

Women Empowerment Through Kudumbashree – A Microfinance Project with Special Reference to Cochin Corporation

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Abstract

Women empowerments focus on providing more space for women to establish themselves. The current socio-economic status of our state provide wide opportunities for women to flourish, one among them is Kudumbashree projects. It was introduced by State Poverty Mission of Kerala State Government in the year 1998. This empowerment mission is possible through Micro Financing Scheme of Kudumbashree, which will enable the weaker section of the women community in rural as well as urban areas to improve their economic and financial backgrounds. The main objective of this study is to check whether there is any reduction in the indebtedness of members of kudumbashree from money lenders for starting new ventures and the support from government agencies to provide themselves corpus fund for their working.

For the study, primary data is collected by using a structured questionnaire from 100 samples; each sample is selected from 100 different units in Cochin Corporation, using cluster sampling. Data analysis was done with the help of Z test and Likert scale.

Keywords: Women empowerment, Microfinance, Financial assistance, Government support, Kudumbashrees, Micro credit, Thrift, Likert scale, Z test.

1.1 Introduction

In the present state of affairs women have equal right as men have in all sectors of life viz political social-economic, cultural, personal etc. The complete fairness of all these sectors can be attained through women empowerment, which is only possible when she is financially sound. Self-reliance is the major factor to take decision which in turn will make them to move on by themselves.

The National Bank for Agriculture and Rural Development (NABARD) and State Poverty Eradication Mission of Kerala introduced Kudumbashree Microfinance for financial assistance of unemployed weaker section of women. Micro finance basically banks and other financial institutions. These micro financing agencies will provide common funds for introducing new startups rather than depending on moneylenders. This financial assistance for women is possible by granting them loans through Kudumbashree as well as to encourage them to have thrift for themselves.

In the words of former Prime Minister, Shri Atal Bihari Bajpai, "group saving and group action can remove the curse of money lenders. Since the whole system is organised transparently, the thrift and savings". The main aim of Kudumbashree microfinance is to eradicate poverty through women

empowerment. This women empowerment is done by giving them financial assistance in thrift and credit, linkage banking and matching grants to societies.

Various studies were conducted on this topic previously by many scholars. From the study of Kenneth Kalyani (2012) it was observed that economic development of the weaker section of the society especially the women will leads to improvement in the living standard of the family in all aspects. Again in another study of Minimol M.C & Makesh K.G (2012) they focus on the intellectual empowerment of women. According to them one must be more capacitated to think sharp in-order to act well. Apart from this study,the study of Sanjay Kanti Das (2012) which deals with Self Help Groups(SHG)-Banks linkage of microfinance programme which empower the women to take decision and self-worthiness. This study was conducted on the women in Assam. Supplemental to these studies Gurumoorthy (2000) states that social development is only possible by empowering women. The Self Help Group (SHG) provides funds for women to start small scale business units and encourage them to engage in entrepreneurial activities. Another study conducted by K V Pragabhaladas (2017) in his research article Role of Kudumbashree in Poverty Alleviation in Kerala, makes an overview into poverty alleviation process adopted by state Government and by that empowering women.Which help them in improving the living standard of society.

This study focuses on getting a glimpse on the support from government agencies in funding Kudumbashree in various areas of the life of a woman and by that how can the members get rid from the hands of moneylenders to start new ventures.

1.2 Methodology

The data was mainly collected from Ernakulam district and was done with the help of Google forms sent to selected persons via cluster sampling.Those selections were made by first categorizing the entire district on the basis of number of Kudumbashrees and from them some units were opted at random. Google forms were sent to 100 members of these Kudumbashrees who were selected at random from different units. Tools used for analysis is Likert scale for analyzing the government grants provided and Z-test for checking the dependability on money lenders.

1.3 Result

Change of indebttness from moneylenders

H0: There is no significant improvement in the indebttness of members from money lenders.

H1: There is significant improvement in the indebttness of members from money lenders.

Where H0 is null hypothesis and H1 is alternative hypothesis.

Table no: 1.3.1 Table shows proportion of samples taking loans from moneylenders before and after introduction of Kudumbashreees(KDS).

Total number of respondents	Pre KDS		Post KDS	
	Number of respondents taking loan	Proportion(P1)	Number of respondents taken loan	Proportion (P2)
100	55	0.55	25	0.25

Source: primary data

P1=0.55, P2=0.25 , n1=100, n2=100

$$P = \frac{(55+25)}{200} = 0.4$$

$$S.E = \sqrt{p_0q_0(1/n_1 + 1/n_2)} \quad S.E = \sqrt{0.37 \times 0.63(\frac{1}{100} + \frac{1}{100})} = 0.068$$

$$p_0 = \frac{(n_1p_1 + n_2p_2)}{n_1 + n_2} \quad p_0 = (100 \times 0.55 + 100 \times 0.25) \div (100 + 100)$$

$$q_0 = 1 - p_0 \quad q_0 = 1 - 0.37 = 0.63$$

$$Z = \frac{P_1 - P_2}{SE} = \frac{(0.55 - 0.25)}{0.068} = 4.3949$$

From the table 1. 3.1 and the calculations made it is clear that the calculated value(4.3949) is more than table value(2.326).Therefore we accept H1,i.e.alternative hypothesis.There is significant improvement in the indebtness of members from money lenders.Most of the members of KDS depend on the unit for raising capital and short term loans rather than obtaining it from shylock money lenders.

Table1. 1.3.2 Role of government agencies in providing grants to Kudumbashrees and its usage.

Likert scale	Generation of employment	Granting financial assistance	Poverty eradication	Improve the status of women	Providing training programmes
always	11	0	0	9	0
frequently	35	13	11	45	33
occasionally	37	45	34	41	48
rarely	17	42	52	5	19
never	0	0	3	0	0

Source: primary data

Table 1.3.3 Mean score of Likert scale

Generation of employment	3.40
Granting financial assistance	2.71
Poverty eradication	2.53
Improve the status of women	3.58
Providing training programmes	3.14

Source: primary data

The table1.3.2 show the results obtained from questionnaire and table 1.3.3 is obtained by multiplying the observed values by Likert score 5, 4,3,2,1 respectively. It is observed that government agency funds are mainly utilized for improving the status of women (3.58) and the next best says that it help to have more employment opportunities by having new startups. The least are of the opinion that it helps to eradicate poverty.

1.4 Conclusion

Women empowerment through Kudumbashree programmes by poverty eradication mission is doing well in Cochin Corporation. Many poor and weaker sections of the society are obtaining the benefits of Kudumbashree with the help of microfinance provided by the units to the unemployed women, who are not able to raise funds for their new ventures. By doing so they are able to move from the hands of money

lenders. The Government also provides many other funds to the KDS until through which the living standard of weaker sections of the society can be improved. All these factors lead to women empowerment. Apart from the above said benefits these units help the households to have their own savings which can be used by them for their daily needs. Besides from the financial assistance given by KDS it also provides training as well as induction programmes for members to increase their skill and knowledge. The main suggestion arise from the study conducted was that close monitoring of the schemes to make the Government polices effective and efficient. Awareness to be generated among the common layman to join KDS to obtain the benefits of Microcredit, Micro thrift, Micro insurance and other products of KDS. Moreover many new policies are adopted by Government implemented through Kudumbashrees to provide better support to weaker sections of the societies via women to flourish to their near future more colourful.

1.5 Reference

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