

**Determinants of Women Empowerment in Uttarakhand**

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**Abstract**

India's overall development is not possible without the rural areas. Working women contribute to national income of the country and maintain a sustainable livelihood of the families and communities, throughout the world. As they face many socio-cultural attitude, legal barriers, lack of education and personal difficulties. Traditionally, women have been marginalized. They are rarely financially independent and often they are more vulnerable members of society. About 70% of world's poor are women. This study has used exploratory factor analysis to identify the factors using twenty-two variables identified through literature responsible for women empowerment. These 22 variables were grouped into 8 factors through principal component analysis on the basis of their characteristics. The factors are empowerment, Self-dependent, Consciousness, Confidence, Awareness, Socio-personal, Knowledge and Finances.

**Key word:** Microfinance, women empowerment, determinants.

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**Introduction**

Microfinance is present in various forms for centuries, and even longer in Asia, where informal lending and borrowing has continued for several thousand years. However, the birth of 'modern' microfinance is said to have occurred in the mid 1970s in rural Bangladesh. There, in the midst of a famine, Dr. Muhammad Yunus, professor of economics at the University of Chittagong, was becoming disillusioned with the abstract theories of economics that failed to explain why so many poor people were starving in Bangladesh. Determined to find a practical solution, Muhammad Yunus began visiting local villages, the Grameen Bank project, which translates literally as "Village Bank", was born, and today works in over eighty-thousand villages with more than six million borrowers. In 2006, both Muhammad Yunus and Grameen Bank were awarded the Nobel Peace Prize for their work with the poor.

Inspired by the success of The Grameen Bank, the 1970s and 80s saw rapid growth in the number of new microfinance institutions appearing around the world, many of them started by NGOs and funded by grants and subsidies from public and private sources. They demonstrated that the poor could be relied on to repay their loans, even without collateral, and hence that microfinance was a potentially viable business.

**Definition and Meaning of Microfinance**

Microfinance is the provision of financial services Microfinance is the provision of financial services to low-income clients or solidarity lending groups including consumers and the self-employed, who traditionally lack access to banking and related services. More broadly, it is a movement whose object is "a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services,

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including not just credit but also savings, insurance, and fund transfers” (**Jerinabi and Santhi, 2012**).

The Canadian International Development Agency (CIDA) defines microfinance as, “the provision of a broad range of financial services to poor, low income households and micro-enterprises usually lacking access to formal financial institutions” (**CIDA and Microfinance, October 2002**).

**RBI (2008)** defines microfinance as the provision of thrift, credit and other financial services and products of very small amounts to the poor for enabling them to raise their income levels and improve their living standards.

**NABARD (2011)** refers the term microfinance as extending the whole range of financial services from savings to credit to micro insurance to micro enterprises and a lot more for the poorer sections of society whose scale of operations are so small and hence are generally excluded from the purview of the existing service providers. While definitions differ, microfinance is generally taken to refer to the provision of financial services, primarily savings and credit but also covers other financial services like insurance, leasing, money transfers, etc. to poor and low income households that do not have access to formal financial institutions.

**The Asian Development Bank (2000)** defines microfinance as the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to poor and low-income households and their microenterprises.

According to Asian Development Bank, microfinance services are provided by three types of sources:

- Formal institutions, such as rural banks and cooperatives,
- Semiformal institutions, such as Non-Government Organizations (NGOs), and
- Informal sources such as money lenders and shopkeepers.

### **Background of the study**

During the 1990s, the industry began to realize that it could not continue to grow at such rates while still relying on grant funding. As a result, many began to restructure themselves to attract commercial investors, adopting more formal business practices and working to improve their efficiency and sustainability. As microfinance grew, its effectiveness in various states varies with different demographical and geographical characteristics. So it needed to check the level of performance in various states. However this study has chosen Uttarakhand for studying the women empowerment through microfinance.

Uttarakhand is one of the fastest growing states in India, thanks to the massive growth in capital investments arising from conducive industrial policy and generous tax benefits. The state is situated in the foothills of Himalayas. The presence of several hill stations, wildlife parks, pilgrimage places and trekking routes make Uttarakhand an attractive tourist destination. Between 2004-05 and 2014-15, Gross State Domestic Product (GSDP) expanded at a Compound Annual Growth Rate (CAGR) of 15.32 percent to US\$ 23.01 billion whereas the Net State Domestic Product (NSDP) expanded at a CAGR of 14.96 percent to US\$ 20.03 billion.

Uttarakhand has been successful in attracting long-term investments because of its key industrial and sector-specific policies. The state offers a wide range of benefits in terms of interest incentives, financial assistance, subsidies and concessions and a robust social and industrial infrastructure, virtual connectivity, over 38,680.92 km of road network, two domestic airports, 345 km of rail routes and an installed power capacity of 3,177.27 MW.

Literacy rate in Uttarakhand has seen upward trend and is 78.82 percent as per 2011 population census. Of that, male literacy stands at 87.40 percent while female literacy is at 70.01 percent. In 2001, literacy rate in Uttarakhand stood at 71.62 percent of which male and female

were 83.28 percent and 59.63 percent literate respectively. In actual numbers, total literates in Uttarakhand stands at 6,880,953 of which males were 3,863,708 and females were 3,017,245.

**Microfinance: a good tool for empowering women**

Micro finance aims at assisting communities of the economically excluded to achieve greater levels of asset creation and income security at the household and community level. Access to financial services and the subsequent transfer of financial resources to poor women enable them to become economic agents of change. Women become economically self-reliant, contribute directly to the well being of their families, play a more active role in decision making and are able to confront systematic gender inequalities. Poor women, who are in the forefront micro credit movement in the country use small loans to jump, start a long chain of economic activity **(Singh, 2009)**.

Microfinance programs have generally targeted poor women. By providing access to financial services only through women - making women responsible for loans, ensuring repayment through women, maintaining savings accounts for women, providing insurance coverage through women, microfinance programs send a strong message to households as well as to communities. Many studies have documented how access to financial services has improved the status of women within the family and the community. Women have become more assertive and confident. In regions where women's mobility is strictly regulated, women have become more visible and are better able to negotiate the public sphere. Women own assets, including land and housing, and play a stronger role in decision making. In some programs that have been active over many years, there are even reports of declining levels of violence against women **(www.kiva.org)**.

Women form a significant part of total population. But traditionally, women have been marginalized and in hills it is higher. They are rarely financially independent and often they are more vulnerable members of society. About 70% of world's poor are women. Yet they have no access to credit and other financial services.

In most western or developed countries, it is relatively easy to obtain credit through large banks or money lending institutions. But in the developing countries, where many people lack steady employment, credit history or collateral, there is often no way for legitimate small businesses to receive a loan. In many ways, microfinance changed all of this. Generally defined as small lending to the rural poor in developing countries, microfinance has made great strides in the latter half of the 20th century.

Therefore, microfinance often target women. Microfinance is a critical tool to empower women from poor household. So, particularly women can get benefit from microfinance as many NGOs and microfinance institutions target only women, to empower them. Micro finance aims at assisting communities of the economically excluded to achieve greater levels of asset creation and income security at the household and community level. Access to financial services and the subsequent transfer of financial resources to poor women enable them to become economic agents of change. Women become economically self-reliant, contribute directly to the well being of their families, play a more active role in decision making and are able to confront systematic gender inequalities. Poor women, who are in the forefront micro credit movement in the country use small loans to jump, start a long chain of economic activity **(Singh, 2009)**.

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### **Literature Review**

This section discusses the literature related to the microfinance activities done in past. Some relevant ones are given below:

**Vasanthakumari (2009)** observed that microenterprises promoted by the women SHG members have successful in developing entrepreneurial skill and improving their economic and social status to some extent. But the main aim of eradication of poverty is yet to be achieved.

**Panda and Atibudhi (2009)** conducted one study to know the impact of group based microfinance programme on the mobilisation of savings by the participating rural households. The study revealed that the average annual savings per household in target group was significantly higher than that of the control group. The study also revealed that the target households had a highly significantly higher savings in commercial banks than that of the control group. The reason behind this is their increased savings habit and increased income due to their participation in compulsory savings led microfinance programme.

**Krishnan and Silvi (2010)** conducted one study to find out the potential of microfinance in transforming the lives of tribal people in the Wayanad district of Kerala. The study reported that the NGO run microfinance programme had a positive impact on the target households income, asset and savings. The study also reported that the target households had significantly higher annual average employment days over that of the control households. The microfinance programme is also contributing successfully in livelihood diversification among the target group households.

**Singh, Kaur and Gill (2010)** conducted one study to assess the role of Swarna Jayanti Gram Swarozgar Yojana in the socio-economic development of the rural people in the Jalandhar district of Punjab and reported that the programme has a beneficial effect on the economic aspects like better access to institutional credit, less dependence on money lenders, increased savings, reduction in indebtedness and increased volume of asset. The study also reported the beneficial effect of the programme on the social and psychological aspects of the beneficiaries.

**Eshetu (2011)** conducted one study on the impact of microfinance on women's economic empowerment in Ethiopia and observed that the micro -financing scheme has a positive impact on women's economic empowerment as measured by the increased participation of micro-financing clients in household decision making and also has a positive impact on the living condition of micro-financing clients.

**Mitra and Kundu (2011)** analysed the impact of microcredit programme through individual liability loan contract system operated by Primary Agricultural Credit Society (PACS) in the two blocks of Hooghly district of West Bengal. The study reported that there has been no economic improvement among the participating households in terms of average monthly income and monthly per-capita consumption expenditure in spite of reducing the rate of interest for the crop loan charged by PACS. The study further reported that the repayment rate is high for such type of crop loans and the households are repaying the same on time even at the cost of their basic consumption need.

**Mushtaq and Rauf (2012)** analysed the social impacts of microfinance institutions in Pakistan with the help of nutrition status, health status and standard of living of the borrower households. It is observed from their study that microcredit programme helps the client household in expanding their existing business or helps in starting a completely new business which in turn contributes greatly towards access to better food, better health facility and better standard of living among the client households.

**Keshav S. (2014)** analyzed the study conducted by NABARD which revealed that financial services required by poor households are: safe-keeping of small surpluses in the form of

thrift; access to consumption loans to meet emergency needs and financial services and products. The benefits in terms of higher income, consumption, and savings matter for the poor, the focus here is broader, as an attempt is made to assess some key dimensions of women's empowerment-defined broadly as expansion of freedom of choice and action to shape their own lives. Concluded with areas of future research emphasizing on review of literature on SHGs, the experiences of several leading NGOs involved in the formation of SHGs and interviews with chief executives and staff of other NGOs/projects promoting SHGs.

### Objectives of the Study

The objectives basically aim to find out the role of microfinance in the development of women of Uttarakhand. The specific objective of the study is:

- To identify the determinants of women empowerment and find their relationship with Microfinance.

### Sample and Study Period

The study is conducted in the rural areas of Uttarakhand state. Uttarakhand state comprises of 13 districts. For data, a random sampling method is used in various stages. In the first stage, Uttarakhand state is divided into the following four regions: Complete hill region, Semi hill region, Valley region, Plain region.

Then one district is selected from each region having sufficiently large number of credit linked SHGs under the microfinance programme. As a result, Pithoragarh district from complete hill region, Nainital district from semi hill region, Dehradun district from valley region and Haridwar district from plain region is selected.

Further, two blocks from each of these districts were selected where there are large number of credit linked SHGs. In this way, Bin and Kanalichhina blocks are selected from Pithoragarh district, Haldwani and Bhimtal blocks are selected from Nainital district, Sahaspur and Doiwala blocks are selected from Dehradun district and Bahadradab and Laksar blocks are selected from Haridwar district. These blocks of Pithoragarh, Nainital, Dehradun and Haridwar districts comprise of 98, 245, 297 and 187 SHGs respectively.

In the third stage, 25 SHG's from each district were selected but only 17, 18, 20 and 15 SHGs from Pithoragarh, Nainital, Dehradun and Haridwar districts respectively were useful. In the last stage, women members from each SHG are selected randomly and interviewed. In this way, 125 women members were surveyed from the selected blocks of each district. A sample of 500 (125 x 4) women members is taken from the selected four districts of Uttarakhand state.

### Analysis

**Objective:** To identify the determinants of women empowerment.

**Reliability Analysis:** The survey questionnaire had to be tested for its reliability. The Cronbach's alpha (a measure of reliability) score has been calculated for the analyses. The values of Cronbach's alpha above 0.6 indicate that there is internal consistency in the data

**Table 11**

| Reliability Statistics |            |
|------------------------|------------|
| Cronbach's Alpha       | N of Items |
| .863                   | 22         |

According to the questionnaire taken for the study, the following are the variables used in this analysis: Women access to employment, Women contribution to household income, Access to and control over resources, Participation in house-hold financial decision making, Saving in bank account, Women freedom and Confidence of movement, Visiting market for purchase of raw material and household goods, Ability to Raise voice against social exploitation, Positive attitude towards education of girls, Getting help of other family members, Participation in general domestic matters, Exercising the right to vote, Awareness of local, state level and national polity, Participation in panchayat meetings, Leadership Qualities, Education and ability to read and write, Ability to do basic calculations, Maintaining records of financial transactions, Ability to understand basic banking operations, Reading newspaper to have general awareness, Training for the job.

The Approx. Chi-Square value from Table 5.1 is 904.403 and it has found to be significant which indicates that the null hypothesis can be rejected and it may be concluded that variables are correlated in the population. The Kaiser-Meyer-Olkin (KMO) measure of Sampling Adequacy is found out to be 0.756 which indicates that factor analysis is appropriate.

|  |                    |         |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .756    |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 904.403 |
|  | df                 | 231     |
|  | Sig.               | .000    |

The factor analysis has been conducted through a method called as Principal-components method. It is observed that the total variance explained is 53.362.

**Table 13-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  | 2.268                | 10.308        | 10.308       | 2.268                               | 10.308        | 10.308       | 1.897                             | 8.622         | 8.622        |
| 2  | 1.887                | 8.576         | 18.884       | 1.887                               | 8.576         | 18.884       | 1.762                             | 8.008         | 16.630       |
| 3  | 1.439                | 6.539         | 25.423       | 1.439                               | 6.539         | 25.423       | 1.536                             | 6.983         | 23.613       |
| 4  | 1.391                | 6.323         | 31.746       | 1.391                               | 6.323         | 31.746       | 1.428                             | 6.490         | 30.103       |
| 5  | 1.303                | 5.921         | 37.668       | 1.303                               | 5.921         | 37.668       | 1.417                             | 6.440         | 36.543       |
| 6  | 1.219                | 5.543         | 43.211       | 1.219                               | 5.543         | 43.211       | 1.289                             | 5.860         | 42.403       |
| 7  | 1.134                | 5.153         | 48.364       | 1.134                               | 5.153         | 48.364       | 1.281                             | 5.823         | 48.226       |
| 8  | 1.099                | 4.998         | 53.362       | 1.099                               | 4.998         | 53.362       | 1.130                             | 5.135         | 53.362       |
| 9  | .972                 | 4.417         | 57.779       |                                     |               |              |                                   |               |              |
| 10   | .909                 | 4.134         | 61.913       |                                     |               |              |                                   |               |              |
| 11   | .902                 | 4.099         | 66.011       |                                     |               |              |                                   |               |              |
| 12   | .896                 | 4.072         | 70.083       |                                     |               |              |                                   |               |              |
| 13   | .838                 | 3.809         | 73.892       |                                     |               |              |                                   |               |              |
| 14   | .827                 | 3.758         | 77.651       |                                     |               |              |                                   |               |              |
| 15   | .740                 | 3.364         | 81.015       |                                     |               |              |                                   |               |              |
| 16   | .711                 | 3.232         | 84.247       |                                     |               |              |                                   |               |              |
| 17   | .665                 | 3.021         | 87.268       |                                     |               |              |                                   |               |              |
| 18   | .633                 | 2.878         | 90.146       |                                     |               |              |                                   |               |              |
| 19   | .585                 | 2.659         | 92.806       |                                     |               |              |                                   |               |              |
| 20   | .561                 | 2.551         | 95.357       |                                     |               |              |                                   |               |              |
| 21   | .845                 | 4.643         | 100.000      |                                     |               |              |                                   |               |              |
| Extraction Method: Principal Component Analysis. |                      |               |              |                                     |               |              |                                   |               |              |

|   |                                  | Table 14 :Rotated Component Matrix |              |             |              |             |              |             |             |
|---|----------------------------------|------------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|-------------|
|   |                                  | Component                          |              |             |              |             |              |             |             |
|   |                                  | 1                                  | 2            | 3           | 4            | 5           | 6            | 7           | 8           |
| 1   | Women empl                       | .021                               | -.058        | .024        | .130         | <b>.761</b> | -.026        | -.144       | -.030       |
| 2   | Control to hh income             | -.020                              | .031         | <b>.691</b> | .098         | .163        | -.086        | -.131       | .053        |
| 3   | Control over resources           | -.153                              | .154         | -.118       | .071         | <b>.456</b> | -.362        | .166        | .102        |
| 4   | Financial dec making             | -.164                              | .230         | -.214       | -.178        | -.288       | .170         | -.148       | <b>.406</b> |
| 5   | Saving in bank account           | .233                               | .005         | .224        | -.088        | -.024       | <b>.694</b>  | -.039       | .071        |
| 6   | confidence                       | -.041                              | -.011        | -.273       | <b>.571</b>  | .018        | .084         | .083        | -.068       |
| 7   | Visiting market                  | .056                               | <b>.644</b>  | -.138       | .031         | .021        | .180         | -.186       | -.024       |
| 8   | Ability against exploit          | -.172                              | .289         | .110        | <b>.468</b>  | -.299       | -.066        | .078        | .279        |
| 9   | Positive towards edu             | .041                               | <b>.725</b>  | .111        | .126         | .066        | -.042        | .146        | -.136       |
| 10  | Help of family                   | .129                               | <b>.594</b>  | .168        | -.060        | -.063       | -.079        | -.066       | .161        |
| 11  | Partci in domestic               | <b>.743</b>                        | .053         | .193        | .080         | .028        | .098         | .131        | -.021       |
| 12  | Voting rights                    | .045                               | .132         | <b>.567</b> | .058         | -.253       | .061         | .057        | .037        |
| 13  | Awareness of politics            | -.177                              | .117         | -.124       | -.240        | <b>.544</b> | .356         | .172        | .148        |
| 14  | Panchayat meetings               | <b>.648</b>                        | .100         | .170        | -.167        | -.113       | .063         | .055        | .136        |
| 15  | Leadership qualities             | <b>.579</b>                        | .350         | -.042       | -.100        | -.012       | -.061        | -.161       | -.193       |
| 16  | Ability to read-write            | -.004                              | .030         | -.204       | <b>-.388</b> | .067        | -.145        | .374        | .010        |
| 17  | Basic calculations               | .159                               | <b>-.379</b> | .205        | .041         | .108        | .122         | <b>.548</b> | .226        |
| 18  | Recording financial transactions | .077                               | -.076        | -.045       | .076         | .106        | -.044        | -.031       | <b>.789</b> |
| 19  | Basic banking ops                | .192                               | -.014        | <b>.587</b> | -.047        | .106        | -.050        | -.120       | -.145       |
| 20  | Reading newspaper                | .194                               | -.068        | .305        | -.232        | -.018       | <b>-.628</b> | -.120       | .094        |
| 21  | Training for job                 | <b>.539</b>                        | -.288        | -.475       | .045         | -.041       | -.073        | .094        | .106        |
| Extraction Method: Principal Component Analysis.    |                                  |                                    |              |             |              |             |              |             |             |
| Rotation Method: Varimax with Kaiser Normalization. |                                  |                                    |              |             |              |             |              |             |             |

The results of Varimax rotation are summarized as below:

**Factor 1:** The following variables (Item Numbers 11, 14, 15 and 21) have been grouped in this factor :

- Participation in general domestic matters
- Participation in panchayat meetings,
- Leadership Qualities
- Training for job

The above variables indicate synergy in maintaining the relationship between work and personal life. Thus, the first factor extracted from the factor analysis has been named as Empowerment.

**Factor 2:** The following variables (Item numbers 7, 9 and 10) have been grouped in this factor:

- Visiting market for purchase of raw material and household goods,

- Positive attitude towards education of girls,
- Getting help of other family members.

The above variables indicate various expectations from women. Hence, Factor 2 has been named as self dependent.

**Factor 3:** The following variables (Item Numbers 2, 12 and 19) have been grouped in this factor:

- Contribution to household income
- Exercising the right to vote
- Ability to understand basic bank operations

The above variables indicate importance of knowing the rights. Hence, it has been named as consciousness.

**Factor 4:** The following variables (Item Numbers 6, 8 and 16) have been grouped in this factor.

- Women freedom and Confidence of movement,
- Ability to Raise voice against social exploitation
- Education and ability to read and write

The above variables indicate confidence. Hence, the fourth factor extracted has been renamed as confidence.

**Factor 5:** The following variables (Item Numbers 1, 3 and 13) have been grouped in this factor

- Women access to employment,
- Access to and control over resources
- Awareness of local, state level and national polity

The above variables indicate towards awareness. Hence, the fifth factor extracted has been renamed as awareness.

**Factor 6:** The following variables (Item Numbers 5 and 20) have been grouped in this factor.

- Savings in bank account
- Reading newspaper

The above variables indicate towards social and personal awareness. Hence, the sixth factor extracted has been renamed as socio-personal.

**Factor 7:** The following variables (Item Numbers 17) have been grouped in this factor.

- Ability to do basic calculations

The above variables indicate towards basic knowledge. Hence, the seventh factor extracted has been renamed as knowledge. Since factor 7 had only one variable so it was merged with factor 2 as it was the next higher category for it.

**Factor 8:** The following variables (Item Numbers 4 and 18) have been grouped in this factor

- Participation in house-hold financial decision making
- Maintaining records of financial transactions

The above variables indicate towards basic knowledge of finances. Hence, the eighth factor extracted has been renamed as finances.

The classification of variables under different factors in summarized below

**Table 15: Summary of Factor Analysis**

| Items in Factor 1- Empowerment                | Items in Factor 2- Self Dependent                                    | Items in Factor 3- Conscience            | Items in Factor 4- Confidence                         | Items in Factor 5- Awareness                            | Items in Factor 6- Socio-personal | Items in Factor 7- Knowledge         | Items in Factor 8- Finances                       |
|---|--|--|---|---|-----------------------------------|--------------------------------------|---|
| 11. Participation in general domestic matters | 7. Visiting market for purchase of raw-material and household goods, | 2- Contribution to household income      | 6. Women freedom and Confidence of movement,          | 1. Women access to employment,                          | 5. Savings in bank accounts       | 17. Ability to do basic calculations | 4. Participation in house- hold decision making   |
| 14. Participation in panchayat meetings       | 9. Positive attitude towards education of girls,                     | 12. Exercising the right to vote         | 8. Ability to Raise voice against social exploitation | 1. Access to and control over resources                 | 20. Reading Newspaper             |                                      | 18. Maintaining records of financial transactions |
| 15. Leadership Qualities                      | 10. Getting help of other family members                             | 19. Ability to understand basic bank ops | 16. Education and ability to read and write           | 13. Awareness of local, state level and national polity |                                   |                                      |   |
| 21. Training for job                          |  |  |   |   |                                   |                                      |   |

**Conclusion**

The main objective of the study is to identify the determinants of women empowerment of the programme participants. The study is based on the hypotheses that microfinance programme generates employment, and empowers the women participants of the programme. Besides, it is also hypothesized that extremely poor people (low income) get more benefits of the programme than the moderate poor; and the members of old SHGs are better-off than the members of new SHGs.

It is found that the literature available on microfinance does not provide a clear idea about the impact and success of microfinance programme. So various variables have been identified from literature survey and an exploratory factor analysis has been done to identify the factors (Women access to employment, Women contribution to household income, Access to and control over resources, Participation in house-hold financial decision making, Saving in bank account, Women freedom and Confidence of movement, Visiting market for purchase of raw material and household goods, Ability to Raise voice against social exploitation, Positive attitude towards education of girls, Getting help of other family members, Participation in general domestic matters, Exercising the right to vote, Awareness of local, state level and national polity, Participation in panchayat meetings, Leadership Qualities, Education and ability to read and write, Ability to do basic calculations, Maintaining records of financial transactions, Ability to understand basic banking operations, Reading newspaper to have general awareness, Training for the job) responsible for women empowerment. These 21 variables were grouped into 8 factors through principal component analysis on the basis of their characteristics. The factors are Empowerment, Self-dependent, Consciousness, Confidence, Awareness, Socio-personal and Finances.

Now through this study the indicators (taken in questionnaire) are tested and in future more emphasis may be laid down on improving those are lagging behind. In further studies the indicators related to quality of life may be examined with the in-depth rigorous analysis. And more psychological and statistical tools may be used to determine the role of community based organizations in improving the quality of life of its members.

The determinants of women empowerment show that the level of education of the programme participants influences their level of empowerment very significantly. It is found that, as the level of education increases, the level of empowerment also increases. Therefore, in addition to the financial assistance, education may also be provided to the women participants, under the microfinance programme. Along with various other benefits, the education will improve the level of empowerment in the programme participants.

The study further shows that loans used for productive purposes directly influence the level of income, employment and women empowerment. It is found that the participants who utilise more amounts of group loans for productive purposes are generating more income and have shifted above the poverty line. The determinants of women empowerment show that as the participants utilise large amount of loans for productive purposes, they become more empowered. Therefore, the programme participants must be motivated and assisted to utilise the group loans for productive purposes only. Some supervision on the loan utilisation pattern of the programme participants may also be introduced. This will make the impact of the programme more effective.

### **Limitations**

In spite of every care taken, there were certain limitations which are as follows:

- Due to lack of education questionnaire filling was difficult.
- The present study was confined to Uttarakhand only so results cannot be generalized for SHGs working in other states.
- Some of the women members were not so responsive.

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