzzword now-a-days. No country can afford development without considering women who constitute about half of its stock of human resource. So, development has by passed women in India despite worshiping and paying respect to women in mythology and historical texts. Gender disparities vary vastly across cultural, geographical and historical context. India is a large country with vast economic and socio cultural diversity in the country. The growth issues related to women in a large country like India will not only be inappropriate but sometimes even misleading the country. Women specific and women related legislations have been enacted to safeguard the rights and interest of women, besides protecting against discrimination, violence, and atrocities and also to prevent socially undesirable practices. Government of India has undertaken a large number of schemes aimed at the socio-economic development of women under various Five Year Plans in India. In India the planning process has evolved over the years from a purely 'welfare' oriented approach to the development approach and currently to the 'empowerment.' It was only from the Sixth Five year Plan onwards that women secured a special niche and space in the national plans and planning process primarily with thrusts on health, education and employment. Further, the plan stresses the need for the development work for the tribal women which are completely female oriented programmes. A paradigm shift occurred in the Eighth Plan where 'empowerment' of women was recognized and accepted as a distinct strategy. A further impetus for sectoral contribution to women's programmes was received with the introduction of the concept of Women's Component Plan in the Ninth Plan whereby identified ministries were required to indicate the flow of funds to the women's programmes and schemes. In the tenth Plan, for the first

time, monitor able targets were set for a few key indicators of human development, which include reduction in gender gaps in literacy, wage rates and reduction in mortality ratio. The Ninth Plan Document (1997- 2002) laid emphasis on the participation of people in the planning process, and the promotion of self-help groups. The approach was to access women living in poverty and to guide them to help themselves. The Tenth Five Year Plan called for the three pronged strategy of social empowerment, economic empowerment and providing gender justice to create an enabling environment of positive economic and social policies for women and eliminating all forms of discrimination against them and thus advance gender equality goals for sustainable development. In India during the tenth Plan also, emphasis continued on empowerment of women through self-help group movement. The Eleventh Plan seeks to reduce disparities across regions and communities by ensuring access to basic physical infrastructure as well as health and educational services to all, recognize gender as a cross - cutting theme across all sectors and commits to respect and promote the rights of the common person. To touch the core of poverty and accumulating social capital, Self-help Groups (SHGs) have become the ray of hope to the developmental practitioners. Microfinance to SHGs may be considered as a vital tool for improving the socio-economic conditions of the tribal people living in the rural areas. Microfinance development, which could generate income and enable poor people to improve their living conditions, has recently become a focus of the government.

## **CHAPTER-II**

### **RESEARCH METHODOLOGY**

Research design is the basis which helps to explore the existing research gap and provides information to frame the need, scope and objectives of the present study. Further, this may provide help in designing the methodologies, analytical tools, etc. along with the methodological weaknesses, if any. Consequently, it facilitates in carrying out the research plan effectively and provides with the empirical and logical basis for drawing conclusions. In the present chapter, the need, scope, objectives, hypothesis, sampling, instruments of data collection, tools of analysis and limitations of the study are presented. The previous chapter dealt with the introduction and study of the available literature. On reviewing the literature, it appears that the different studies on impact assessment of microfinance carried out in India presents a little by little description of its variety dimensions. The endeavors made so far by numerous eminent researchers encompass one or the other aspects on the subject. A study linked with the theme of impact of micro finance on the empowerment of tribal women of Himachal Pradesh. The present study can be well thought-out as one among the many bricks that will be vital to bridge the space between research requirements and research efforts made so far.

#### **2.1 Study Area**

The study which is both descriptive and evaluative in nature, examines the impact of microfinance on the empowerment of tribal women in Himachal Pradesh. Keeping in view the socio- economic features of the State, the present study is limited to three tribal districts of Himachal Pradesh namely; **Chamba, Lahual Spiti and Kinnaur** which have a distinct identity and are vastly different from

nontribal districts in almost all respects. The criteria taken for the selection of these three districts are as under:

***District Kinnaur:*** The tribal region of kinnaur is a hurdle for socio-economic development due to topographical and climate reasons. The benefits of reservation policy can be availed by those who have access to seek benefits outside the district and this context, tribal women are disadvantaged. To support them, the SHGs concept is quite relevant in terms of financial support and empowerment of tribal women. With this fact, district Kinnaur has been taken for the research.

***District Chamba*** is slow in terms of development and quality of life. The pace of development particularly, with reference to women is comparatively very low in a state which is known for extensive growth in six decades. The tribal communities are as per the geographical considerations are living tough life, in such circumstances where emphasis is drawn to uplift tribal communities by supporting them through regulatory provisions of strengthening them or to support them financially by implementing concepts of financial inclusion, the district justify to be taken for the present study.

***District Lahaul & Spitti*** is a tribal region which is enriched in terms of cultural and value systems. But the ethos connected with the culture and values do not allow women to frequently express their views and to choose occupations as simply as their counterparts can do which is a hurdle in the process of empowering them despite of a tremendous change taken place due to the initiative of the Government. In this context, to examine Microfinance with respect to financially strengthen and empower women of this region, the area has been selected for the study.

## **2.2 Need and Scope of the Study**

Empowerment of tribal women is an important division of the concept of the women empowerment, as tribes in India constitute about eight percent of the total India's population, which means that about four percent of the total Indian population is tribal women. Moreover; the life of tribal women is wrapped in contradictions which are reflected in everyday social activities. Thus a need arises to study the impact of microfinance on the empowerment of tribal women. Empowerment of tribal women not only refers to economic liberalization but also access to opportunity, right to decision making and access to education, health services and information. This study will help the government to contribute substantially towards inclusive growth and to frame various policies which contribute substantially towards empowerment of tribal women. Present study is confined to those tribal women who are associated with Self Help Groups.

Present study analyzes the impact of microfinance institutions on the upliftment of tribal women in the study area. Certain set of indicators which measure the impact of microfinance has been developed and validated by using triple bottom line approach of social, financial and personal indicators. Social indicators deal with education, health, awareness of various programmes; while financial/economic indicators broadly evaluate income enhancement, business expansion, savings, etc; whereas personal indicators deal with borrowers' interaction at the community level. Microfinance interventions include microfinance credit and/ or credit plus programmes that include savings, insurance and other financial services. Primary outcome include income, health and education. Secondary outcomes includes expenditure on food and/or non food items assets (agriculture & non agriculture) housing improvement and women empowerment.

Reference period under which the survey was conducted is 2018 (April to July). To know the impact of microfinance on the tribal people especially women, various socio-economic variables like annual income, savings, expenditure on food, education, health, dwelling house, possession of assets including livestock apart from improvement in other facilities like sanitation, water, electricity etc. before and after pre and post loan period has been studied. Further, to assess the impact of microfinance on the empowerment of tribal women of Himachal Pradesh, credit supplied by the microfinance institutions including Self Help Groups has been analyzed and visa-viz the trend of deposits in circulating the saving habits among the beneficiaries, which is for enhances the capital formation and credit deployment has also been considered for the analysis.

### **2.3 Objectives of the Study**

Microfinance Institutions which not only play a predominant role in poverty eradication, women empowerment and development agencies but has also emerged as one of the needs based policies and programmes to cater the poor women of rural/ tribal areas. Accordingly, the present study has been undertaken with the following objectives:

1. To study the socio-economic profile visa-viz effectiveness of training programmes on SHG members
2. To examine the impact of microfinance on household decision
3. To assess the impact of microfinance on SHG members' empowerment

## 2.4 Hypothesis Formulation

In the light of the objectives of the study, the following hypotheses have been formulated for the purpose of testing:

$H_{o1}$ : There is no significant impact of microfinance on personal, social, economic and political empowerment of SHG members.

$H_{o2}$ : There is no significant impact of microfinance in improving socio-economic conditions of SHG members.

## 2.5 The Sample Design

Three stages random sampling technique has been used to select the beneficiaries for the study. **At the first stage**, two administrative blocks from each district have been selected on the basis of maximum concentration of the SHGs. Thus, the present study includes 6 Administrative Blocks (3x2) by using Quota Sampling. The administrative blocks selected from **Kinnaur district** are; Kalpa and Pooh, Pangi & Bharmour blocks have been selected from **Chamba district** and from Lahaul Spitti district, Lahaul & Spitti blocks have been selected. **In the second stage**, from each administrative block, 5 SHGs have been selected. Thus, the total number of SHGs selected for the purpose of the present research is 30 (5x6). **In the third stage**, from each Self Help Group, eight members on random sampling basis through lottery method have been selected and thus, finally a random sample of 240 beneficiaries have been selected; i.e. 80 beneficiaries from each district.

## 2.6 Data Collection Instruments

Present study is primarily based on field survey. Primary data has been collected from the beneficiaries selected in the sample using well structured pretested schedule by personal interview method and direct observations. Information related to different socio-economic parameters of the beneficiaries as well as general impact and

constraints related with microfinance has been collected from the primary sources. The data were gathered and assimilated according to the profiling indicators set forth and interview schedule was drafted with the intention to collect mainly qualitative and inferential data.

An interview schedule was designed by the researcher to elicit information from the sample respondents. Close ended schedule item were ranked accordingly as one feels about the issue. The second instrument used by the researcher to obtain information was structured and unstructured interview in order to have face to face interaction with the respondents in the form of Focused Group Discussion in order to obtain reliable and valid information.

An exploratory research design was considered the most appropriate in view of the nature of the problem being investigated. Due to confidentiality and sensitivity of information, schedule was designed in a manner that did not require respondents to reveal their names. Interviews were also conducted with the top management of the select MFIs. Further observation method has been used to assess outcomes in populations served by microfinance and compare them to outcomes in areas not served by microfinance.

### **2.6.1 Generation of Scale items**

Extensive relevant literature has been reviewed to generate items pertaining to different dimensions of microfinance, personal, social and economic empowerment of tribal women.



**Table 2.1: Generation of Scale Items**

<b>Dimensions</b>	<b>Sources</b>
Personal Empowerment	N. Thalavai Pillai, S. Nadarajan, (2011), BL Centre of Development Research and Action (2007).
Social Empowerment	Barik, 2009; Kumar & Sharma, 2011; Arputhamani & Prasannakumari, 2011 and Cnaan et al., 2011
Economic Empowerment	Barik, 2009; Kumar & Sharma, 2011; Arputhamani & Prasannakumari, 2011 and Cnaan et al., 2011
Political Empowerment	Mohammad Arifujjaman Khan, 2007 (Master's Thesis)

The scale items have been selected after reviewing the above mentioned literature and detailed discussions with the subject experts and academicians. Schedule consists of two sections, one general and other to elicit information about various dimensions of empowerment of tribal women namely personal, social, and economic empowerment. Schedule comprised of total 139 items, out of which 13 pertain to general information, 29 items are loan related, 38 items are related to investment (15 decision making, 11 income usage and 18 consumption pattern), 18 items pertaining possession of assets, 11 items are related to training programmes, 8 items each to personal, social, economic empowerment and 06 items to political empowerment.

### **2.6.2 Pretesting**

To access the comprehension among beneficiaries, pretesting is done on 30 beneficiaries. The respondents have been selected on judgment basis, selecting 10 from each three districts of Himachal Pradesh. The schedule comprised questions in dichotomous form, close ended and ordinal form on 5 point Likert Scale. The results of

pilot survey have been used to check for reliability and validity of the schedule. Cronbach's alpha has also been computed and was found higher than 0.7, thus the schedule has been considered reliable.

## **2.7 Data Collection Procedure**

The research team comprised of the lead researcher and three field investigators conducted one-on-one interview with individual respondents to gather information in order to know the social and economic impact of microfinance on the tribal folks of Himachal Pradesh. The sample respondents were interviewed and consulted through structured schedule administered during field activities by the research team. All the collected data from the field by the field investigators were handed over to the lead researcher. Data extracted and tabulated includes study characteristics: target group, exposure and outcome data including sample size data processing and analysis methods values of categorical and ordinal, impact variables and parameter & descriptive statistics of continuous data.

## **2.8 Analytical Tools**

Socio-economic profile of the beneficiaries in the study area has been presented by using simple descriptive method. To understand significant differences in socio-economic characteristics of beneficiaries, variables considered were; family type, family income, occupation, landholding size, level of education, etc. Analysis has been done using simple statistical tools like average and percentage and results have been presented in tabular form. To find out the impact of the microfinance programme on the living standard of the tribal people in the study area and the factors that attribute to the socio-economic and personal empowerment of the tribal women, have been studied with the help of factor analysis. Further, factor analysis technique has been used to validate the indicators representing different dimensions to evaluate the impact of microfinance on the

beneficiaries. Some of these indicators may be strongly correlated and therefore these indicators reduced based on the intensity of correlation and explaining power of variance. Factor analysis technique has been used to reduce number of variables as it is a linear combination of the variables that have most information. Numbers of factors have been determined based on Eigen values and the proportional contribution to explain variance of each factor has been determined. Factors having Eigen value greater than one have been retained.

The raw data obtained from respondents were purified and reduced through factor analysis on SPSS and the Principal Component Analysis (PCA) with varimax rotation being the best rotation procedure which minimizes the number of items with high loading on one factor thereby enhancing the interpretability of the factors has been purified through KMO measure of sampling adequacy. Finally plotting of loading provides information on the dimensions and co-movement of the variables. Both panel and cross sectional analysis on the beneficiaries has been conducted. In the panel analysis, positive impact of microfinance programmes in different rounds with the help of select indicators has been analyzed. It is expected that beneficiaries will get more benefits in the later rounds due to repeated financial assistance from microfinance institutions. In order to compare the observed outcomes with the outcome that would have occurred without microfinance loaning schemes, cross sectional analysis has been conducted. Further, socio-economic index has been constructed by using different variables and 'Z' test has been used to find out the significant differences in these values. Further data pertaining to the perception of the beneficiaries on microfinance programmes has been studied by using 5 point Likert Scale, Standard deviation, Skewness, kurtosis,  $\chi^2$  and Analysis of Variances (ANOVA).

## **2.9 Significance of the Study**

The significance of the study lies in finding significant determinants of empowering women through financial inclusion, its relationship with various demographic attributes of self-help group members. The study is highly beneficial to the NGOs, SHGs and Government agencies in a number of ways, as the present study has provide useful insight to researchers, policy makers, cooperative banks and NABARD. To access the impact of microfinance on the empowerment of tribal women of Himachal Pradesh as women's empowerment is the key to socio economic development of the community; bringing women into the mainstream of national development has been a major concern of government and micro finance programmes give the opportunity to the poor to have access to credit without any collateral. Thus, the present study has enlighten the members of SHGs about the benefits of microfinance in employment generations, poverty reduction and socio-economic development and ends with certain suggestions and if the local& national policy makers adhere to those suggestions, it will actually prove to be a boon for the state in particular and country in general.

## **2.10 Limitations of the Study**

Every research has some limitations. This research is not an exception of this rule. Best efforts have been made to get the most realistic picture on the role of microfinance in women empowerment, within the constraints of time and resources. Yet certain limitations could not be ruled out. Main limitations of the study are as follows:

- While interviewing the people, we have faced problems in explaining the questions as some of the respondents were found reluctant to disclose the desired information. Therefore, it was too difficult to make them understand some of the technical terms.

- The scope of the study is limited only to six tribal blocks of Himachal Pradesh. In order to make study more comprehensive more tribal blocks could have been included in the study.
- The study is based on cross-sectional data and further be extended on longitudinal data.
- The study is confined only to empowerment of women through self-help groups only. Other institutes like, NGOs, and Cooperatives are excluded from the study.
- Present study suffers the limitation as no comparative study between beneficiaries and non beneficiaries has been made.

## **CHAPTER-III**

### **SOCIO-ECONOMIC PROFILE AND EFFECTIVENESS OF MICROFINANCE TRAINING PROGRAMMES: AN ANALYSIS**

#### **3.1 Socio-Economic Profile of the Respondents**

Before going into details regarding the impact of micro finance on women empowerment of tribal women through SHGs in the districts under study, it would be justifiable to accustom with the socio-economic profile of the sampled women who are members of Self Help Groups as Socio-Economic development is an important barometer for measuring and understanding transformation of individual, family, society and country as a whole. It has gained even more importance in the new economy with a special focus on its transformation aspect. The role of microfinance intervention on socio-economic transformation is an important area of discourse in recent times.

In the present study, two sets of variables have been considered which help an individual to occupy a particular social position. The first set of variables is called 'ascriptive', which includes family relationships, family occupation, family income, etc. the other set is the 'achieved' which encompasses the individual attainment through the efforts like education, occupational skills, economic returns, etc. In addition to these two sets of variables, the life experiences of an individual also influence his or her attitude and behavior pattern. Coupled with the life experience factor, both variables would get transferred into socio-economic variables and help to determine the social and economic status of the women in the community.

## **Age**

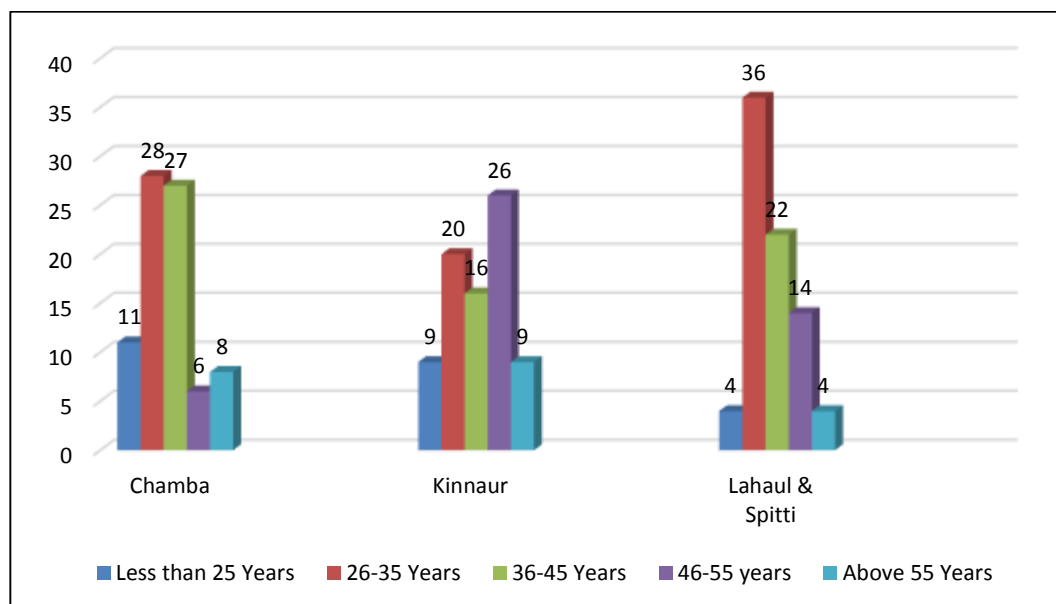
Age of the respondent is an important demographic variable that determines an individual's physical and mental ability and shows the involvement in joining as a SHG member. Table 3.1.1 represents age wise distribution of respondents in the study area. It is clear from the table that 35 percent respondents in Chamba and 45 percent in Lahaul & Spitti district are in the group between 26-35 years of age, whereas, in Kinnaur district, 32.5 percent respondents fall in the age group of 46-55 years. Hence, it can be summed up that young women (26-35 years of age) as well as women in the age group between 46-55 years are actively associated with Self-help groups which show that microfinance through SHG movement has benefitted all tribal women irrespective of their age.

**Table 3.1.1: Age Group-wise Distribution of the Respondents**

Age (in years) Districts	Less than 25 Years	26-35 Years	36-45 Years	46-55 years	Above 55 Years	Total
<b>Chamba</b>	11 (13.75)	28 (35.00)	27 (33.75)	6 (7.50)	8 (10.00)	80 (100)
<b>Kinnaur</b>	9 (11.25)	20 (25.00)	16 (20.00)	26 (32.50)	9 (11.25)	80 (100)
<b>Lahaul &amp; Spitti</b>	4 (5.00)	36 (45.00)	22 (27.50)	14 (17.50)	4 (5.00)	80 (100)
<b>TOTAL</b>	24 (10.00)	84 (35.00)	65 (27.08)	46 (19.17)	21 (8.75)	240 (100)

**Note:** Figures in parentheses depict percentages

**Source:** Data Collected through Interview Schedule



**Figure 3.1.1: Age Group- wise Distribution of the Respondents**



## Educational Qualification

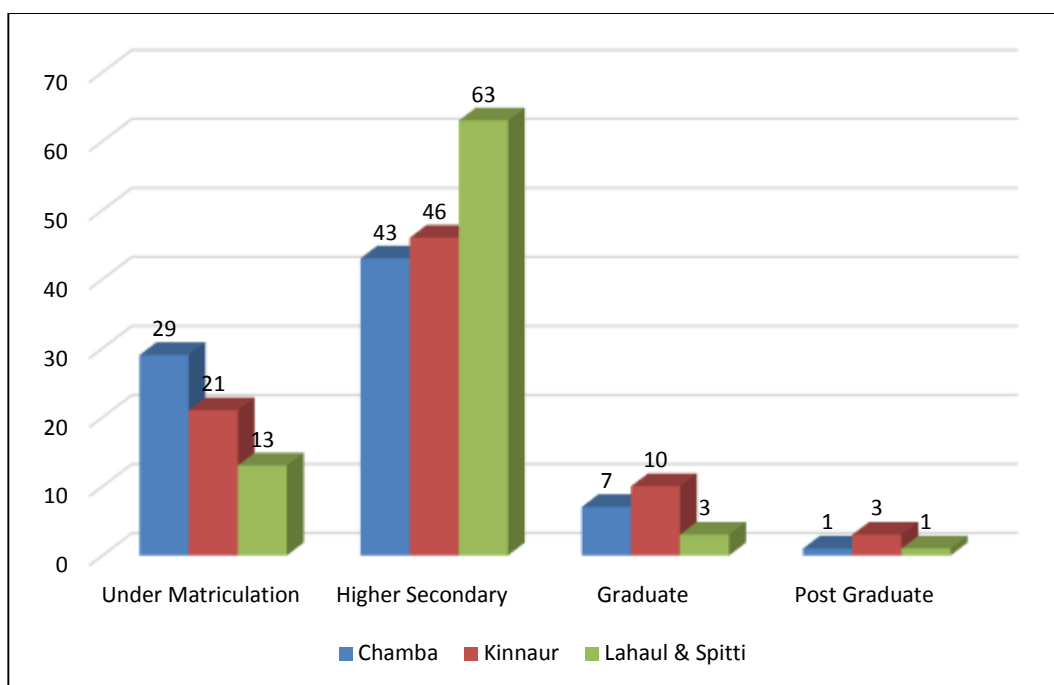
Education is an important tool for effective decision making, since it helps an individual to visualize the problem in a thought provoking style and finds an appropriate solution. Tribal women play a significant role in the economic development of tribals as they contribute in various economic activities and education is a crucial requirement for the sustained growth of a developing society and lack of it is largely responsible for pitiable plight of the tribals. Hence, it makes logical reason to examine the educational level of SHG members.

**Table 3.1.2: Educational Qualification-wise Distribution of the Respondents**

<b>Education Level</b> <b>Districts</b>	<b>Under Matriculation</b>	<b>Higher Secondary</b>	<b>Graduate</b>	<b>Post Graduate</b>	<b>Total</b>
<b>Chamba</b>	29 (36.25)	43 (53.75)	7 (8.75)	1 (1.25)	80 (100)
<b>Kinnaur</b>	21 (26.25)	46 (57.50)	10 (12.50)	3 (3.750)	80 (100)
<b>Lahaul &amp; Spitti</b>	13 (16.25)	63 (78.75)	3 (3.75)	1 (1.25)	80 (100)
<b>TOTAL</b>	63 (26.25)	152 (63.33)	20 (8.33)	5 (2.08)	240 (100)

**Note:** Figures in parentheses depict percentages

**Source:** Data collected through Interview Schedule



**Figure 3.1.2: Education-wise Distribution of the Respondents**

It is evident from the Table 3.1.2 that more than three-fifth of the respondents have qualification at 10+2 level. Respondents having qualification upto 10+2 level, there number has been found 78.75 percent in Lahaul & Spitti in comparison to 57.5 percent in Kinnaur and 53.75 percent in Chamba district. Respondents having qualification, graduates and above their number has been found more in Kinnaur district.

### **Marital Status**

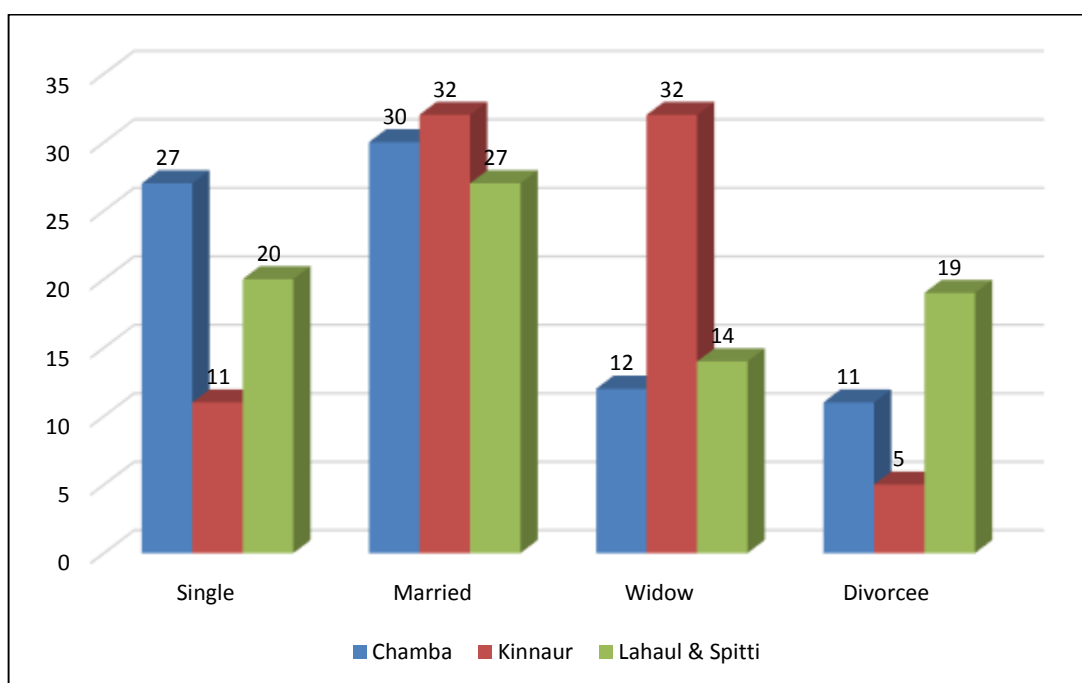
Analysis of table 3.1.3 reveals that 37.08 percent of the sample respondents are married District wise marital status reveals that in Chamba district 37.50 percent respondents are married, 13.75 percent are unmarried and 28.75 percent are either widow or divorcee in comparison to 40 percent married, 13.75 percent unmarried and 46.25 percent widow or divorcee women in Kinnaur district; whereas in Lahaul & Spitti district 33.75 percent women are married, 25 percent are unmarried and 41.25 percent are either widow or divorcee.

**Table 3.1.3: Marital Status-wise Distribution of the Respondents**

Marital Status Districts	Single	Married	Widow	Divorcee	Total
<b>Chamba</b>	27 (33.75)	30 (37.50)	12 (15.00)	11 (13.75)	80 (100)
<b>Kinnaur</b>	11 (13.75)	32 (40.00)	32 (40.00)	5 (6.25)	80 (100)
<b>Lahaul &amp; Spitti</b>	20 (25.00)	27 (33.75)	14 (17.50)	19 (23.75)	80 (100)
<b>Total</b>	58 (24.17)	89 (37.08)	58 (24.17)	35 (14.58)	240 (100)

**Note:** Figures in parentheses depict percentages

**Source:** Data collected through Interview Schedule



**Figure 3.1.3: Marital Status-wise Distribution of the Respondents**

## Family Type

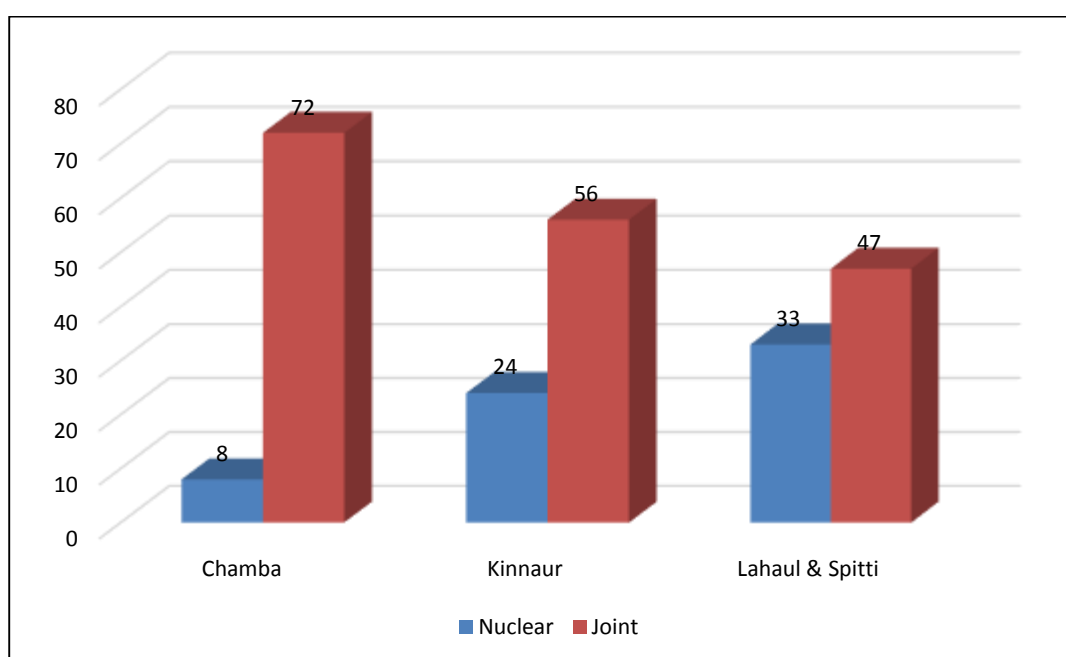
In our country type of family has been considered as an important aspect to cultural identification and socialization process. In order to know whether type of family has an impact on women empowerment; respondents from both joint and nuclear family were selected. Table 3.1.4 throws light in this regard.

**Table 3.1.4: Family Type wise Distribution of the Respondents**

<b>Districts \ Type of Family</b>	<b>Nuclear</b>	<b>Joint</b>	<b>Total</b>
<b>Chamba</b>	8 (10.00)	72 (90.00)	80 (100)
<b>Kinnaur</b>	24 (30.00)	56 (70.00)	80 (100)
<b>Lahaul &amp; Spitti</b>	33 (41.25)	47 (58.75)	80 (100)
<b>Total</b>	65 (27.08)	175 (72.92)	240 (100)

**Note:** Figures in parentheses depict percentages

**Source:** Data collected through Interview Schedule



**Figure 3.1.4: Family Type-wise Distribution of the Respondents**

It is generally presumed that women living in nuclear family are independent and can take decisions independently without any interference as compare to women living in joint family. Analysis of table 3.1.4 reveals that majority of respondents (72.92%) in the study area are living in the joint family system. In Chamba district 90 percent respondents are living in Joint family in comparison to 70 percent in Kinnaur and 58.75 percent in Lahaul & Spitti district.

### **Family Occupation**

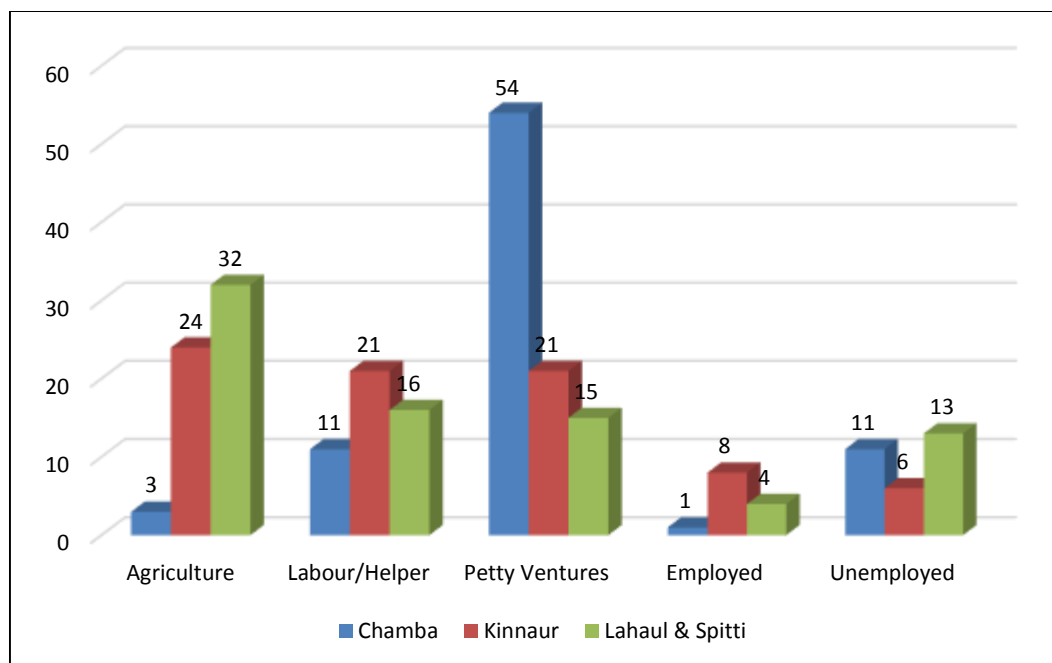
Occupation determines the social standing of a family and due to the fact occupation decides the status of a person in the society. This is one of the reasons that occupation of the members of SHG has been taken as one of the variable for grouping the SHG's tribal women who are engaged in various occupations for earning their livelihood.

**Table 3.1.5: Family Occupation-wise Distribution of the Respondents**

<b>Family Occupation</b> <b>Districts</b>	<b>Agriculture</b>	<b>Labour/Helper</b>	<b>Petty Ventures</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Total</b>
<b>Chamba</b>	3 (3.75)	11 (13.75)	54 (67.50)	1 (1.25)	11 (13.75)	80 (100)
<b>Kinnaur</b>	24 (30.00)	21 (26.25)	21 (26.25)	8 (10.00)	6 (7.50)	80 (100)
<b>Lahaul &amp; Spitti</b>	32 (40.00)	16 (20.00)	15 (18.75)	4 (5.00)	13 (16.25)	80 (100)
<b>Total</b>	59 (24.58)	48 (20.00)	90 (37.50)	13 (5.42)	30 (12.50)	240 (100)

**Note:** Figures in parentheses depict percentages

**Source:** Data collected through Interview Schedule



**Figure 3.1.5: Family Occupation-wise Distribution of the Respondents**

It is evident from the table 3.1.5 that majority of the respondents are engaged in petty ventures (37.50%) followed by agriculture (24.58%). In Chamba district, majority of the respondents (67.50%) are engaged in petty ventures whereas in Kinnaur (30.00%) and Lahaul & Spitti (40.00%) district, majority of the respondents are engaged in agriculture. Further in Kinnaur district, 26.25 percent respondents are working as labourers in comparison to 20 percent in Lahaul & Spitti and 13.75 percent in Chamba district.

## Monthly Family Income

Microfinance through Self Help Groups is considered as a vital option for meeting the financial needs of the poorer section of the society as it is a strategy through which poor and needy borrowers can fulfill their financial requirements for performing various employment and income generating activities. Table 3.1.6 shoes the distribution of respondents on the basis of family income.

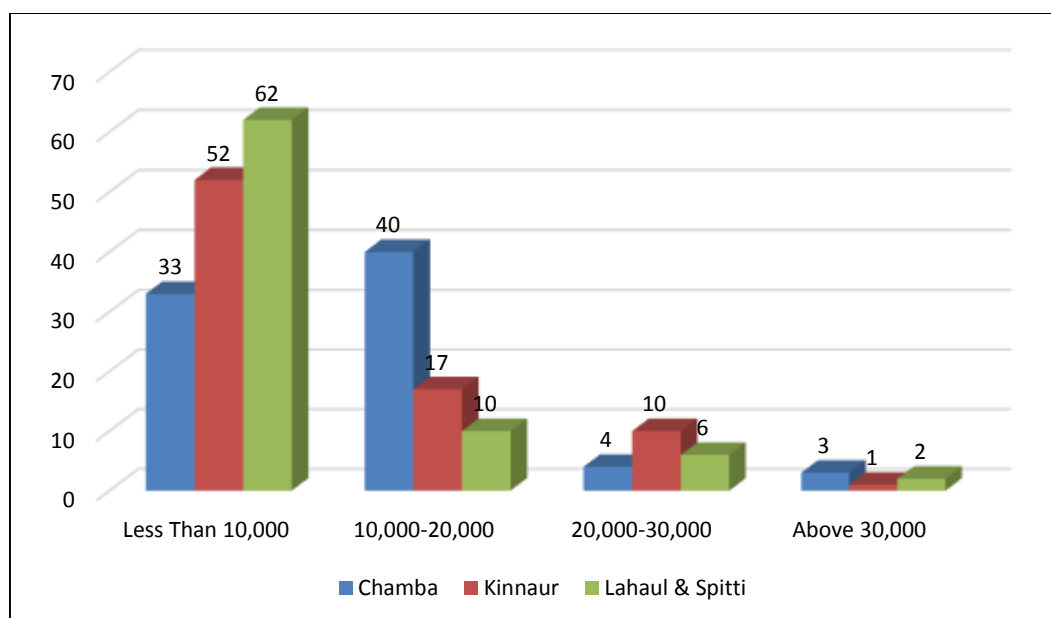
**Table 3.1.6: Family Income-wise Distribution of the Respondents**

<b>Family Income (Per Month)</b> <b>Districts</b>	<b>Less Than 10,000</b>	<b>10,000- 20,000</b>	<b>20,000- 30,000</b>	<b>Above 30,000</b>	<b>Total</b>
<b>Chamba</b>	33 (41.25)	40 (50.00)	4 (5.00)	3 (3.75)	80 (100)
<b>Kinnaur</b>	52 (65.00)	17 (21.25)	10 (12.50)	1 (1.25)	80 (100)
<b>Lahaul &amp; Spitti</b>	62 (77.50)	10 (12.50)	6 (7.50)	2 (2.50)	80 (100)
<b>Total</b>	147 (61.25)	67 (27.92)	20 (8.33)	6 (2.50)	240 (100)

**Note:** Figures in parentheses depict percentages

**Source:** Data collected through Interview Schedule

It is evident from the table 3.1.6 that majority of the respondents (61.25%) have monthly family income less than Rs 10,000. Respondents having family income less than 10,000 per month, there number has been found maximum in Lahaul & Spitti (77.50%) in comparison to 65 percent in Kinnaur and 41.25 percent in Chamba district. Respondents having family income more than 20,000 per month, there number has been found maximum in Kinnaur district.



**Figure 3.1.6: Family Income-wise Distribution of the Respondents**

### Reasons for Joining SHG

The major aim of the SHG is to promote savings and credit activities and to promote micro enterprise development. Respondents were asked what promoted them to join SHGs. Perceptions of the respondents in this regard are presented in table 3.1.7.

**Table 3.1.7: Reasons for Joining SHG-wise Distribution of the Respondents**

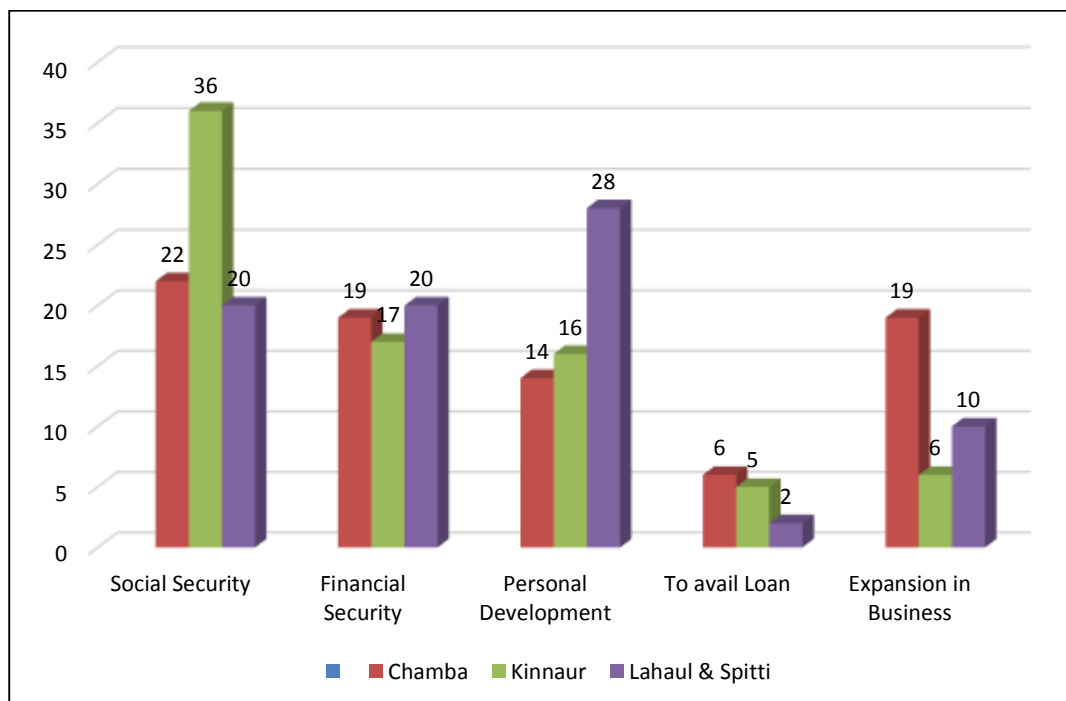
Motive District	Social Security	Financial Security	Personal Development	To avail Loan	Expansion in Business	Total
<b>Chamba</b>	22 (27.5)	19 (23.75)	14 (17.5)	6 (7.5)	19 (23.75)	80
<b>Kinnaur</b>	36 (45)	17 (21.25)	16 (20)	5 (6.25)	6 (7.5)	80
<b>Lahaul &amp; Spitti</b>	20 (25)	20 (25)	28 (35)	2 (2.5)	10 (12.5)	80
<b>Total</b>	78 (32.5)	56 (23.33)	58 (24.17)	13 (5.42)	35 (14.58)	240 (100)

**Note:** Figures in parentheses depict percentages

**Source:** Data collected through Interview Schedule



It is clear from the table 3.1.7 that almost one third of the respondents have joined SHG for social security; whereas 14.58 percent have joined for the purpose of expansion in their business and 5.42 percent have joined to avail credit. In Chamba and Kinnaur districts majority of respondents have joined SHGs for social security purposes, whereas in Lahaul & Spitti district majority have joined for decision making.



**Figure 3.1.7: Reasons for Joining SHG-wise Distribution of the Respondents**

### **3.2 Effectiveness of Microfinance Training Programme**

The main objective of the training is to bring out the hidden talents and the capacity of all the women through systematic modular training to make them employable and self independent. Training is a way to give a ray of hope to the community especially women, to make them realize that they are capable of doing a lot more, by inducing self-confidence and as a result brings in various fiscal benefits to women in terms of increased asset creation, enhancing income saving and borrowing habits etc. through bank and market linkages, and other Development programmes. NABARD has been supporting need based skill development programmes for matured SHGs so that women could polish their skills and be at par with the market demands. Often the requirements for skill development or refinement of skill sets of the SHG members is a felt need which NABARD supports through appropriate resources, NGOs and other support organizations locally.

Hence, in the present section, an attempt has been made to explore whether training services have had their intended impact, whether the respondents after the training have started applying some of the skills and whether the training has helped them to increase their work efficiency and communication skills so that they can better communicate with the community.

#### **3.2.1 Distribution of the Respondents on the Basis of Training Programme**

Capacity building is very important to enhance the skill, knowledge and attitude of the people. Now-a-days maximum care is being taken to impart training both by state as well as central governments for proper human resource management. Sample respondents were asked, whether they attended training programme or not? Responses of the respondents in this regard is shown in Table 3.2.1

**Table 3.2.1: Distribution of the Respondents on the Basis of Training Programme**

<b>District</b>	<b>Yes</b>	<b>%</b>	<b>No</b>	<b>%</b>	<b>Total</b>
Chamba	26	32.5	54	67.5	80
Kinnaur	31	38.75	49	61.25	80
Lahaul & Spitti	13	16.25	67	83.75	80
<b>Total</b>	70	100	170	100	240

**Source:** Field Survey

The data in table depict that only one third of the tribal women of SHGs in Chamba district has undergone under various training programmes offered by different organisations whereas in Kinnaur district 38.75% of the tribal women have undergone training programme, however even in Lahaul & Spitti district only 16.25 percent of the tribal women engaged in SHGs have undergone training programme. The data indicates that the extension system of government and NGOs have not yet entered the entire tribal zones to imparting training to SHGs.

### **3.2.2 Impact of Training on Reading/Writing Skill**

The study aimed at finding out how microfinance training content influences reading/writing skill and evaluates the effectiveness of a training programme. District-wise analysis of perceptions of respondents regarding enhancement in reading/writing skills through training programmes has been presented in table 3.2.2. It is pertinent to mention that there has been no impact in satisfaction level of the sample respondents in all the districts under study at five point likert scale though the mean score of satisfaction level of respondents in enhancing their reading/writing skills has been found

highest in district Kinnaur (2.00) followed by Chamba (1.77) and Lahaul & Spitti district (1.35).

**Table 3.2.2: Descriptive Statistical Analysis of Impact of Training on Reading/Writing Skill**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	Sk	Chi-Square	P-Value
Chamba	16	9	3	3	-	1.77	.99028	1.148	25.47	.001
Kinnaur	18	6	6	3	2	2.00	1.26025	1.029		
Lahaul & Spitti	43	23	-	-	-	1.35	.48014	.651		

**Source:** Field Survey

Further, in order to study the comparative impact of training on enhancing reading/writing skills of the respondents in the districts under study, chi-square test has been applied. The calculated value (25.47) has been found statistically significant at 1 percent level of significance which rejects the null hypothesis. Hence, it can be concluded that area wise there is a significant difference in the perception of the respondents as far as impact of training on reading/writing skills is concerned.

### 3.2.3 Impact of Training on Communication Skill

Effective Communication skill helps the women to have open and useful exchanges which are very important for the overall development of women as it helps in handling different situations. Table 3.2.3 presents the satisfying level of the sample respondents as far as impact of training in enhancing communication skills in the area under study is concerned.

**Table 3.2.3: Descriptive Statistical Analysis of Impact of Training on Communication Skill**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	SK	Chi-Square	P-Value
Chamba	18	5	7	1	-	1.71	.938	.896	18.170	.020
Kinnaur	17	11	2	4	-	1.79	1.008	1.194		
Lahaul & Spitti	22	14	1	7	3	2.04	1.301	1.092		

**Source:** Field Survey

Analysis of table 3.2.3 reveals that mean score of the level of satisfaction of training on communication skills in the study area has been found highest in Lahaul & Spitti district (2.04); followed by Kinnaur (1.79) and Chamba district (1.71). On applying Chi-Square test, the significance value (18.17) has been found statistically significant at 5 percent level of significance. Hence, it can be concluded that area wise there is significant difference in the opinion of the respondents as far as impact of training on communication skill is concerned.

### 3.2.4 Impact of Training on Financial Matters

Money management skill gives a rational blueprint for setting financial goals, managing debt responsibly, setting aside money for children's education, marriages, etc. SHGs women who have undergone through various training programmes were asked to what extent they have been benefitted through the training programmes to manage their finance. Table 3.2.4 throws the light on this regard.

**Table 3.2.4: Descriptive Statistical Analysis of Impact of Training on Financial Matters**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	SK	Chi-Square	P-Value
Chamba	22	1	4	1	3	1.7742	1.35916	1.545	9.206	.325
Kinnaur	28	2	2	2	-	1.3529	.84861	2.389		
Lahaul & Spitti	30	4	1	3	1	1.4872	1.04810	2.204		

**Source:** Field Survey

It is evident from the table 3.2.4 that average mean score of the impact of training on financial matters has been found highest in Chamba district (1.77), in comparison to Lahaul&Spitti district and Kinnaur district at three point likert scale which clearly shows less impact of training programmes in handling financial matters. In order to study the impact of training on money management skills in the districts under study, Chi-square test has been applied. The significance value of  $\chi^2$  (.354) has been found statistically insignificant. Hence, it can be summed up that there is no significant difference in the responses of the respondents in the districts under study as far as impact of training on financial matters is concerned.

### 3.2.5 Impact of Training on Confidence Building

Self-confidence is extremely important in almost every aspect of one's lives and training is vital for direct changes to happen. District-wise analysis of perceptions of the respondents on confidence building through training programmes has been presented in Table 3.2.5

**Table 3.2.5: Descriptive Statistical Analysis of Impact of Training on Confidence Building**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	SK	Chi-Square	P-Value
Chamba	24	4	3	0	0	1.3226	.65254	1.872	15.845	.045
Kinnaur	18	7	6	4	0	1.8857	1.07844	.836		
Lahaul& Spitti	23	6	4	11	2	2.1957	1.39235	.615		

**Source:** Field Survey

It is noticeable in the table that maximum respondents have found no impact of training on confidence building. Although mean score of the respondents in Lahaul & Spitti district has been found highest (2.195), followed by Kinnaur (1.8857) and Chamba district (1.3226) on three point likert scale as far as impact of training on confidence building is concerned. Further Chi-Square test has been applied to check whether training, has helped in enhancing the confidence level of the respondents of the study area. A significance difference in the perception of respondents in this regard has been observed at 5 percent level of significance.

### 3.2.6 Impact of Training in Operating Bank Account

Table 3.2.6 reveals the impact of training in operating bank account in the study area. It is evident from the table that mean score of impact of training in operating bank account has been found highest in Chamba district (2.3548). Maximum respondents of Lahaul & Spitti reported that as such there is no impact of training in operating bank accounts.

**Table 3.2.6: Descriptive Statistical Analysis of Impact of Training on Operating Bank Accounts**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	S.D	SK	Mean	Chi-Square	P-Value
Chamba	15	2	5	6	3	1.49551	.492	2.3548	9.576	.296
Kinnaur	20	5	5	4	1	1.20712	1.082	1.8857		
Lahaul& Spitti	30	9	4	2	2	1.08901	1.786	1.6596		

**Source:** Field Survey

Further, in order to study perception on the impact of training in operating bank account in the districts under study, Chi- Square test has been applied and no significant difference in the perception of respondents has been observed at 5 percent level of significance.



### 3.2.7 Impact of Training on Enhancing Management Competencies and Capabilities

**Table 3.2.7: Descriptive Statistical Analysis of Impact of Training on Management Competencies and Capabilities**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	SK	Chi-Square	P-Value
Chamba	17	10	5	3	1	1.9474	1.08919	1.036	4.434	.816
Kinnaur	24	9	7	3	3	1.9565	1.24644	1.165		
Lahaul& Spitti	14	8	3	4	0	1.8966	1.08050	.948		

**Source:** Field Survey

Analysis of table 3.2.7 evidences that training has enhanced the management competencies and capabilities of the SHG members to some extent. Mean score of the responses in this regard has been found 1.95 in Kinnaur district in comparison to 1.94 in Chamba district and 1.89 in Lahaul& Spitti district. Further, by applying Chi-Square test, no significant difference in the responses of the respondents in the districts under study has been observed as far as impact of training in enhancing managing competence and capability is concerned.

### 3.2.8 Knowledge about Various Development Programmes Through Training

Knowledge of the various development programmes is a pre requisite for competency development and the main objective of training is to bring the assisted poor families above the poverty line, by providing them income-generating assets and to make them aware of the various development programmes. District wise analysis on knowledge about various development programmes through training has been presented in table 3.2.8.

**Table 3.2.8: Descriptive Statistical Analysis on Knowledge About Development Programmes Through Training**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	SK	Chi-Square	P-Value
Chamba	11	15	3	2	-	1.8710	.84624	.963	10.714	.098
Kinnaur	19	8	6	2	-	1.7429	.95001	.992		
Lahaul& Spitti	24	8	10	5	-	1.9149	1.08005	.716		

**Source:** Field Survey

Analysis of the table 3.2.8 reveals that mean score of the satisfaction level of the respondents in the study area is below average and ranges from 1.9149 to 1.7429. The respondents of Lahaul & Spitti district are found more awared about various development programmes through training programmes, as their mean score has been found 1.9149 in comparison to the respondents of other two districts. Further, Chi-Square test has been applied to show the impact of training on development programme. The significance value of Chi-Square (10.714) has been found insignificant which shows that there is no significant difference in the responses of the respondents on the knowledge about various development programmes through training.

### 3.2.9 Impact of Training on Managerial Efficiency for Microenterprise Development

Managerial excellence training is aimed at to prepare the women to face the challenges of the developments and changes in the environment and be successful executives. Women are the motivators and organizers as they are the ones with new ideas, who carry it through and prioritize them as well. Statistical analysis on the effectiveness of the training programme for managerial efficiency in the study is shown in the table 3.2.9

**Table 3.2.9: Descriptive Statistical Analysis of Impact of Training on Managerial Efficiency for Microenterprise Development**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	SK	Chi-Square	P-Value
Chamba	20	4	4	2	1	1.7097	1.13118	1.506	6.821	.556
Kinnaur	21	9	4	0	1	1.6000	.91394	1.893		
Lahaul & Spitti	31	6	6	4	0	1.6383	1.00921	1.327		

**Source:** Field Survey

Analysis of table reveals that managerial efficiency of women in microenterprise development programs through training has improved to some extent and has been found highest in Chamba district (1.7097), followed by Lahaul & Spitti (1.6383) and Kinnaur district (1.6000). By applying Chi-Square test, no significant difference in the perception of the study district has been found as far as perception of the respondents in improving managerial efficacy through training is concerned.

### 3.2.10 Impact of Training on Skill Development

Skill development determines the productivity as well as the ability to adapt to the changing environment. Majority of tribal women do not possess basic skills, which is an impediment in getting decent employment and improving their economic condition. Keeping in view the importance of skill development, microfinance institutions provide both skill development and human capital training services to their members. The skill formation training aims at improving income generating activities such as; farming, craft or business and is mostly provided to SHGs that are already credit linked. Impact of training on improving skill of the women in the study area has been presented in table 3.2.10.

**Table 3.2.10: Descriptive Statistical Analysis of Impact of Training on Skill Development**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	SK	Chi-Square	P-Value
Chamba	12	12	1	4	2	2.0968	1.24779	1.126	17.822	.023
Kinnaur	10	10	9	3	4	2.4722	1.29804	.604		
Lahaul& Spitti	7	12	13	13	2	2.8085	1.13517	-.072		

**Source:** Field Survey

Mean score of satisfaction along with standard deviation of the responses gathered from respondents relating to the impact of training on skill development programme in the study area reveals that mean score of the satisfaction of the respondents of Lahaul & Spitti district has been found highest (2.8085) followed by district Kinnaur (2.4722) and Chamba district (2.0968). By applying Chi-Square Test, a significant difference in the perception of respondents at 1 percent level of significance has been found.

### 3.2.11 Impact of Training on Enhancing Computer Skill

Every woman deserves to learn the use of computer as it educates her to understand information technology that supports career enhancement to earn income to assist self and her family, when women learn a new skill, it helps them to earn more, which helps in developing their confidence and esteem in the eyes of their families and society.

**Table 3.2.11: Descriptive Statistical Analysis of Impact of Training in Enhancing Computer Skill**

District	No impact	Some impact	Moderate impact	High impact	Very High Impact	Mean	S.D	SK	Chi-Square	P-Value
Chamba	30	0	1	0	-	1.0645	.35921	5.568	8.035	.236
Kinnaur	27	3	4	1	-	1.4000	.81168	1.918		
Lahaul& Spitti	43	2	2	0	-	1.1277	.44804	3.627		

**Source:** Field Survey

It is evident from the table that vast majority of SHG members who have undergone training do not see any impact of training programme in enhancing their computer skills. Very few of them see moderate impact of training in enhancing their computer skills. However mean score of respondents of Kinnaur district (1.4000) has been found high in comparison to Lahaul & Spitti (1.1277) and Chamba district (1.0645). On applying Chi-Square test, no significant difference in the perception of the respondents of study district has been observed.

It can be **summed up** that there is very less or no impact of training in enhancing the skill or capabilities of the SHG members. However respondents who feel that training has positive impact to some extent, there number has been found comparatively more in

Kinnaur district otherwise perception of the SHG members of all the study district has been found almost same as no significant difference has been observed.

## **CHAPTER-IV**

### **AN EVALUATION OF WOMEN EMPOWERMENT THROUGH MICROFINANCE: FACTOR ANALYSIS**

Financial inclusion of the Government through banking institutions particularly to empower rural women in India is endowed to focus upon such households which are left out in terms of employment avenues. However, rural unemployed women who have entrepreneurial capabilities, but are unable to pursue for starting business due to shortage of financial sources, can avail financial support and succeed in the process of socio-economic development by generating employment avenues for their families. Keeping motive of microfinance for SHGs in mind, one of the objectives is to examine the socio-economic profile of the families of SHG members and to analyze to what extent; micro finance has proved an instrumental in empowering them.

The Tribal society is also a patriarchal society and so the dominance of male members over the female members is obvious and it is a burning truth that no country in the world treats its women not less than its men. It is also well known fact that there cannot be any progress unless women are empowered. This is the reason that every opportunity should be given to women, as it would most surely be passed on to the next generation and without personal, social, economic and political empowerment for assuming a desired status in development would be distant goals. SHGs women empowerment is taking place and their participation in the economic activities and decision-making at the household and society level is increasing and making the process of rural development participatory, democratic, sustainable and independent of subsidy, which means that macro-financing through SHGs is contributing to the development of rural people in a meaningful manner. The concept of SHGs has also been

endowed to focus upon such initiatives which result into development. However, it is a question of research to examine as to what extent; these institutions have succeeded in their role. This section is a modest attempt to examine the factors influencing empowerment of tribal women based upon the responses of SHGs members.

The role of women in the development of nation is very important at present. Their status must be improved economically and socially. The concept of SHGs is a window for the development of the rural mass as it helps women to improve their living conditions encompassing the social, economic and educational levels to improve their empowerment level. The Self-Help Groups enable women to participate in decision making on economic and financial issues like family financial needs, supplementing of family income, consumption pattern, to raise loan, sale and mortgage of assets etc.

An, attempt has also been made in this chapter to identify the most dominating factors influencing financial inclusion and there by empowering tribal women who are being members of SHGs.

Table 4.1 explains the descriptive statistics for factors affecting the empowerment of tribal women. Description of Table 3.2.1 shows the values of mean, standard deviation, skewness and kurtosis for thirty variables. Further, the table depicts that after joining the SHG, tribal women feel improvement in family relations, as the mean score of the perception of respondents for reduction in stress (2.9833), has been found highest, followed by acting independently (2.9417) and improvement in confidence level (2.9375).



**Table 4.1: Statistical Description of Factors Influencing Women Empowerment**

<b>Statements</b>	<b>N</b>	<b>Mean</b>	<b><math>\Sigma</math></b>	<b>Skewness</b>	<b>Kurtosis</b>
Acting independently	240	2.9417	.87068	-.117	-.126
Skill enhancement	240	2.7167	1.09149	-.080	-.954
Reduction in Stress	240	2.9833	1.01027	-.040	-.110
Improvement in family relations	240	2.7667	1.00404	-.068	-.643
Improvement in confidence level	240	2.9375	.83856	-.225	.408
Literacy level has increased	240	2.8708	1.09582	.009	-.504
Freedom in mobility	240	2.6625	.96738	-.006	-.347
Improvement in health conditions	240	2.5792	.93401	.125	-.115
Improvement in business relations	240	2.6750	.91626	-.132	.059
Enhancement in interaction with different social groups	240	2.6167	.94345	-.039	-.139
Awareness about environmental issues has increased	240	2.5792	.96051	.016	-.242
Mingling with others	240	2.6042	.97112	.062	-.343
Acceptability in society has increased	240	2.5875	.91515	.020	.336
Improvement in hygienic conditions	240	2.3583	.84136	-.120	-.727
Assertiveness to fight against injustice	240	2.3750	.80337	-.343	-.727
Participation in resolving village problems	240	2.3125	.81708	-.216	-.823
Increase in purchasing power	240	2.3292	.82075	-.264	-.835
Increase in Income/Savings	240	2.3000	.77189	-.079	-.578
Dependency on money lenders has reduced	240	2.5500	.81667	-.069	-.025
Reduction in poverty	240	2.4750	.84796	.037	-.193
Transformation in life style	240	2.4833	.83824	.053	-.142
Increase in employment opportunities	240	2.5292	.85275	-.153	-.200
Increase in value of livestock	240	2.5083	.80787	.117	.008
Awareness about various Govt. schemes has increased	240	2.4750	.84301	.058	-.165
Awareness about legal rights has increased	240	2.2042	.89395	.295	-.189
Participation in political activities has increased	240	2.1667	.85651	.478	.287
Active participation in community activities has increased	240	2.2375	.89035	.232	-.217
Voting Independently	240	2.1542	.84164	.551	.508
Active Participation in Gram Sabha Meetings	240	2.1500	.84981	.533	.418
Participation in Elections	240	2.2250	.82292	.470	.521

**Source:** Field Survey

Further, the calculated values of standard deviation reveal high variation in the responses for all designed variables. In case of skewness, most values are concentrated on the right of the mean with extreme values to the right, so it can be said that distribution is negatively skewed. In case of kurtosis, the negative values depicts that distribution is platykurtic i.e., flatter than normal distribution with a wider peak. The probability for extreme value is less than for a normal distribution and the values are wider around the mean.

Mean score of the perceptions on the factors like; family relations, reduction in stress, increase in literacy level, skill enhancement are analyzed and have been found near to moderate towards positive direction with variation from 1.00404 to 1.09582 as is indicated by the calculated values of standard deviation and skewness. Thus, it can be said that these factors have highly influenced SHGs members through the financial inclusion. Further analysis reveals that the factors like; reduction in poverty, transformation in life style, improvement in health conditions, awareness about environmental issues, awareness about legal rights, participation in political activities has increased and active participation in community activities has increased, However, participation in elections are influenced only to some extent.

#### **4.2 Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's test of Sphericity:**

Table 4.2 depicts the results of Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity. The Kaiser-Meyer-Olkin (KMO) measures the sampling adequacy which should be greater than 0.5 for a satisfactory factor analysis to proceed.

**Table 4.2: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.917
Bartlett's Test of Sphericity	Approx. Chi-Square	13587.348
	Df	435
	Sig.	0.000

Further, the table shows that the Kaiser-Meyer-Olkin Measure is 0.917, which implies that sample is adequate and factor analysis is appropriate for data. This test is another indication of the strength of the relationship among variables as it tests the null hypothesis that the correlation matrix is an identity matrix in which each variable correlates perfectly with itself but has no correlation with other variables. Further, a table 4.2 show that Bartlett's test of sphericity is significant as its associated probability is 0.000, which means that correlation matrix is not an identity matrix.

### 4.3 Reliability Statistics

The results of reliability statistics have been presented in table 4.3. The reliability of the construct is determined by computing the Cronbach's alpha. Cronbach's coefficient alpha value of 0.6 is considered acceptable for the exploratory purposes, 0.7 is considered adequate and 0.8 good for confirmatory purposes.

**Table 4.3: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardization items	No. of items
.967	.967	30

Table 4.3 reveals that the Cronbach's alpha value based on standardization items obtained is 0.967 which shows high reliability of the scale and therefore it is valid to use this scale.

#### **4.4 Total Variance**

Table 4.4 shows all the factors extractable from the analysis along with their Eigen values, the percent of variance attributable to each factor, the cumulative variance of the factor and the previous factors. First factor related to personal empowerment comprising of different statements explains 18.436 percent of total variance which means that association with SHGs has empowered tribal women to a significant extent as women feel personally more empowered. Second most important factor related to social empowerment explains 4.882 percent of the total variance which reveals that microfinance through SHG has improved the business relations and acceptance of tribal women in society has also increased. The factors related to economic empowerment i.e., reduction in poverty, transformation in lifestyle, increase in the value of livestock, etc. accounts only 1.231 percent of the total variance which indicates that microfinance has not improved the economic conditions of the tribal community. The last factor i.e., political empowerment comprising of statements like voting independently, participation in gram sabha meetings, etc comprises least percentage i.e, 1.157 of the total variance.

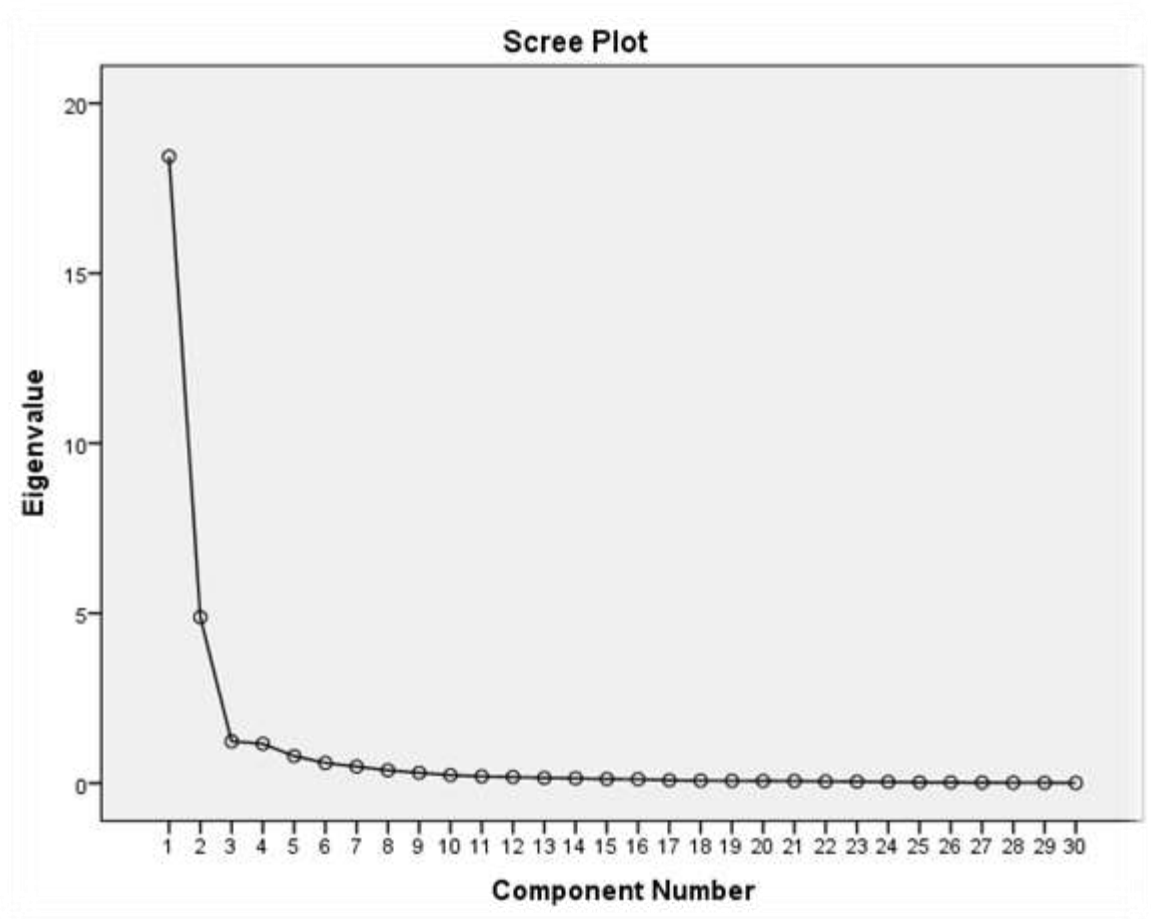
**Table 4.4: Total Variance Explained**

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	18.436	61.453	61.453	18.436	61.453	61.453	9.410	31.368	31.368
2	4.882	16.275	77.728	4.882	16.275	77.728	6.054	20.179	51.547
3	1.231	4.103	81.831	1.231	4.103	81.831	5.420	18.066	69.613
4	1.157	3.856	85.687	1.157	3.856	85.687	4.822	16.074	85.687
5	.796	2.654	88.340						
6	.594	1.979	90.320						
7	.488	1.628	91.947						
8	.380	1.266	93.214						
9	.306	1.021	94.234						
10	.234	.780	95.015						
11	.198	.659	95.674						
12	.182	.606	96.280						
13	.152	.508	96.788						
14	.144	.480	97.268						
15	.120	.400	97.668						
16	.116	.387	98.055						
17	.085	.284	98.339						
18	.075	.252	98.590						
19	.069	.230	98.821						
20	.066	.221	99.041						
21	.061	.202	99.244						
22	.048	.160	99.404						
23	.044	.146	99.549						
24	.037	.123	99.673						
25	.025	.083	99.756						
26	.023	.078	99.834						
27	.018	.059	99.893						
28	.013	.043	99.936						
29	.012	.041	99.978						
30	.007	.022	100.000						

**Extraction Method:** Principal Component Analysis

### Scree Plot

Graph depicts that the curve begins to flatten after fifth variable. Therefore, only four factors have been retained i.e., factors related to personal empowerment, social empowerment, economic empowerment and political empowerment of the respondents through financial inclusion.



**Fig: 4.4 Scree Plot**

## 4.5 Component Matrix

**Table 4.5: Component Matrix<sup>a</sup>**

<b>Component</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Acting Independently	.837	-.106	.342	-.061
Skill enhancement	.928	-.029	.279	-.075
Reduction in Stress	.803	-.064	.357	.003
Improvement in family relations	.870	-.053	.229	-.064
Improvement in confidence level	.866	-.185	.068	-.194
Literacy level has increased	.853	-.059	.373	-.148
Freedom in mobility	.857	.092	.267	-.260
Improvement in health conditions	.913	.101	-.081	-.202
Improvement in business relations	.504	.039	-.111	-.254
Enhancement in interaction with different social groups	.860	-.025	-.150	-.144
Awareness about environmental issues has increased	.907	.123	-.052	-.177
Mingling with others	.897	.165	.065	-.199
Acceptability in society has increased	.748	.109	-.029	-.113
Improvement in hygienic conditions	-.079	.908	.236	.058
Assertiveness to fight against injustice	-.127	.937	.083	.125
Participation in resolving village problems	-.113	.975	.053	-.024
Increase in Income/Savings	-.091	.960	.075	.047
Dependency on money lenders has reduced	-.127	.960	-.018	.132
Reduction in poverty	.874	.194	-.227	-.080
Transformation in life style	.899	.213	-.241	-.052
Increase in employment opportunities	.867	.165	-.422	.013
Increase in value of livestock	.882	.150	-.281	.016
Increasing in Landholding	.905	.157	-.161	-.094
Awareness about various Govt. schemes has increased	.879	.181	-.307	-.036
Awareness about legal rights has increased	.828	-.087	.118	.358
Participation in political activities has increased	.879	-.080	.095	.319
Active participation in community activities has increased	.878	-.086	-.010	.254
Voting Independently	.869	-.125	-.028	.420
Active Participation in Gram Sabha Meetings	.863	-.136	.053	.440
Participation in Elections	.875	-.078	-.086	.289

**Extraction Method:** Principal Component Analysis

Table reveals the loadings of the thirty variables on the four factors extracted. The higher the absolute value of loading, the more the factor contributes to the variable. Thus, it is clear from the table that factor one i.e., Personal empowerment influences the most followed by second factor i.e Social empowerment, third factor i.e Economic empowerment and fourth factor i.e. Political empowerment.

#### 4.6 Rotated Component Matrix

Table 4.6 exhibits the results of rotated component matrix. Further the table reports that four factors have been extracted through factor analysis i.e., personal, social, economic and political empowerment. This rotation reduces the number of factors on which the variables under analysis have high loadings. Further, the table 4.6 reports the loading of different statements on identified four factors. Following variables have been loaded on various factors:

<b>Factor-I Personal Empowerment</b>	<b>Factor-II Social Empowerment</b>	<b>Factor-III Economic Empowerment</b>	<b>Factor-IV Political Empowerment</b>
Acting independently	Improvement in business relations	Reduction in poverty	Awareness about legal rights has increased
Skill enhancement	Enhancement in interaction with different social groups	Transformation in life style	Participation in political activities has increased
Reduction in Stress	Awareness about environmental issues has increased	Increase in employment opportunities	Active participation in community activities has increased
Improvement in family relations	Awareness about various Govt. schemes has increased	Increase in value of livestock	Voting Independently
Improvement in confidence level	Acceptability in society has increased	Increasing in Landholding	Active Participation in Gram Sabha Meetings
Literacy level has increased	Improvement in hygienic conditions	Increase in income/savings	Participation in Elections
Freedom in mobility	Assertiveness to fight against injustice	Dependency on money lenders has reduced	
Improvement in health conditions	Participation in resolving village problems	Better education to children	



**Table 4.6: Rotated Component Matrix**

<b>Component</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Acting independently	.802			
Skill enhancement	.821			
Reduction in Stress	.880			
Improvement in family relations	.799			
Improvement in confidence level	.780			
Literacy level has increased	.836			
Freedom in mobility	.356			
Improvement in health conditions	.420			
Improvement in business relations		.732		
Enhancement in interaction with different social groups		.734		
Awareness about environmental issues has increased		.701		
Awareness about various Govt. schemes has increased		.661		
Acceptability in society has increased		.585		
Improvement in hygienic conditions		.793		
Assertiveness to fight against injustice		.748		
Participation in resolving village problems		.489		
Reduction in poverty			.347	
Transformation in life style			.375	
Increase in employment opportunities			.732	
Increase in value of livestock			.722	
Increasing in Landholding			.660	
Increase in income/savings			.802	
Dependency on money lenders has reduced			.820	
Better education to children			.685	
Awareness about legal rights has increased				.345
Participation in political activities has increased				.307
Active participation in community activities has increased				.431
Voting Independently				.334
Active Participation in Gram Sabha Meetings				.167
Participation in Elections				.357

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 5 iterations.

## **Conclusion**

On the basis of factor influencing empowerment of women, it can be summed up that microfinance has most positive impact on the personal empowerment of sample SHG members as the statements pertaining to personal empowerment alone explains 18.436 percent of total variance which leads to the conclusion that microfinance has significant impact on personal empowerment of tribal women associated with SHG. Social empowerment of SHG members which explains 4.882 percent of the total variance reveals that microfinance through SHG has improved the business relations and acceptance of tribal women in the society. Economic empowerment of the SHG members has been manifested through microfinance by reduction in poverty, transformation in lifestyle and increase in the wealth of livestock. Further, political empowerment has been observed by their active participation in political activities by voting independently, participation in gram Sabha meetings, etc. Scree plot also reveals that only four factors are significant, as the curve begins to flatten between factors fourth and fifth. Further, rotated component matrix shows that four factors which are extracted through factor analysis are personal, social, economic and political empowerment.

## **CHAPTER-V**

### **IMPACT OF MICROFINANCE ON HOUSEHOLD DECISIONS**

The socio-psycho changes can be experienced at the household level due to increase in the level of household income, greater diversification in the sources of household income and increase in household assets. The impact assessment programmes of microfinance capture the overall household position level due to change in the household economic positions like income, expenditure, asset position and livelihood portfolio.

Ultimate impact of microfinance on households is that they get socially, economically and personally empowered, as women play a crucial role in the economic welfare of the family as they are the integral part of family and vital force in the socio-economic progress. Women workers throughout the world contribute to the economic growth and sustainable livelihoods of their families and communities. Microcredit is widely recognised to be a crucial development approach to poverty reduction and household welfare improvement. It is argued that microfinance can help empower women by promoting gender equality and equity, improving household well-being, and allowing women to gain household decision-making power; however, as literature indicates, microfinance can also hinder empowerment as women may not have complete control over their decisions and access to other resources. This study draws from bargaining theory to examine whether microfinance, a range of financial instruments such as micro-loans to support micro-enterprises, affects women's

participation in household decision-making, going out of home to meet parents, relatives and friends.

In the present chapter an attempt has been made to study the impact of microfinance loan on the living conditions of the SHG members and special emphasis has been given to know whether, microfinance has helped the women in decision making apart from increase in household items/facilities.

### **5.1 Impact on Family Decision/House Making Matters**

Decision making power is the ability to influence decisions that affect women's personal as well as social life. Several studies conducted in India and abroad suggested that in order to increase the role of women in society, it is necessary to equip them with latest information so that they can play a vital role in decision making in the family. In this section the role of tribal women with respect to decisions related to domestic affairs, children, money matters, and business operations and the degree of freedom in going out of home has been analyzed. Although measuring decision-making power or bargaining power is a challenging task, as there are several significant factors that influence it.. Hence an attempt has been made to analyze the various factors affecting the decision making power of women which is further tested by F-test, to examine whether or not microloan has helped SHG members to enhance their decision making power especially in house matters.

**Table 5.1: Statistical Description of Household Decisions**

Variables	District	Mean	S.D	Sk	F- Value	P Value
<b>Purchase of grocery</b>	Chamba	3.8750	1.17328	-1.150	.847	.430
	Kinnaur	4.0625	.75211	-.104		
	Lahaul & Spitti	3.9375	.80101	-.492		
<b>Purchase of luxury items</b>	Chamba	3.8625	1.07614	-1.407	4.381	.014*
	Kinnaur	4.2500	.64631	-.289		
	Lahaul & Spitti	3.9000	.96259	-1.193		
<b>White washing</b>	Chamba	4.1625	.61095	-1.164	.069	.933
	Kinnaur	4.2125	.68794	-.303		
	Lahaul & Spitti	4.2000	1.09545	-1.832		
<b>Family planning</b>	Chamba	4.1500	.74799	-.439	2.640	.073*
	Kinnaur	4.0500	.77786	-.253		
	Lahaul & Spitti	3.8375	1.07260	-.866		
<b>Borrowing and investments on different avenues</b>	Chamba	3.7375	.61095	.209	2.253	.107
	Kinnaur	3.9625	.87791	-.271		
	Lahaul & Spitti	3.9750	.87113	-.894		
<b>Recreational and Entertainment</b>	Chamba	3.7500	.66561	-1.783	.902	.407
	Kinnaur	3.6875	.72205	-1.102		
	Lahaul & Spitti	3.6000	.73948	-.354		
<b>Education and marriages of children</b>	Chamba	3.6250	.60326	-1.031	.468	.627
	Kinnaur	3.6625	.94056	-.673		
	Lahaul & Spitti	3.5250	1.15808	-.840		
<b>Purchase of new house</b>	Chamba	3.9875	1.19592	-1.068	.205	.814
	Kinnaur	3.9250	1.06468	-.880		
	Lahaul & Spitti	3.8750	1.07179	-1.074		
<b>Spending income in own way</b>	Chamba	3.5625	.65301	-.657	.778	.461
	Kinnaur	3.3875	1.08492	-.892		
	Lahaul & Spitti	3.4750	.87113	-.746		
<b>Renovation of house.</b>	Chamba	3.8125	.82820	-1.143	.298	.742
	Kinnaur	3.7125	.78262	.071		
	Lahaul & Spitti	3.7375	.93786	-1.052		
<b>Debt for domestic purpose</b>	Chamba	3.8125	.67681	.246	1.407	.247
	Kinnaur	3.6500	.63843	.461		
	Lahaul & Spitti	3.6875	.60783	.278		
<b>Decision related to livestock</b>	Chamba	3.4750	.77908	-1.398	2.990	.052*
	Kinnaur	3.7500	.78756	-.797		
	Lahaul & Spitti	3.7625	.94459	-.427		
<b>Purchase/Sale of agriculture output</b>	Chamba	4.0375	.97362	-1.089	3.513	.031*
	Kinnaur	3.6750	.89690	-.923		
	Lahaul & Spitti	3.7875	.77449	-.280		
<b>Doing Pooja / Hawan, etc.</b>	Chamba	3.9875	.94793	-1.164	3.794	.024*
	Kinnaur	3.6750	.75933	-.440		
	Lahaul & Spitti	3.6500	.87294	-.768		
<b>Inviting relatives</b>	Chamba	4.1000	.83590	-.459	10.437	.000*
	Kinnaur	3.5250	.82638	-.703		
	Lahaul & Spitti	3.7875	.72380	.142		

**Source:** Field Survey

Visiting market for purchase of grocery and buying home appliances increases the ability of women in various ways as she has to travel, crosses busy roads, bargain and complaints of defective products, etc. Table 5.1 reveals that mean score of responses on, decision on **purchase of grocery** has been found high in Kinnaur district (4.0625) followed by Lahaul & Spitti (3.9375) and Chamba district (3.8750). Further by applying F- test, no significant difference in the perception of the respondents of different area under study is observed on purchase of grocery. The mean score of decision on **purchase of luxury items** has also been found more in Kinnaur district (4.2500) in comparison to Lahaul & Spitti (3.9000) and Chamba district (3.8625). By applying F-test, a significant difference in the perception of SHG members of th district under study has been observed at 5 percent level of significance. Mean score of perception on decision related to **white washing** is observed highest in Kinnaur district (4.2125) closely followed by Lahaul & Spitti (4.2000) and Chamba district (4.1625). Further, less variation in the responses of respondents of Chamba and Kinnaur district has been observed in comparison to Lahaul & Spitti district, thus indicating more consistency of the decision related to white washing. By applying F- test, no significant difference in the perception of SHG members in study districts has been observed at 5 percent level of significance. Mean score of responses on decisions related to **family planning** has been found highest in Chamba district (4.1500) closely followed by Kinnaur district (4.0500) and Lahaul & Spitti district (3.8375). Generally, women are considered to lack of confident when it comes to investing. Mean score of the responses on decisions related to **borrowing and investments on different avenues**, has been found highest in Lahaul & Spitti district, followed by Kinnaur district and Chamba district. Further, maximum variation in the responses of

Chamba district has been observed with a high standard deviation of .61095 in comparison to the other two districts. Mean score of the responses on decisions related to **recreational and entertainment** has been found highest in Chamba district with the highest mean score of 3.7500, followed by Kinnaur (3.6875) and Lahaul & Spitti district (3.6000). By applying F test, no significant difference in the perception of the SHGs of study district has been found regarding recreational and entertainment decisions.

Decisions related to **education and a marriage of children** is an important indicator and represents the thinking, psychology and authority of a women. The mean score in relation to decisions on education and marriages of children has been found highest in Kinnaur district (3.6625) closely followed by Chamba (3.6250) and Lahaul & Spitti districts (3.5250). Maximum variations in responses have been found in all the three districts under study. Almost the similar responses in **purchase of new house** in all the three districts has been found, as the mean score of responses of Chamba (3.9875), Kinnaur (3.9250) and Lahaul & Spitti (3.8750) is almost same in this regard. Further by applying F-test, no significant difference in the perception of respondents has been observed as the P value is .814, which is not significant at 5 percent level of significance. Real freedom comes from managing the money as financial independence plays a vital role. Respondents of Chamba district enjoy more freedom in **spending income in own way** with mean score 3.5625 as compare to two other districts of the study area. As per survey, respondents of Kinnaur district have least freedom in taking **decisions on renovation of house** as mean score has been found is 3.7125, in comparison to respondents of Chamba district (3.8125) and Lahaul & Spitti district (3.7375). Mean score of the responses on **Decision in taking debt for domestic purpose** has been highest in Chamba

district (3.8125), followed by respondents of Lahaul & Spitti (3.68) and Kinnaur district (3.6500). By applying F-test no significant difference in the responses of respondents of the study area has been observed.

Mean score of the responses on decision related to **livestock** has been found highest in Lahaul & Spitti district (3.7625), in comparison to Kinnaur (3.7500) and Chamba district (3.4750). By applying F-test, significant difference in the responses of respondents has been observed in the entire three districts. Decision related to **purchase/sale of agriculture output** has been found highest in Chamba district (4.0375) in comparison to Lahaul & Spitti (3.7875) and Kinnaur district (3.6750). A notable difference in the perception of the respondents has been observed in relation to decisions related to purchase/sale of agriculture output as the value of F (3.513) is significant at 5 percent level of significance. Respondents of Chamba districts have more freedom in **doing Pooja / Hawan, etc.** (3.9875) and **inviting relatives** (4.1000) compared to other two districts. Further, a significant difference in the responses of the respondents of three districts under study has been observed in this regard.

Further Table 5.1.1 presents the zero order correlation matrix between various indicators which have been taken to assess the impact of financial inclusion in the empowerment of women. It has been observed that there is positive correlation of purchase of grocery with purchase of luxury items and purchase/construction of new house. It reveals that financial inclusion leads women in taking various household decisions. A significant correlation has been also found between purchase of luxury items and family planning and purchase of luxury items and purchase/sale of agricultural output. However negative correlation has been revealed with white washing and doing pooja/hawan and family planning and recreational and



entertainment and family planning and purchase/sales of agriculture output. Borrowing and investment in different avenues and doing pooja/hawan etc. have been found positively correlated. Recreational and entertainment has been found positively correlated with debt for domestic purpose, investment in livestock, purchase/sale of agriculture output, doing pooja/hawan etc. and inviting relatives. Debt for domestic purposes and education and marriage of children have shown positive correlation at 1% level of significance. Purchase of new house and doing pooja/hawan etc., renovation of house and investment in livestock and purchase of new house and doing pooja/hawan etc. have also shown significant positive correlation. Further, debt for domestic purpose has been found positively associated with investment in livestock, purchase/sale of agriculture output and inviting relatives. Purchase/sales of agriculture output has positive correlation with doing pooja/hawan and inviting relatives at 1% level of significance. Finally, doing pooja/hawan and inviting relatives have been also found positively correlated at 1% level of significance. On the basis of above analysis, it can be concluded that financial inclusion can bring significant changes on the life style of women and it can be of great help to women in taking/participating in various family decision.

**Table 5.1.1: Correlation Analysis of Household Decisions**

Decisions		D <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	D <sub>4</sub>	D <sub>5</sub>	D <sub>6</sub>	D <sub>7</sub>	D <sub>8</sub>	D <sub>9</sub>	D <sub>10</sub>	D <sub>11</sub>	D <sub>12</sub>	D <sub>13</sub>	D <sub>14</sub>	D <sub>15</sub>
D <sub>1</sub>	Pearson Correlation	1														
	Sig. (2-tailed)															
	N	240														
D <sub>2</sub>	Pearson Correlation	.429**	1													
	Sig. (2-tailed)	.000														
	N	240	240													
D <sub>3</sub>	Pearson Correlation	-.036	.153*	1												
	Sig. (2-tailed)	.576	.018													
	N	240	240	240												
D <sub>4</sub>	Pearson Correlation	.011	.128*	.045	1											
	Sig. (2-tailed)	.867	.048	.485												
	N	240	240	240	240											
D <sub>5</sub>	Pearson Correlation	.050	.012	-.048	-.010	1										
	Sig. (2-tailed)	.438	.855	.463	.879											
	N	240	240	240	240	240										
D <sub>6</sub>	Pearson Correlation	-.084	-.087	.005	-.140*	-.017	1									
	Sig. (2-tailed)	.195	.179	.938	.030	.790										
	N	240	240	240	240	240	240									
D <sub>7</sub>	Pearson Correlation	.122	-.003	.016	.088	.043	.073	1								
	Sig. (2-tailed)	.059	.964	.800	.176	.503	.258									
	N	240	240	240	240	240	240	240								
D <sub>8</sub>	Pearson Correlation	.168**	.000	-.072	-.025	-.051	.051	-.007	1							
	Sig. (2-tailed)	.009	.996	.268	.703	.431	.434	.914								
	N	240	240	240	240	240	240	240	240							
D <sub>9</sub>	Pearson Correlation	.045	-.018	.151*	.024	-.051	.044	.057	.043	1						
	Sig. (2-tailed)	.492	.785	.019	.707	.432	.500	.382	.508							
	N	240	240	240	240	240	240	240	240	240						
D <sub>10</sub>	Pearson Correlation	-.034	.007	.013	-.046	.090	-.097	-.108	-.019	.011	1					
	Sig. (2-tailed)	.597	.919	.842	.478	.165	.135	.095	.775	.862						
	N	240	240	240	240	240	240	240	240	240	240					
D <sub>11</sub>	Pearson Correlation	.064	-.019	.074	-.126	-.060	.213**	.155*	.013	.061	-.113	1				
	Sig. (2-tailed)	.321	.769	.252	.051	.356	.001	.016	.843	.347	.081					
	N	240	240	240	240	240	240	240	240	240	240	240				
D <sub>12</sub>	Pearson Correlation	-.034	-.041	.048	.056	.057	.160*	-.064	-.088	-.008	.146*	.131*	1			
	Sig. (2-tailed)	.601	.529	.461	.389	.380	.013	.322	.175	.896	.024	.043				
	N	240	240	240	240	240	240	240	240	240	240	240	240			
D <sub>13</sub>	Pearson Correlation	.012	-.130*	-.103	-.156*	.068	.159*	-.075	.022	.063	.067	.209**	.124	1		
	Sig. (2-tailed)	.856	.044	.112	.016	.293	.013	.248	.737	.329	.301	.001	.055			
	N	240	240	240	240	240	240	240	240	240	240	240	240	240		
D <sub>14</sub>	Pearson Correlation	.040	-.102	-.139*	-.013	.168**	.131*	-.092	.191**	.006	.132*	-.004	.059	.454**	1	
	Sig. (2-tailed)	.539	.114	.032	.847	.009	.043	.156	.003	.925	.040	.947	.363	.000		
	N	240	240	240	240	240	240	240	240	240	240	240	240	240	240	
D <sub>15</sub>	Pearson Correlation	-.016	-.114	-.115	-.105	.107	.170**	.024	.122	.008	.020	.233**	.114	.656**	.470**	1
	Sig. (2-tailed)	.804	.079	.076	.104	.099	.008	.712	.060	.907	.752	.000	.078	.000	.000	
	N	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240

\*\* . Correlation is significant at the 0.01 level (2-tailed).

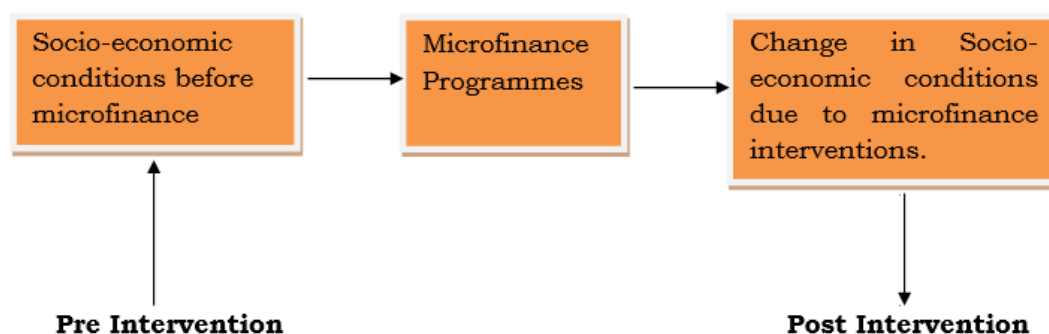
\* . Correlation is significant at the 0.05 level (2-tailed).

**Decisions:** **D<sub>1</sub>**- Purchase of grocery, **D<sub>2</sub>** - Purchase of luxury items, **D<sub>3</sub>**- White washing, **D<sub>4</sub>** -Family planning, **D<sub>5</sub>**- Borrowing and investments on different avenues, **D<sub>6</sub>**- recreational and entertainment **D<sub>7</sub>** - education and a marriage of children, **D<sub>8</sub>** . Purchase of new house, **D<sub>9</sub>**- Spending income in own way, **D<sub>10</sub>** -Renovation of house, **D<sub>11</sub>** . Debt for domestic purpose, **D<sub>12</sub>** - Livestock **D<sub>13</sub>** .Purchase/Sale of agriculture output, **D<sub>14</sub>** .Doing Pooja / Hawan, etc., **D<sub>15</sub>** -Inviting relatives

## **5.2 Possession of Select Household Items: Pre and Post Intervention Period**

Transformation is a process, spread over a period of time. It refers to a tangible and verifiable change in the well being and standard of living of the people. Socio-economic transformation and microfinance intervention is one of the major areas of microfinance impact assessment studies and possession of household items has been considered to be the criteria to determine the level of quality of life of the respondents. Impact of microfinance on possession of household items is indicative of the fact that after seeking microfinance, the SHG beneficiaries have possessed more household items. Participation of households in the SHG-Bank linkage programme significantly contributed to the increase in their income and thereby their level of living. One of the important indicators of the level of living is being consumption level.

## Information from Base Line Study Information from End Line Study



**Fig: 5.1 Pre and Post intervention Method**

Status of the sample units before microfinance intervention is compared with that of the after microfinance intervention; taking into consideration various parameters or variables. Table 5.2 which throws light in this direction clearly reveals that possession of all household items after microfinance intervention has increased significantly.

**Table 5.2: Possession of Household Items: Before and After Joining SHGs**

Variables		Yes	No	Total	Chi Square Value	P Value
Pucca House	Pre	31	209	240	1.410	<b>.235</b>
	Post	139	101			
Water Purifier	Pre	35	205	240	6.609	<b>.010*</b>
	Post	50	190			
Cooking Gas	Pre	92	148	240	0.464	<b>.496</b>
	Post	158	82			
Washing Machine	Pre	35	205	240	6.607	<b>.014*</b>
	Post	86	154			
Mixer/Grinder	Pre	57	183	240	.032	<b>.858</b>
	Post	61	179			
MicroOven	Pre	4	236	240	1.796	<b>.180</b>
	Post	18	222			
Colour T.V	Pre	107	133	240	97.695	<b>.000*</b>
	Post	121	119			
Refrigerator	Pre	50	190	240	13.175	<b>.000*</b>
	Post	118	122			
Geaser	Pre	47	193	240	128.580	<b>.000*</b>
	Post	75	165			
DTH/Cabel	Pre	92	148	240	1.007	<b>.316</b>
	Post	135	105			
Sofa Set	Pre	10	230	240	0.598	<b>.440</b>
	Post	31	209			
Computer	Pre	23	217	240	3.108	<b>.078*</b>
	Post	58	182			
Heater	Pre	122	118	240	144.125	<b>.000*</b>
	Post	123	117			
In door Toilet Facility	Pre	40	200	240	19.848	<b>.000*</b>
	Post	73	167			
Mobile Phone	Pre	101	139	240	11.610	<b>.001*</b>
	Post	161	79			
Bed with Mattress	Pre	56	184	240	.170	<b>.680</b>
	Post	153	87			
Vehicle	Pre	3	237	240	7.378	<b>.007*</b>
	Post	70	170			
Jewellery	Pre	45	195	240	3.728	<b>.054</b>
	Post	54	186			

**Source:** Field Survey

\* Significant at one percent level of significance

A significant difference has been observed in the perception of the respondents in the study area in case of water purifiers, washing machine, colour T.V, refrigerator, geaser, computer, heater, indoor toilet facility, mobile phone and vehicle at 1 percent level of significance.

The crux of the analysis drawn in this chapter concludes that there is a notable variation in responses regarding impact of microfinance on decision-making power of women. Decision-making power is generally considered as indicator to measure the empowerment of women and it has been observed that respondents of Kinnaur districts enjoy more degree of freedom in decision making related issues like; purchase of grocery, purchase of luxury items, white washing and education and a marriage of children; whereas Respondents of Chamba district have freedom on issues like; family planning, recreational and entertainment, spending income in own way, renovation of house and debt for domestic purpose. However respondents of Lahaul & Spitti district have reported freedom on decisions related to borrowing and investments on different avenues and decisions related to livestock, which is a clear indication that respondents of Lahaul & Spitti district do not enjoy that much freedom in decision making and are still far behind in enjoying freedom and position. Further, it can be concluded that financial inclusion can bring significant changes on the life style of women and it can be of great help to women in taking/participating in various family decision.

## **CHAPTER-VI**

### **SUMMARY, CONCLUSION & SUGGESTIONS**

After presenting and discussing the study problem and theoretical underpinning and the main findings in relation to the research questions, this chapter finally pays attention to the implementations of the study in view of the set objectives. To do so, the present chapter starts by presenting an overview of the study debates and synthesis of the key findings then finally making recommendations.

#### **6.1 Summary**

Empowerment of tribal women is an important division of the concept of the women empowerment, as tribes in India constitute about eight percent of the total India's population. This means that about four percent of the total Indian population is tribal women. Moreover; the life of tribal women is wrapped in contradictions which are reflected in everyday social activities. Thus a need arises to study the impact of microfinance on the empowerment of tribal women and empowerment of tribal women not only refers to economic liberalization but also access to opportunity, right to decision making and access to education, health services and information. This study will help the government to contribute substantially towards inclusive growth and to frame various policies which contribute substantially towards empowerment of tribal women. Present study analyzes the impact of microfinance on the upliftment of those tribal women who are associated with Self Help Groups in the study area. Certain set of indicators which

measure the impact of microfinance has been developed and validated by using triple bottom line approach of social, financial and personal indicators. Social indicators deal with education, health, awareness of various programmes; while financial/economic indicators broadly evaluate income enhancement, business expansion, savings, etc; whereas personal indicators deal with increase in confidence level, ability to speak, etc. Microfinance interventions include microfinance credit and/ or credit plus programmes that include savings, insurance and other financial services. Microfinance Institutions which not only play a predominant role in poverty eradication, women empowerment and development agencies but has also emerged as one of the needs based policies and programmes to cater the tribal women.

Reference period under which the survey has been conducted is 2018 (April to July). To know the impact of microfinance on the empowerment of tribal women, various socio-economic variables like; family income, savings, expenditure on food, education, health, dwelling house, possession of assets including live stock apart from improvement in other facilities like; sanitation, water, electricity etc. in pre and post loan period has been studied. Accordingly, the present study has been undertaken with the following objectives:

1. To study the socio-economic profile of the respondents.
2. To assess the impact of microfinance on socio-economic conditions of the tribal women.
3. To examine significant determinants in empowering tribal women through microfinance.



In the light of the objectives of the study, the following hypotheses have been formulated for the purpose of testing:

*H<sub>o1</sub>*: There is no significant impact of microfinance on personal, social, economic and political empowerment of SHG members.

*H<sub>o2</sub>*: There is no significant impact of microfinance in improving socio-economic conditions of SHG members.

Three stages random sampling technique has been used to select the beneficiaries for the study. **At the first stage**, two administrative blocks from each district have been selected on the basis of maximum concentration of the SHGs. Thus, the present study includes 6 Administrative Blocks (3x2) by using Quota Sampling. The administrative blocks selected from Kinnaur district are; Kalpa and Pooh, Pangi & Bharmour blocks have been selected from Chamba district and from district Lahaul Spitti, Lahaul & Spitti blocks have been selected. **In the second stage**, from each administrative block, 5 SHGs have been selected. Thus, the total number of SHGs selected for the purpose of the present research is 30 (5x6). **In the third stage**, from each Self Help Group, eight members on random sampling basis through lottery method have been selected and thus, finally a random sample of 240 beneficiaries have been selected; i.e. 80 beneficiaries from each district.

Present study is primarily based on field survey data has been collected from the beneficiaries selected in the sample using well structured pretested schedule by personal interview method and direct observations. Information related to different socio-

economic parameters of the beneficiaries as well as general impact and constraints related with microfinance has been collected from the primary sources. The data has been gathered and assimilated according to the profiling indicators set forth and interview schedule has been drafted with the intention to collect mainly qualitative and inferential data.

An interview schedule was designed to elicit information from the sample respondents. Close ended schedule item has also been ranked accordingly as one feels about the issue. The second instrument that has been used to obtain information was structured/unstructured interview in order to have face to face interaction with the respondents to obtain reliable and valid information. Extensive relevant literature has been reviewed to generate items pertaining to different dimensions of microfinance, personal, social, economic and political empowerment of tribal women. The scale items have been selected after reviewing the various literature and detailed discussions with the subject experts and academicians. Schedule consists of two sections, one general and other to elicit information about various dimensions of empowerment of tribal women namely personal, social, economic and political empowerment.

To access the comprehension among beneficiaries, pretesting of schedule was conducted on 30 beneficiaries. The respondents have been selected on judgment basis, selecting 10 each from three tribal districts of Himachal Pradesh. The schedule comprised questions in dichotomous form, close ended and ordinal form on 3 and 5 point Likert Scale. The results of pilot survey have been used

to check the reliability and validity of the schedule. Cronbach's alpha has also been computed and has been found higher than 0.7, thus the schedule has been considered reliable. The research team comprised of the lead researcher, three field investigators, conducted one-on-one interview with individual respondents to gather information in order to know the impact of microfinance on the tribal women in Himachal Pradesh. The sample respondents were interviewed through structured schedule administered during field activities by the research team. All the collected data from the field by the field investigators has been extracted and tabulated.

To understand significant differences in socio-economic characteristics of beneficiaries, select variables; family type, family income, occupation, level of education, etc. have been analyzed by using simple statistical tools like average and percentage and results have been presented in tabular form. To find out the impact of the microfinance programme on the living standard of the SHG members in the study area and the factors that attribute to the socio-economic and personal empowerment of the tribal women, factor analysis has been used to reduce number of variables. The raw data obtained from respondents were purified and reduced through factor analysis on SPSS and the Principal Component Analysis (PCA) with varimax rotation being the best rotation procedure which minimizes the number of items with high loading of the factors have been purified through KMO measure of sampling adequacy. In the panel analysis, positive impact of microfinance programmes in different rounds with the help of select indicators has been analyzed. In order to compare the observed outcomes with the outcome that would have occurred

without microfinance loaning schemes, cross sectional analysis has been conducted and the perception of the beneficiaries on microfinance programmes has been studied by using 5 point Likert Scale, Standard deviation, Skewness, kurtosis,  $\chi^2$  and Analysis of Variances (ANOVA).

From the study, it has been found that microfinance has most positive impact on the personal empowerment of sample SHG members as the statements pertaining to personal empowerment alone explains 18.436 percent of total variance which leads to the conclusion that microfinance has significant impact on personal empowerment of tribal women associated with SHG. Social empowerment of SHG members which explains 4.882 percent of the total variance reveals that microfinance through SHG has improved the business relations and acceptance of tribal women in the society. Economic empowerment of the SHG members has been manifested through microfinance by reduction in poverty, transformation in lifestyle and increase in the wealth of livestock. Further, political empowerment has been observed by their active participation in political activities by voting independently, participation in gram Sabha meetings, etc.

Decision-making power is generally considered as indicator to measure the empowerment of women and there is a notable variation in responses regarding impact of microfinance on decision-making power of women. It has been observed that respondents of Kinnaur districts enjoy more degree of freedom in decision making related issues like; purchase of grocery, purchase of luxury items, white washing and education and a marriage of

children; whereas Respondents of Chamba district have freedom on issues like; family planning, recreational and entertainment, spending income in own way, renovation of house and debt for domestic purpose. However respondents of Lahaul & Spitti district have reported freedom on decisions related to borrowing and investments on different avenues and decisions related to livestock, which is a clear indication that respondents of Lahaul & Spitti district do not enjoy that much freedom in decision making and are still far behind in enjoying freedom and position.

No tangible impact of training programmes in enhancing the skill of SHG members have been observed in the study districts.

## **6.2 Suggestions**

In spite of many good initiatives, the journey of women empowerment is not that smooth in hill state due to difficult geographical conditions. However, involvement of common citizen at various levels can make a big difference. Intervention of common citizen and NGOs for effective implementation of existing schemes is essentially required. Old outdated customs and social taboos which are creating hindrances need to be broken. The change in societal attitude is essential for ensuring their empowerment. Unless women are not given economical benefits along with social and political opportunities, the women empowerment will be a distant dream. The Tribal Women living in the Hill Areas of Himachal Pradesh are lagging far behind in every sphere, although several decades of India's attainment of independence have already elapsed. The empowerment of tribal women is still at subsistence level. The Government has endeavored to uplift the masses through various plans and programmes but the pace of development is not up to the desired level. It is, therefore felt necessary to undertake some ambitious schemes so that fruits of development percolate to the women. For this purpose the following suggestions have been incorporated for necessary consideration by the concerned authorities:

- Co-operative societies, banks and other financial institutions should provide assistance to the illiterate people on easy terms and conditions.
- Computer literacy should be provided so that women become aware and could make maximum use of online services as

world is moving towards digitization. If women of tribal areas become computer literate they can earn their livelihood even by sitting at home. Women must know the importance and role of Information Technology in microcredit and enterprises management.

- Micro-Credit should be used to meet the current demands of the poor women, whether these are for health, education or consumption purposes. This will lead to a gradual improvement in the quality of their life and will enable them to identify activities for economic betterment.
- Periodic training programmes should be conducted not only for leaders but also for group members. To enhance the participation of all the members, exclusive membership education programmes need to be conducted. Training on professional competence and leadership skills to be extended to women to remove psychological causes like lack of self-confidence and fear of success.
- All the government small scale programmes and MSMEs should be set up in such a way that the Tribal women can get chance to flourish their own ethnic items for which they have the first hand genuine knowledge and excellence. Under this section, several handmade works like handlooms, poultry farms and IT skills should be developed with training to provide women with self earning. A women Entrepreneur's Guidance Cell should be set up to handle the various problems of women.

- Further it has been observed that women are not fully empowered not because they are poor, but because they are not aware. So, to make them empowered, women had to be given, thorough analysis of market opportunities, technical expertise to acquire the required skills and so on. The training for the work must not be on an adhoc and informal basis but by professional people having knowledge about modern technology.



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- Acme Intellects International Journal of Research in Management
- American Economic Journal: Applied Economics
- ASCI Journal of Management
- Asian Economic Review
- Asian Journal of Multidimensional Research
- Asian Journal of Management Research
- Asian Journal of Research in Social Sciences & Humanities
- Asian Social Work and Policy Review

- Australian Journal of Business and Management Research
- Banking Finance
- European Journal of Development Research
- EPRA International Journal of Economic and Business Review
- Excel International Journal of Multidisciplinary Management Studies
- Galaxy International Interdisciplinary Research Journal
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- Global Journal of Management and Business Studies.
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## Interview Schedule

### **‘IMPACT OF MICROFINANCE ON THE EMPOWERMENT OF TRIBAL WOMEN OF HIMACHAL PRADESH’**

**Note:** You are requested to give the correct information as per your knowledge. The information so collected would be kept secret and used only for research purpose.

#### **Section-I**

#### **General Information**

1. Name (Optional): .....
2. Name of the SHG in which you are working.....
3. Address:
  - I. Village.....
  - II. Village Panchayat.....
  - III. Block.....
  - IV. District.....
4. Age Group: Less than 25 Years ☐ 26-35 Years ☐  
36-45 years ☐ 46-55 Years ☐  
55 Years and above ☐
5. Educational Qualification:  
Under Matriculation ☐ Higher Secondary ☐  
Graduate ☐ Post Graduate ☐
6. Marital Status:  
Single ☐ Married ☐ Widow ☐ Divorcee ☐



7. Type of Family:  
Nuclear ☐ Joint ☐
8. Family Occupation:  
(a) Agriculture ☐ (b) Labor/Helpers Petty Ventures ☐  
(c) Employed ☐ (d) Unemployed ☐
9. Monthly Family Income: Less than INR 10,000 ☐  
INR 10,000-20,000 ☐  
INR 20,000-30,000 ☐  
INR 30,000 and above ☐
10. Size of Land Holdings (in hectare) .....
11. Number of members in your group: .....
12. When did you join SHG? .....
13. Who suggested you to join the group? .....  
(a) Self ☐ (b) Family Members ☐  
(c) Friends ☐ (d) NGOs workers ☐  
(e) Relatives ☐ (f) Any Other (Please Specify) ☐
14. What was your Motive behind joining Self Help Group?  
(a) Social Security ☐ (b) Financial Security ☐  
(c) Collective Help ☐ (d) Any Other ☐
15. Please mention the purpose you have taken loan  
(a) Personal ☐ (b) Business ☐  
(c) Agriculture ☐ (d) Other (Please Specify) ☐
16. If you have taken loan for agricultural purpose which types of agricultural loan you have taken:  
(a) Crop Loan ☐ (b) Term Loan ☐ (c) Both ☐

## 16.1 Impact of Agricultural Crop Loan

Impact Variables	No Impact	Some Impact	Moderate Impact	High Impact	Very High Impact
Irrigation					
HVY					
Cropping Pattern					
Fertilizers					
Pesticides					
Labour Cost					
Family Income					

## 16.2 Impact of Agricultural Term Loan

Impact Variables	No Impact	Less Impact	Moderate Impact	High Impact	Very High Impact
Increase in Value of Assets					
Increase in Profitability					
Effective Utilization of Resources					
Employment Generation					
Increase in Income					
Increase in Savings					
Increase in Business Activities					
Improvement in Living Standards					
Improvement in Health					
Improvement in Education					
Improvement in Hygiene conditions					
Improvement in Nutrition					

## Section-II

### Impact on Decision Making, Income Usage and Consumption

#### Pattern on Household Items

17. Please indicate to what extent, Microfinance has helped you after joining SHG in making decisions independently.

<b>Variables Response</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Purchase of grocery					
Purchase of luxury items					
White washing					
Family planning					
Borrowing and investments on different avenues					
Recreational and Entertainment					
Education and marriages of children					
Purchase of new house					
Spending income in own way					
Renovation of house					
Debt for domestic purpose					
Decision related to livestock					
Purchase/Sale of agriculture output					
Doing Pooja / Hawan, etc.					
Inviting Relatives					

18. To what extent do you agree that expenditure on following household items after joining SHGs has increased?

<b>Variables</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Healthy food					
Meeting household expenses/liabilities					
Clothing					
Medical Expenditure					
Towards Children's education					
Entertainment					
Shopping					
Jewellery					
Luxury Utensils					
Purchase/Construction/Renovation of house					
Any other (Please specify)					

19. Please read each of the variables carefully and indicate whether you possess the following household items or not?

<b>Household Items</b>	<b>Before Joining SHGs</b>		<b>At Present</b>	
	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
Pucca House				
Cooking Gas				
Computer				
Water Purifier				
Washing Machine				
Color TV				
DTH/Cable Equipment				
CD Player/Music System				
Refrigerator				
Vehicles				
Mixer/Grinder				
Heater				
Toilet Facility				
Mobile Phone				
Sofa Sets				
Micro-wave				
Drinking Tap (Independent tap)				
Bed with Mattresses				
Jewellery				

20. Please read each of the statement carefully and indicate your level of agreement or disagreement that you think is the best describing your perception about the effectiveness of Training programmes. Indicate your response in 5-point Likert Scale stated below and fill the box accordingly.

<b>Statements</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Reading/Writing Skills					
Communication Skills					
Money Management Skills					
Confidence in operating bank account					
Enhancement of Management competencies and capabilities					
Knowledge on Entitlement Programmes					
Knowledge on Development Programmes					
Managerial Efficiency for Micro enterprise Development					
Skill Development					
Augmenting Family Income					
Knowledge of computer and internet training					

## 21. Impact of Microfinance on Empowerment of Tribal Women

Please indicate to what extent, do you agree or disagree with the following statements relating to empowerment through microfinance? Indicate your responses in 5-Point Likert Scale stated below and fill the box accordingly.

Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Act independently					
Skill enhancement					
Reduction in stress					
Improvement in family relations					
Improvement in confidence level					
Literacy level has increased					
Freedom in mobility					
Improvement in health conditions					
Improvement in business relations					
Enhancement in interaction with different social groups					
Awareness about environmental issues has increased					
Mingling with others					
Acceptability in society has increased					
Improvement in hygienic conditions					
Assertiveness to fight against injustice					
Participation in resolving village problems					
Increase in purchasing power					
Increase in Income/Savings					
Dependency on money lenders has reduced					
Reduction in poverty					
Transformation in life style					
Increase in employment opportunities					
Increase in value of livestock					
Awareness about various Govt. schemes has increased					
Awareness about legal rights has increased					
Participation in political activities has increased					
Active participation in community activities has increased					
Voting independently					
Active participation in gram sabha meetings					
Participation in elections					

## Suggestions

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