

Economic Empowerment of Women with Reference to Income Sources and Spending Patterns – a Study Conducted in East Godavari District

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Abstract: The concept of women empowerment has been gaining momentum from the early eighties and has been considered as the ultimate key to long-term economic development. As a direct result of this there has been a constant endeavor toward evolution of literature in the field and also resulted in the development of micro finance/ credit institutions, which acted as a means of meeting the credit needs of the individuals who have been exempted from the formal financial streams. As swami Vivekananda said, "As a bird cannot fly on one wing, no society can make progress unless its women join in all activities". The first prime minister of India Jawaharlal Nehru also said that "once woman moves, village moves, country moves". This study aims to understand the link between involvement of women in SHGs and their ability to generate and spend through new sources of income.

Index Terms: Women, Economic Empowerment, Income, Pre-SHG, Post SHG, NABARD, Millinium Development Goals.

I. INTRODUCTION

The CGAP report of 2003 has identified that the poor are empowered by having access to different types of flexible and convenient sources of finance, and helps them in building a sustainable future with self-determination[5]. It helps in their choice while availing loans, improves savings and rescues them from the fluctuating vagaries of their financial sources. Programmes to facilitate microfinance can contribute to the economic, social and political empowerment of women for a number of reasons. Further, in a number of developing countries women are often oppressed even within the household due to prevailing social norms and lower literacy levels. Microfinance is often viewed as a means of female empowerment. suggested in their model that a woman's intra-household

bargaining power is determined by her financial capability and her contribution to the household which impact her staying power in her home. Access to microfinance can enhance this ability. Found in a study in Bangladesh that women, generally have, very less or no control over the loans that they take (thirty nine per cent of the women)[6].

A. Poverty

An extensive literary base has been developed in the development economics during the 1960s and have and has addressed issues associated with the quality of life, poverty reduction, social exclusion, fulfilment of basic needs and similarly related issues, , Camp and Spiedel have structured the International Human Suffering Index that complemented the Development Index of the United Nations Research Institute for Social Development (UNRISD)[10]. They have comprised a single index with 10 measures of human welfare that have included various factors like infant mortality, nutrition, adult literacy, personal freedom, etc[1][4].

B. Scope of the study

Micro financing has been widely adopted across various states in India. However, this study has been restricted to the state of Andhra Pradesh with reference to select self-help groups of East Godavari district.

C. Objective

This study is aimed at assessing the economic empowerment of SHG members vis-à-vis their income distribution and economic development and also to analyse whether the post membership situation is similar to the pre membership situation[3].

D. Sample selection

The study is a sample study and is based on SHGs of the East Godavari District of Andhra Pradesh. This district has been considered as the sample for the study based on the purposive

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sampling. The sample size taken was 600 from about 6 mandals.

II. EMPOWERMENT AND WOMEN

Women empowerment is likely to involve not only the gaining of new capabilities as individuals but also is about the emergence of a new belief structure regarding their right of exercising those capabilities and about taking advantage of the opportunities available in their communities. The study confines itself to the individual level changes of livelihoods which is a payoff of having had access to income generating opportunities and resources in . Economic empowerment of women is a human right and is an issue of social justice[8]. As Tornqvist et al, 2009, stated it is only through economic empowerment that women can help in achieving full recognition and also realization of their economic rights, which ultimately leads to sustained development. Empowerment is a complex concept which does not happen in a vacuum, a reason why [11]. Empowerment is taken to be a means to an end in this context and can have tangible development outcomes in a society. Existence of economic empowerment – through expansion of people’s Opportunities, abilities and capabilities to make choice – is connected in three dimensions which are agency, resources and opportunities. The view and measurement of empowerment is emphasized on these three set of factors which are prevalent in planning and budgeting.[7].

III. ECONOMIC EMPOWERMENT OF WOMEN

Economic empowerment means the upliftment of women with economic wellbeing associated with a changed status of women. This approach to empowerment offered a special opportunity to change the lives of women, particularly poor women. The process involving economic and structural change that enables women in securing economic gain on a sustained basis is nothing but economic empowerment. It has been observed that SHGs have been instrumental in improving women’s status in several states in India, by increasing their access to more economic resources and by improving their opportunity base through jobs, access to financial services in the possession of property and other productive assets, to skill development and also to market information. Women’s economic empowerment and participation are fundamental to the strengthening of women’s rights and in enabling women with control over their lives and also in exerting influence in society in order to create just and equitable societies. Women are often left facing discrimination and dogged gender inequalities, in many instances multiple discrimination and exclusion due to factors like cast, ethnicity, etc. as stated in the Issue paper of OECD in 2011. Only 10 % of income is earned and only 1 % of property is owned by women even though they perform 66 % of the work and produce about 50 % of food worldwide. Bill Clinton in 2009 said that empowering women is a critical part of the equation that would result in the improvement of

education in the developing world, in fighting global climate change or any other challenges of such nature. The Millennium Development Goals (MDGs) state that for sustainable development, pro-poor growth can only be achieved when the economic empowerment of women becomes a prerequisite as gender equality and empowered women are the catalysts in multiplying developmental efforts, as women, as opposed to men, generally invest a higher proportion of their income earnings in their families and communities[12]. A study conducted by United Kingdom Department for International Development on Women’s Economic Empowerment reveals that;

1. A higher female earnings and bargaining power translates into greater investment in children’s education, health and nutrition, which in turn leads to long-term economic growth. Women had a share of 42 % in 1997, in waged and salaried employment and it grew to 46% in 2007.
2. Indian GDP would rise to 8 % if the female/ male worker ratio could rise to 10%.
3. If women are provided equal access to agricultural inputs along with men the total agricultural outputs could rise to 20%.
4. Job creation and poverty reduction could be directly impacted with the growing number of women – women started operating and owning 38% of small businesses worldwide - in several countries in Africa, Asia, Latin America, Eastern Europe, etc. (UKDFID, 2010).

A Self Help Group (SHG) is made up of a group of women who have volunteered so as to organize themselves for their development. It is a registered or even an unregistered group of entrepreneurs with a heterogeneous context who voluntarily come together in order to save small amounts regularly. They mutually agree to contribute to a common fund and to meet their emergency needs. The Role of SHG in Economic Empowerment is:

1. To ensure cultivation of saving habits.
2. To help SHGs in the proper utilization of the borrowed loan and also to ensure prompt repayment.
3. To help the members in increasing the family income.
4. To help see that the earned income of the members is a part of sustained economic development.
5. To ensure that women are benefitted from bank loans and other welfare schemes of the government, so as to increase their ability to possess assets.

The process involved in the realization of these developments is a long term one and can only bear fruit with the active participation of all parties. Economic Development is a comparatively short term process, hence may be realized earlier than the long-term goal of Social Empowerment, as suggested [2].

The Demographic Details of the Respondents

The following table presents the demographic details of the respondents;

Demographic details	Number of respondents	% to total
Age		
25-35	236	39.4
36-45	256	42.6
Above 45	108	18.0
Total	600	100
Marital Status		
Married	384	64.0
Widow	81	13.6
Divorced	65	10.8
Separated	70	11.6
Total	600	100

IV. INCOME

Income refers to the financial gains obtained or generated especially once the paid employment, participation in an income generating activity or from a sold property. Business opportunities can be milked by increasing the ability of borrowers by providing them access to small loans in order to bridge the breach occurring between cash flows so as to break the cycle of poverty and increase the income earning capacity. Microfinance has been used widely to promote access of income to poor and low income women in the rural areas. Women use more income on household wellbeing than men and they even spend more income on their husband's activities rather than activities which might benefit them to ensure their share of income should be maximized. Income also empowers women in decision-making within the household level in terms of children education, choice of use of loan for instance insuring their economic activities, marketing their activities as well as any expansion opportunities. Incomes are a gateway to increased wellbeing [9]. In the rural areas, poverty is highly connected with the lack of success to reach certain levels of basic capabilities due to inadequate income and low utility value. The poor people are helped through microfinance in increasing the diversity of their income sources, thereby helping them in coming out of the vicious cycles of poverty. Savings credit, income along with household expenditure and possessions reveals livelihood of people. There is therefore a well-developed relationship between savings and credit, repayment, women's micro enterprise, increased income under women's control, increased wage employment for women and increased well-being.

The following table presents the various sources of income of the respondents in the Pre SHG period and the Post SHG period, which is an attempt to understand the impact of diversified sources of income of the respondents;

The analysis reveals that about 61 % of the respondents had only one source of income in the Pre SHG period as against only 2.2 % in Post-SHG period. Further 36.8 per cent of the respondents have replied that they have two sources of income which has been increased to 53.8 % in the Post SHG period. It was also observed that there has been an increase in the sources of income from the Pre SHG period to the Post SHG period from 2.2% of respondents having 3 sources of

income to 37.6%. Interestingly, there are no respondents who had more than three sources of income during the Pre SHG period, whereas 6.4% of the respondents had more than 3 sources of income in the Post SHG period. The difference has been found to be significant with a CHI 2 which was equal to = 261.674, and $p < .01$ between sources of income of respondents during the Pre and Post SHG periods.

Table: Number of Sources of Income of the respondents

Sources	Pre-SHG	Post-SHG
1	366 (61.0)	13 (2.2)
2	221 (36.8)	323 (53.8)
3	13 (2.2)	226 (37.6)
>3	0	38 (6.4)
Total	600 (100)	600 (100)
Pearson Chi-Square	261.674	
P Value	0.000	

Note: The figures are a result of the field survey and are an indication of % share to the respective total.

Further, the table below presents the list containing the sources of income. To understand the sources of income of the respondents, the income sources are divided into seven categories such as agriculture, agricultural wage income, non-agricultural wage income, land rent, caste based income, petty business and salaried jobs.

Table: List of Sources of Income

Source	Response	Pre-SHG	Post-SHG
Agriculture	Yes	23 (3.8)	23 (3.8)
	No	577 (96.2)	577 (96.2)
	Total	600 (100)	600 (100)
	Pearson Chi-square	600.00	
	P Value	0.000	
Agricultural wage Income	Yes	271 (45.2)	268 (44.6)
	No	329 (54.8)	332 (55.4)
	Total	600 (100)	600 (100)
	Pearson Chi-square	480.065	
	P value	0.000	
Non Agricultural wage income	Yes	396 (66.0)	487 (81.2)
	No	204 (34.0)	113 (18.8)
	Total	600 (100)	600 (100)
	Pearson Chi-square	217.532	
	P value	0.000	
Land Rent	Yes	79 (13.2)	96 (16.0)
	No	521 (86.8)	504 (84.0)
	Total	600 (100)	600 (100)
	Pearson Chi-square	317.464	
	P value	0.000	
Caste based income	Yes	119 (19.8)	206 (34.4)
	No	481 (80.2)	394 (65.6)
	Total	600 (100)	600 (100)
	Pearson Chi-square	221.124	
	P value	0.000	

	P value	0.000	
Petty business	Yes	79 (13.2)	448 (74.6)
	No	521 (86.8)	152 (25.4)
	Total	600 (100)	600 (100)
	Pearson Chi – square	9.652	
	P value	0.000	
Salaried Jobs	Yes	34 (5.6)	34 (5.6)
	No	566(94.4)	566 (94.4)
	Total	600 (100)	600 (100)
	Pearson Chi – square	500.00	
	P value	0.000	

Note: The figures are a result of the field survey and are an indication of % share to the respective total.

Agriculture has been and remained a dominate sector, offering employment and subsistence to a large number of Indian households. But analysis shows that only 3.8 per cent of respondents have agriculture as their source of income in Pre and Post-SHG periods and it is significant (Chi2 = 500.00, p<.01). It was found that, 45.2 per cent of respondents have agricultural wage income as their source of income during the Pre SHG period which declined to 44.6% in the Post SHG period, the difference being significant (Chi2 = 480.065, p<.01) and 66 % of respondents hadnon-agricultural wage income as their source of income during the Pre SHG period which has increased to 81.6% in the Post SHG period, that happens to be a significant difference with a Chi2 equal to 217.532, p <.01. Land rent was a source of income to 13.2 % of the respondents, which increased to 16% in the Post SHG period, the difference being significant, Chi2 equal to 317.464, p < .01. Further, caste based income which was the main source of income for 19.8 % of the respondents of the Pre SHG group has increases to 34.4% in the Post SHG period. The difference being significant, Chi2 = 221.24, p < .01. Moreover, Petty businesses also become a major source of income for the most of the respondents (74.6 %) as against 13.2% in the Pre SHG period, with a significant statistical difference of Chi2 = 9.652, p < .01. The number of respondents (28) for whom salary was the main source of income had not changed in the Pre and Post SHG periods and therefore can be said to be statistically significant, Chi2 = 500.00, p < .01. The foregoing analysis indicated that there is significant difference between the source of income in Pre and Post-SHG timeframes. It is found that microfinance provided a platform to for the improvement of the savings habit and enables a greater access to formal credit system. Availability of credit contributed extensively to the acquisition of assets. An increase in the source of income was observed through the possession of small asset holdings such as cows, goats, sewing machines, land, refrigerator, autos and other vehicles leads to an increase in their sources of income. The importance of buying a refrigerator for example, is that it could be used to sell water and soft drinks. Further, it is observed that the respondents have been participating in various income generating activities such as tailoring, snack shops, petty shops, leasing, sale of dry fish, sale of fruits and

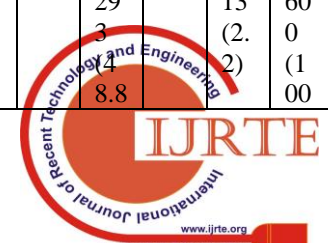
cultivating agricultural land. Thus they have increased their sources of income with the confidence driven after joining SHGs.

V.INCOME USE PATTERN

SHGs and NABARD have been organizing various awareness training programs to SHG members, with the increased awareness helping the respondents understanding the household expenditure and it helped the respondents to change their expenditure preferences in Post-SHG period. The table below reveals the Pre and Post SHG period order of preferences of expenditure.

Table –Monthly Income Use pattern (Pre and Post-SHG)

<i>Monthly Income Use Pattern (Pre-SHG)</i>									
Order of Preferences	1	2	3	4	5	6	7	8	Total
Consumption	34 9 (5 8.2)	25 1 (4 1.8)							60 0 (1 00)
Redemption of old debts		30 7 (5 1.2)	29 3 (4 8.8)						60 0 (1 00)
Savings				55 (9. 2)		25 1 (4 1.8)		29 4 (4 9.0)	60 0 (1 00)
Children Education			29 5 (4 9.2)	25 1 (4 1.8)	54 (9. 0)				60 0 (1 00)
Health & Nutrition				29 3 (4 8.8)	25 1 (4 1.8)	56 (9. 4)			60 0 (1 00)
Asset Creation					30 7 (5 1.2)		29 3 (4 8.8)		60 0 (1 00)
Entrepreneurship Activities							30 7 (5 1.2)	29 3 (4 8.8)	60 0 (1 00)
Farm Activities	25 1 (4 1.8)	42 (7. 0)		1 (0. 2)		29 3 (4 8.8)		13 (2. 2)	60 0 (1 00)



Total	60 0 (1 00)	60 0 (1 00)	60 0 (1 00)	60 0 (1 00)	60 0 (1 00)	60 0 (1 00)	60 0 (1 00)	60 0 (1 00)
Monthly Income Use Pattern (Post-SHG)								
Consumption		55 (9.2)		54 5 (9.8)				60 0 (1.00)
Redemption of old debts				55 (9.2)			54 5 (9.8)	60 0 (1.00)
Savings	28 9 (4.8.2)			30 9 (5.1.4)			2 (0.4)	60 0 (1.00)
Children Education	30 5 (5.0.8)	25 0 (4.1.6)		38 (6.4)		7 (1.2)		60 0 (1.00)
Health & Nutrition		1 (0.2)	59 8 (9.9.6)	1 (0.2)				60 0 (1.00)
Asset Creation	6 (1.0)	29 4 (4.9.0)		25 0 (4.1.6)		50 (8.4)		60 0 (1.00)
Entrepreneurship Activities						54 3 (9.0.4)	55 (9.2)	2 (0.4)
Farm Activities			2 (0.4)	2 (0.4)			54 3 (9.0.4)	53 (8.8)
Total	60 0 (1.00)	60 0 (1.00)	60 0 (1.00)	60 0 (1.00)	60 0 (1.00)	60 0 (1.00)	60 0 (1.00)	60 0 (1.00)

Note: The figures are a result of the field survey and are an indication of % share to the respective total.
The analysis revealed that;

1. Most of the respondents (58.2 per cent) have given their first preferences to consumption in Pre-SHG period and 90.8 per cent have given fifth preference in Post-SHG period.
2. 51.2 per cent of respondents have selected redemption of old debts as their second preference in Pre-SHG period where 90.8 per cent of respondents have agreed redemption of old debts as their last preference in Post-SHG period.
3. Savings was the last preference given by most of the respondents (49 per cent) in Pre – SHG period have moved to fourth place as most of the respondents (51.4 per cent) opted in Post-SHG period.
4. Children’s education was chosen as third preference by the most of the respondents (49.2 per cent) in Pre-SHG period and 50.8 per cent of the respondents have given first preference in Post – SHG period.
5. Health and Nutrition was in fourth place in Pre-SHG period as 48.8 per cent of respondents have opted for it and it is in the third place in Post-SHG period as most of the respondents (99.6 per cent) have voted for it.
6. In Pre-SHG period, 51.2 per cent of respondents have given fifth preference to asset creation but in Post-SHG period 49 per cent of respondents have selected it as their second preference.
7. Entrepreneurship activities have not been considered as important activities in pre-SHG period as 51.2 per cent of respondents have given seventh preference but in Post – SHG period it gained some importance and chosen as sixth preference by most of the respondents (90.4 per cent).
8. Farm activities are in sixth place in Pre-SHG period as 48.8 per cent of respondents have opted to it but in post-SHG period 90.4 per cent of respondent have given seventh preference to it. Considering the overall situation, it is interesting to note that the consumption is the first preference by the most of the respondents (58.2 per cent) in Pre-SHG period. After joining to the group, the respondents have realized the importance of children education, health & Nutrition, asset creation, etc., as they become aware more by participating in various training programmes organized by NABARD. As a result, in Post-SHG period the children education has chosen as the first preference by the most of the respondents (50.8 per cent). Likewise, health & nutrition, asset creation and enterprise activities which contribute to human development moved forward in the order of preferences from fourth to third, third to second, and seventh to sixth respectively in Post-SHG period.

VI.SUMMARY

It has emerged from the Human Development framework that income is the means of development and not necessarily an end in itself and it percolates to all aspects of life like the political, cultural and economic development and is a major determinant of economic empowerment. Economic

empowerment of women is a multi-dimensional issue and hence its measurement is not dependent on a single factor – it is measure of various factors like savings, accessibility to credit and possession of small asset holdings.

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