

IMPACT OF DEMOGRAPHIC FACTORS ON WOMEN EMPOWERMENT THROUGH MICRO CREDIT – A SPECIAL REFERENCE TO JAFFNA DISTRICT

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ABSTRACT

Rural women play a significant role in the domestic and socio economic life of the society. Therefore nations' development is not possible without developing this segment of the society. Women face numerous challenges in accessing education and health services, as well as economic development. Most micro finance organizations target poor women and usually who excluded from social groups. This study explores the personal demographic factors' influence on empowerment of women in Jaffna District. Quantitative method has been used for gathering information and purposeful sampling method has been used to collect the data. The survey instrument in the form of close-ended questionnaire was developed for the purpose of collecting the main data for the study. Regression analysis has been used to find out the impact of demographical factors on women empowerment and the Independent sample one-way Anova (f-test) and independent sample t-test (t-test) were used to identify the significant mean differences between the degree of women empowerment across the demographic factors. The results showed that the demographic factors surveyed education, occupation and experience influence on women empowerment and that have weak impact on them. Based on the findings, it has been concluded that there is no significant mean differences between the degree of empowerment across the education level, occupation and years of experience.

KEY WORDS: Demographic factors, Poor women, Women empowerment and Micro Credit.

1 INTRODUCTION:

Sri Lanka has been suffered from a conflict over last three decades. Economic, civil, political, social and cultural devastations are the results of that conflict situation. The access to financial services of Microfinance Institutions facilitates the poor women to boost their household income, make assets, and cut their vulnerability. The reason for the targeting of women under microfinance schemes is the relationship between gender and development. Various researches conducted by institutions such as UNDP (1995) and World Bank (2001) indicated that gender inequalities reduce growth and development. Hence, acknowledging the common gender inequalities and the impact on development, microfinance provides women with access to working capital and training to mobilize women's productive capacity to alleviate poverty and pave the way for the development. Women are basically the poorest of the poor. According to UNDP (2003) Human Development Reports, women make up the

majority of lower paid and unemployed portion of most economies. It is believed that the welfare of a family is enhanced, when women are helped to increase their incomes.

Empowerment of women, also described as gender empowerment which has become a major issue of discussion regarding the development and economics. Countries, businesses, communities and groups can benefit from the implementation of programs and policies that adopting the concept of women empowerment. Empowerment is one of the main practical concerns when dealing with human rights and development. If a country is to overcome the barriers connected with poverty and development, The Human Development and Capabilities Approach, The Millennium Development Goals (MDGs), and other realistic approaches point out the empowerment and participation as a necessary step.

Women Empowerment is a process whereby women become able to organize themselves, to increase their own self reliance, to assert their independent right to make choices and to control resources which will assist in challenging and eliminating their own subordination. In this study it refers to empowerment of women in rural and urban areas by various dimensions – economic, political, social/cultural, personal and familial. A woman is said to be economically empowered when she gains power as a result of increased access to economic resources. The means of achieving economic empowerment are: access to micro finance, increase in income, ability to make decisions regarding the utilization of money/credit, etc. A woman is said to be personally empowered, when she has the power to increase her own self-reliance and self-strength. The means of achieving inter personal empowerment are economic freedom, freedom of action, ability and involvement in decision making, self – esteem, gender equality, improvement in health and knowledge etc. A woman is said to be socially empowered when she has the power to participate in collective/cultural activities in the society. The means of achieving social empowerment are: social status, intermingling with others, access to various organizations, social involvement, participation in cultural activities/seminars/competition, etc.

Jaffna is considered one of the more prosperous districts in comparison with other districts in the North. However, poverty raised by inequalities in income, employment, infrastructure, health and educational facilities is trickled within the post-war situation. Prior to the explosion of the civil conflict, Jaffna enjoyed a healthy economy. Now, the foreign aids are used to develop the local economy in Sri Lanka most probably in the war affected areas specifically in Jaffna District because most of the displaced people are staying here. The population of female is greater than the male (Annual Statistical Report, 2012). And also the female living age is 79.59 years and the male 72.43 as well (2012 estimation). In Jaffna most of the families are women headed families due to the war situation the male members have been disappeared or disabled. In this situation women are forced to take the family responsibility however no power to take decisions or other activities etc., They have to be looked after by the government or other institutions to enhance their living standard by giving income generating opportunities them. This study deals with empowerment of women through micro credit across the demographic factors of age, education, occupation and experience of the rural areas in Jaffna District.

Micro credit is a component of microfinance and is the extension of small loans to entrepreneurs, those who are too poor to qualify for traditional bank loans. Especially in developing countries, micro-credit enables very poor people to engage in self-employment projects that generate income, thus allowing them to improve their standard of living. Santiago (2000) in his book 'Empowerment of the rural poor through Self Help Groups

integral liberation' showed that the practical importance of Self Help Groups for empowering the rural poor. Self Help Groups provides micro credit facilities to the rural women for the income generating activities. With their regular development training, the SHGs thus produced a spiral effect of savings and credit, health action, legal literacy, skills training, investment production, more employment and income, better wealth distribution, action on social issues, and networking better negotiating strength, greater political weight, structural changes etc.,

Support for targeting women in microcredit programs comes from organizations of widely differing perspectives. Mayoux (1995) identifies three contrasting paradigms with different underlying aims and understandings and different policy prescriptions and priorities in relation to microfinance and gender policy. The three paradigms, namely the feminist empowerment, poverty reduction and financial sustainability, also have different emphasis in the way they perceive the inter-linkages between microfinance and women's empowerment.

According to the study of Bharathamma, 2005 majority of the people improved their communication ability followed by increased confidence level respect from the society and family member by taking up of income generating activity. Further it was mentioned that the education, land holding, income of the family, social participation and mass media participation showed highly significant association with empowerment. However, age, marital status, caste family type, family size, material possession, and extension participation had no association with empowerment of rural women.

According to Dubreuil, & Mirada, (2010), the study on 'Micro credit and Women Empowerment: an empirical case-study based in Catalonia' The impacts of the microcredit programs found in this study are mostly related to personal and family issues

which are age, formal education and geographical origin. It is dependable with the profile of women without access to traditional banks' credit, seeking for better standards of living. Therefore, social impacts expected to be marginal at the first stage. Even though this study of only ten empirical cases allows them for very few generalizations, the fact that the profiles of the women interviewed match the statistical data available accepts some conclusions. Further they concluded that it had allowed them to draw a clearer view of the needs, feelings and hopes of the women that have started up their own businesses with granted loans.

The study of Premaratne, 2011 focused on Empowerment of Women through Self Help Groups (SHGs) in Sri Lanka found that impact of micro finance on women is substantial in building confidence, courage, skill development and empowerment but there is no positive in sustainable rural development especially reduction of poverty, creation of employment opportunities and creation of assets in rural areas. According to his study on Accessibility and Affordability of Rural Microfinance Services in Sri Lanka revealed that the accessibility of Microfinance depends on factors such as the level of household income, distance to MFI, availability of information technology, interest rate, level of education, vocational training, and collateral availability. Micro finance providers should think about a system to minimize transaction costs involved.

However, a little research has been undertaken to look beyond microfinance's economic benefits, at social mobilization, empowerment, stabilization, peace building and harmony, through social capital enhancement. Most of the authors investigated the developments and situation of the regions in their Reports and articles which were conducted by the aid of the NGOs and Other World nations no focused on the demographic factors. However, the demographic factors which influencing on microcredit and empowerment of women, there

were a little researches on this regards. To fill this research gap the following research question is arising as the research problem.

“Do the demographic factors influence on women empowerment through micro credit?”

This study has the following objectives:

- To find out the influence of demographic factors on women empowerment.
- To investigate the significant differences of women empowerment across the demographical factors.
- To examine the impact of demographical factors on economic, interpersonal & social empowerment of women through micro credit.
- To suggest some possible solutions for improving the degree of empowerment through microcredit.

The following assumptions have been made as hypothesis to prove whether those can be accepted or not from the results.

H1: “There is significant mean difference in women empowerment through micro credit across the demographical factors”

H2: “The demographical factors influence on women empowerment”

H3: The demographical factors have strong impact on women empowerment and micro credit”.

2 METHODOLOGY

Purposeful random sampling technique has been applied in selecting households. The five rural areas had been randomly selected in Jaffna District and three MFIs which are Bank of Ceylon, Peoples Bank and Samurthi Bank had been selected randomly for the data collection purpose. Then, the women households who lived in Chankanai, Chandilipay, Uduvil, Kondavil and Vaddukoddai were selected. The study randomly selected 15 members from each of the rural areas. In totally, the study has collected information from 66 respondents out of 77 households.

Besides information on microcredit and empowerment, the survey collected detailed information on demographic factors on age, education, experience and occupation. Information relating to the size of the loan, recovery of loan, date of joining and other membership characteristics also collected from them. Primary and secondary data were used for the study. Primary data were collected from the questionnaire developed by the researcher and direct interview with the branch managers and field officers of BOC and peoples' Bank and secondary data were collected from the books, journals and other reports.

The statistical tools of ANOVA test have been used to find out the significant mean difference of women Empowerment across the demographical factors and the regression analysis has been used to find out the impact of demographical factors on women

empowerment by using SPSS. The following table illustrates the frequency of demographical factors among respondents.

Table 1
Personal Demographic Variables

		No. of Persons	%
Age	18-30	19	28.8
	31-40	28	42.4
	41-55	17	25.8
	above 55	2	3.0
		66	100
Education	5-10	12	18.2
	GCE(O/L)	32	48.5
	GCE(A/L)	21	31.8
	aboveA/L	1	1.5
		66	100
Occupation	Agriculture	17	25.8
	Fisheries	11	16.7
	Retail shop	17	25.8
	Small business	19	28.8
	others	2	3.0
		66	
Experience	1-5 yrs	30	45.5
	6-10 yrs	17	25.8
	11-15 yrs	17	25.8
	16-20 yrs	1	1.5
	above 20 yrs.	1	1.5
		66	100

Source: survey results

The table 1 illustrates the frequencies of personal demographic factors of the respondents. It shows that around 42.4 percentages of the women fall in the age group of 31 – 40 years. Only a few i.e 3 percentage women are above 55 years. The women fall in the age group of 18 – 30 years 28.8 percentage. Generally, the majority of the clients are above the age of 30 years.

Regarding the educational level of the clients, Table 1 shows that about 18.2 percentages at primary level and the majority of 48.5 percentages have reached G.C.E (O.L). Further it shows that 33.8 percentag3 of the clients who have reached above G.C.E (O/L).

In table 1, it is shown that 28.8 percentages of the clients are involving with the small entrepreneurial job. Further, 25.8 percentages of the clients have the agriculture job and the same percentage have the retail shops as well. The minority clients of 16.7 percentages are involving with fisheries.

Further, if we observe the experience of the clients from the table 1, it shows that 45.5 percentages have 1 – 5 years experience and 54.5 percentage of the clients who have more than 5 years experience.

3 RESULTS AND FINDINGS:

From the data collected and analyzed with the help of Statistical Package for Social Sciences (SPSS) and it reveals the significant mean differences are as follows:

Table 2
Mean Differences:

	N	Minimum	Maximum	Mean	Std. Deviation
Age	66	1.00	4.00	2.0303	.82219
Education	66	1.00	4.00	2.1667	.73554
Occupation	66	1.00	4.00	2.6667	1.23205
Experience	66	1.00	4.00	1.8788	.95297

Source: survey results

Table 2 illustrates the influences of demographical factors on empowerment and it shows that the occupation influences strongly on empowerment (2.667) than other factors because most probably the loans are provided for the self employment purposes with collateral agreement.

Table 3
Results of Independent sample t-test

t-test value	t-value	p-value/significant	Mean difference
Age:			2.030
Microcredit	1.670	0.183	
Empowerment	2.201	0.097	
Education:			2.167
Microcredit	0.354	0.786	
Empowerment	0.830	0.483	
Occupation			2.667
Microcredit	0.439	0.780	
Empowerment	0.183	0.946	
Experience			1.879
Microcredit	1.291	0.284	
Empowerment	2.730	0.037	
Microcredit			3.8242
Empowerment			11.1359

Source: survey results

The table 3 illustrates the mean differences of the demographical factors of the clients. The table shows the results of independent sample t-test and it reveals that there is no significant mean difference in the demographical factors of age, education, occupation and experience because it has the p value greater than 0.05 ($P > 0.05$). And also the significant mean difference between the microcredit and empowerment also is 3.8242 and 11.1359 respectively. There is significant mean difference in experience with the empowerment is greater than 0.05 ($P < 0.05$) ie, 0.037.

Table 4
Regression Analysis

Dependent variables	R	R square	Adjusted Square	R	Std. error of the estimate
Micro credit	342 ^a	0.117	0.059		1.03195
Economic empowerment	254 ^a	0.064	0.003		0.89431
Interpersonal Empowerment	257 ^a	0.66	0.005		0.93858
Social Empowerment	363 ^a	0.132	0.075		0.90256
Total Empowerment	306 ^a	0.093	0.034		2.28530

^a Predictors (constant) Experience, occupation, education, age.

Source: survey results

The table 4 illustrates the impact of demographical factors of age, education, occupation and experience on economic empowerment, interpersonal empowerment & social empowerment and which reveals the weakest impact. However, from the above table we can observe that the social empowerment is influenced by the demographical factors of 13.2% and the remaining 87.8% is determined by other factors and the micro credit is influenced by the above factors only 11.7% and the remaining 88.3% is determined by other socio economic factors such as purpose of loan, repayment of loan, collateral requirement of loan etc., Economic and interpersonal empowerment are influenced only 0.64% and 6.6% respectively. From the above results the micro credit is influenced by the factors than empowerment which reveals the influence only 09.3%. From these results the hypothesis 2 has been rejected because it was assumed that the demographical factors have strong impact on micro credit and women empowerment.

4 CONCLUSIONS AND SUGGESTIONS:

From the results it can be concluded that the demographic factors influence on women empowerment in accessing microcredit. And it revealed that there is no significant mean difference in access of microcredit and empowering women among age, education, job and experience. Experience has strong influence in accessing micro credit as the results revealed that the experience has the low mean differences than other factors. Age level has very low influence on microcredit as it reveals the low level of significant p value than other factors. It has been suggested when the microcredit is provided that MFIs should consider the experience and purpose of the loan for the successful recovery of loan. At the same time the

MFIs should maintain the flexible loan system and cut the interest rate like charging by the financial institutions as well. Further the MFIs providing loans to the clients should monitor and oversee the loans to ensure which have been used for the same purpose of the clients those who were granted the loan facilities for what purposes. With the monitoring activities the MFIs should conduct the awareness programs from time to time to guide the clients to make them for using loans, new technology developments and processes in a proper manner.

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