

PROGRESSIVE EMPOWRMENT OF WOMEN AND MICROFINANCE

Neha Sanga

M.Com, Student, Chaudhary Devi Lal University, Sirsa, Haryana

ABSTRACT

In early 19th century the government of India announced ‘THE NEW INDUSTRIAL POLICY’, which gave birth to two new concepts in Indian economy these two concepts are liberalization and globalization. These two concepts are more important for industrialization of country but it created problems for women worker in unstructured organizations. Because of these concepts most of women had stray their means of earning due to indulge in many self-employment activities. It had made their situation very worst. Notwithstanding the significant contribution of women to various sectors of national economy and household still their contribution is contemplated like only taking care of house and family, their contribution almost never get mentioned in our economy. Generally, microfinance refers to provide some money to poor people for their needs. It is considered to be an effective method of proving financial facilities to poor and it leads to enhance their financial position so that these people can do their business and make themselves employed.

This micro financing scheme is completely under the control of self-help groups in India. As the time passed these self-help groups achieved success in this work and this will act as motivation among the women as an empowerment in the whole country. Micro finance is obligatory to eradicate unfair treatment with poor; generate belief among rural poor people for financial self-reliance, especially within the mind of rural women. There must be promotion of gender parity and women's liberation for the success of economy so government of India launched many programs which gave contribution to women’s empowerment and gender equality. The beneficiation of these programs is to create the ability in women to earn income.

These self-help groups had ability to emerge a sequence of honorable wreath of financial and economic empowerment; broaden the political and participatory democracy. Positive and practical steps were taken to eradicate poverty and empower people financially and economically as a result of these self-help organisations. The purpose of this study is to use secondary data and constructive analysis to highlight the importance of Microfinance through self-help organisations in the emancipation of women in India.

KEYWORDS: Empowerment, Gender Equality, Microfinance, Self Help Group, Woman.

I. INTRODUCTION

Micro finance facility provided by the Self-Help Groups had been acknowledged as a contemporary method to battle a fight against reducing poverty and promoting agrarian development in India. The success of microfinance and SHGs in reducing starvation, bolstering women's roles, and raising awareness has contributed to the growth of a culture that priorities India's long-term prosperity. Women have historically been treated unfairly and prejudice against at some of the highest levels of society, not just in the United States but around the globe. Many of our public and private organisations had done extreme work for women still they had been strongly unlettered persons of the financial sector of economy. So, in the modern culture there comes a new concept of micro financing, which had appear like a strong method of empowering women specially, the rural women. The informal, formal and semi formal departments of finance such as cooperative banks, commercial banks, NGOs etc. are eager to provide and also they are replenishing microfinance facility to female by assuming this be a beneficial business exertion. Women participate in this new phase of microfinance by obtaining the benefits of the microfinance facility distributed by the numerous financial institutions.

The primary purpose of microfinance institutions is to emancipation of women. Microfinance facility means allocating the finance to low-income groups of society, comprising the costumers and the self employed persons, who conventionally not able to use banking and other finance related facilities. Micro financing is assumed to be banking of the non bankable by providing credit, savings and other necessary financial facilities to number of persons who are so poor that rarely any cooperative and commercial institutions can serve them. These people had not in accessed banking facilities of credit because they are not able to provide enough collateral

security. Women made up a greater portion of receiver of micro financing facilities. Conventionality, women of underdeveloped countries had not been able to engage in financial and economic activity. Microfinance furnishes the strong financial support to women which they really require introducing any business unit also vigorously engage in development of society. It provides them strong belief, enhances their prestige and helps to make them greater energetically active in deliberation of their business unit, hence motivating the concept of gender equality.

The reports of Consultative Group to Assist the Poor said that the violence to women was decreased from the introduction of micro financing facility. The microcredit institutions in whole world concentrate on women in underdeveloped and developing countries of the world. The reports said that women are low credit risk taker, decompensate the credit and inclined to provide profit to the family. The different viewed to look at this method is that it provides more importance to women in a social and economical concept and modifying the contemporary conservative thinking of our society about the gender and class.

The current report of World Bank explain that the countries which create a differentiation of many things on gender basis, normally support the gender discrimination, had to decompensate the cost of larger poverty, weaker economic development, fragile corporative governance and very poor living standard of the people of that country. It is approximately about 65% of whole world's poor population is women. Women had a larger non employment rate in comparison to men almost in every country of the world. So, the microfinance institutions think that these unemployed women provide a large base to their business as they need finance services. Hence providing micro financing facility to women produce the greater impact on the activities those improves the benefits of a micro financing facility given by institutions and leads to provide profit many people.

II. EMPOWERMENT

What is empowerment? The Nobel Laureate of our country Amartya Sen (1993) clarifies that opportunity to live diverse sorts of life is contemplated within individual's ability position. The ability of an individual lies on assortment of variables, counting individual characteristics and social and cultural events. In any case, the total bookkeeping of person flexibility goes past the capabilities of individual living, like a illustration, Can it be presumed that we had the opportunity to live a certain way, i.e. the comparing ability, if we lacked the courage to choose to live in a particular manner, despite the fact that we appear to live that way if we so choose?

The one more critical view given by Amartya Sen (1990) was that for estimating aspiration, one should focus on specific universally-recognized activities that pertain to the fundamentals of endurance and prosperity in any setting. Sen argues that if there are precise gender differences in extremely fundamental professional accomplishments such as access to food, health care, and security, they are evidence of differences in fundamental abilities rather than differences in preferences. Individual empowerment that exists within the current societal structure can be a source of empowerment. In this sense, this type of emancipation would be comparable to right to determine one's own claim, increased independence, and restraint over one's financial assets. Increased interest in managerial activities is a hallmark of empowerment, as it is the means through which people internalize the belief that they have both the ability and the responsibility to make decisions for themselves. Women's empowerment can be measured in a variety of ways, and Malhotra et al. (2002) compiled a table of the most widely used indicators from a wide range of social science disciplines. The systems under consideration assume that emancipation of women should occur on a wide range of dimensions, including but not limited to: economics and finance, society and culture, family and relationships, law and politics, and philosophy.

Females may be active within one of these sub-domains due to the extensive range of components included in these measurements. They provide an example of "socio-cultural" measurement, which takes into account many different aspects of women's empowerment, such as marriage frameworks, standards of women's physical mobility, and alternative social and cultural support frameworks and systems. Empowerment, according to the World Bank, is "the process of enabling individuals or groups to make choices and to translate those decisions into desired actions and outcomes."

III. MICRO FINANCE AND WOMEN EMPOWERMENT

Micro-finance programs not as it were grant males and females get to reserve funds and credit, but reach millions of individuals around the world accompanying them together frequently in composed bunches. In spite of the fact that there is no magic, they are possibly a really noteworthy commitment to sexual orientation uniformity and female's emancipation, like pro-poor advancement and gracious society fortifying. These initiatives, which aim to increase women's earning potential, may set in motion a chain reaction that ultimately benefits women economically, socially, politically, and in other ways.

As a fundamental part of achieving gender equality, small-scale fund administrations and groups including men also have the power to address and fundamentally transform men's mindsets and behaviors. Big portion of microfinance programs center females with an opinion to enable them to earn. There are shifting basic inspirations for seeking after women empowerment. A few contend that females are among the poorest and the foremost powerless of the underprivileged and hence making a difference them ought to be a need. From the perspective of women's rights activists, more access to financial systems represents a potential for greater empowerment. Microfinance is seen as a weapon in the fight for women's rights and independence by groups like these. Microfinance institutions are increasingly targeting women since they are more likely to succeed as borrowers, which is in line with the industry's stated goal of financial realism. Positive effects, including some quite substantial ones, on women have been observed in studies of self-help organisations whose activities are mediated by microcredit. Through resource development, pay and utilization smoothing, crisis aid arranging, and engaging and encouraging females by providing them authority over resources as well as increased self-esteem and information, they have performed useful roles in reducing the defenselessness of the poor.

IV. REVIEW OF LITERATURE

- Batliwala, (1994) women's empowerment strategies were broken down into three categories: the coordinates improvement strategy, which prioritized women's basic needs for food and shelter; the financial advancement strategy, which sought to strengthen women's financial position; and the awareness strategy, which organized females into collectives to address the source of persecution.
- Ranjula Bali Swain (2007) Microfinance: A Way to Win Over Women? Women in India have made great strides towards self-sufficiency, and non-governmental organisations (NGOs) that contribute in monetary services and specialized training have a greater opportunity to affect positive change.
- Malhotra (2002) compiled a set of the most widely-used metrics for gauging women's empowerment, using tools from a variety of fields in the social sciences to do so. This framework allows for the idea that women should be empowered in a variety of ways, including economically, socially, culturally, familiarly/interpersonally, legally, politically, and intellectually.
- Ranjula Bali Swaina and Fan Yang Wallentin (September 2009) to what extent does

microfinance help women? Evidence from an Indian SHG indicates that its members are actively participating in the microfinance programme on the basis that they have a greater propensity to challenge the sexual orientation norms and culture that limit their freedom to innovate and take initiative.

- Mayoux (1997) argues that there are negative effects of microfinance programmes on women. Women who have started their own businesses see only modest pay raises, which come at the expense of increased responsibilities and costs. Sometimes men inside the family use their credit to start businesses, and occasionally women wind up being employed as unpaid family labour with little benefit. In a few situations, she argues, women's increased independence was fleeting and prompted males to withdraw their support.

V. OBJECTIVES

- A. To examine impact of microfinance on women's empowerment.
- B. To assess impact of Self-Help Groups on women's empowerment.
- C. To make suggestions that will strengthen microfinance's role in advancing women's economic independence.

VI. RESEARCH METHODOLOGY

- A. Sources of Information:** The study is purely exploratory. It draws from primary and secondary sources. We relied on a variety of secondary resources, including periodicals, publications, working papers, reports from nonprofits, etc. A field study was conducted to gather the primary data.
- B. Sample Size:** 60 samples from 2 self help groups from the area of study had been taken.
- C. Strategy for information collection:** The structured interview was done for collecting information from the females' members of self help group.
- D. Statistical tools:** The data was analysed using the simple coefficient of correlation, cross tabulation, paired t-test, and percentage analysis.

VII. DATA ANALYSIS

A. Paired t-test

Hypothesis:

H₀ = There is no significant difference in mean income of females before and after joining self-help groups.

Table 1: Paired t-test table

	Mean	N	SD	Std. error mean
Income before joining the SHG	1.40	60	230.05	32.45
Income after joining the SHG	1.90	60	231.09	32.58

Source: Compiled from SPSS Software

The calculated probability is 0.000. We must thus conclude that the mean pay of those who joined the Self Help Group following the mean salary of those who did not join the Self Help Group was much greater. Therefore, microfinance is helping women earn much more money. Therefore, microfinance plays a crucial part in advancing the status of women.

VIII. FINDINGS

- A. After joining a SHG, women see a substantial rise in their financial stability.
- B. 90% of women who responded to a survey indicated they were encouraged to make major parenting decisions. In most cases, this number represents a major step towards economic independence.
- C. The vast majority of women surveyed said that microfinance had helped their families financially, which has led to more contentment and harmony at home.

IX. CONCLUSION

All of this points to the crucial role that microfinance is playing in the social, mental, and women's empowerment movements in India. Researchers discovered that access to microfinance credit and the wise use of that credit played a crucial role in boosting women's economic independence. The results of the experiments reveal that women's access to microfinance has a profound effect on their economic security, freedom of action, access to knowledge, and sense of worth. There is widespread agreement that microfinance is an important tool for achieving and maintaining sustainable economic growth. To consistently bring widely available goods to massive numbers of homeless people requires reevaluating some of our most basic assumptions and adapting accordingly. These days, microfinance institutions are working to combine the convenience and flexibility of informal accounting with the consistency and robustness of formal accounting. Microfinance can help the poor move up the economic ladder to a better standard of living and play a largely positive role in reviving women's empowerment, despite the fact that different studies conducted at different levels have come to different conclusions.

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