



Women Empowerment Through Micro Finance In India –Select Study

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Introduction

Women empowerment refers to increasing the spiritual, political, social, educational, gender or economic strength of individuals and communities of women. Women's empowerment in India is heavily dependent on many different variables that include geographical location (urban / rural) educational status social status (caste and class) and age. Policies on Women's empowerment exist at the national, state and local (Panchayat) levels in many sectors, including health, education, economic opportunities, and gender based violence and political participation. However there are significant gap between policy advancements and actual practice at the community level. Empowerment of women is essentially the process of upliftment of economic, social and political status of women, the traditionally underprivileged ones, in the society. It is the process of guarding them against all forms of violence. Women empowerment involves the building up of a society, a political environment, wherein women can breathe without the fear of oppression, exploitation, apprehension, discrimination and the general feeling of persecution which goes with being a woman in a traditionally male dominated structure. Women constitute almost 50% of the world's population but India has shown disproportionate sex ratio whereby female's population has been comparatively lower than males. As far as their social status is concerned, they are not treated as equal to men in all the places. In the Western societies, the women have got equal right and status with men in all walks of life. But gender disabilities and discriminations are found in India even today. The paradoxical situation has such that she was sometimes concerned as Goddess and at other times merely as slave.

Need of Women Empowerment

Reflecting into the "Vedas Purana" of Indian culture, women are being worshiped such as LAXMI MAA, goddess of wealth; SARSWATI MAA, for wisdom; DURGA MAA for power. The status of women in India particularly in rural areas needs to address the issue of empowering

women. About 66% of the female population in rural area is unutilized. This is mainly due to existing social customs. In agriculture and animal care the women contribute 90% of the total workforce. Women constitute almost half of the population, perform nearly 2/3 of its work hours, receive 1/10th of the world's income and own less than 1/ 100th the world property. Among the world's 900 million illiterate people, women outnumber men two to one. 70% of people living in poverty are women. Lower sex ratio i.e. 933, the existing studies show that the women are relatively less healthy than men though belong to same class. They constitute less than 1/7th of the administrators and managers in developing countries. Only 10% seats in World Parliament and 6% in National Cabinet are held by women.

Status of Women Empowerment

The status of Women Empowerment cannot be visualized with single dimension rather multidimensional assessment in terms of various components of women's life and their status would bring a clear conception. So, this paper tries to give a basic idea about the condition and status of women in terms of employment, education, health and social status. Before going to elaborate separately let us have a quick view of the overall status of women in terms of gender gap index prepared by World Economic Forum in 2012.

Table 1: Details of Gender Gap Index – 2012 (Out of 135 Countries)

Gender Gap sub-Indices	India		Srilanka	
	Rank	Score	Rank	Score
Economic Participation and Opportunity	123	0.4588	105	0.5596
Educational Attainment	121	0.8525	108	0.9946
Health and Survival	134	0.9612	1	0.9796
Political Empowerment	17	0.3343	22	0.3151
Overall Index	105	0.6442	39	0.7122

Source: World Economic Forum (2012) Global Gender Gap Index – 2012

The above table clearly depicts the status of low level of attainment of women in the varied field of their attainment. The ranking and scores for India amply proves that it is found in the lower rank even compared to Sri Lanka in all sub-indexes of gender equality. India gained eight places (from 113 ranks in 2011 to 105 rank in 2012) as a result of improvement in the educational attainments and political empowerment. Keeping aside the Political Empowerment, the other three indices is all above the rank of 100. The Political Empowerment ranks quite high may be due to the 73rd and 74th Constitution amendments of India providing greater opportunity to women to take part in active politics.

Concept of Micro Finance:

Microfinance is a concept that is helping the poor to avail of opportunities for economic growth. In India, microfinance has fulfilled the efforts of rural development, women empowerment and wealth generation by providing small scale savings, credit, insurance and other financial services to poor and low income households. Microfinance thus serves as a means to empower the poor and provides a valuable tool to help the economic development process.

The concept of micro financing and self-employment activities in rural areas has developed considerably over the last two decades. It is working neither on donation/charity nor on subsidy. It is basically rotational investment done to motivate the poor to empower themselves and practice the dictum 'Save for the future and use those resources during the time of need.' Theoretically, microfinance also known as microcredit or micro lending means making provision for smaller working capital loans to the self-employed or self-employment seeking poor.

Microcredit has been defined as the extension of small loans to be given in multiple doses based on the absorption capacity of the needy beneficiaries, who are too poor to qualify for formal bank loans, as they have no assets to offer as collateral security against loans.

'Microcredit' may be defined as the credit and repeated credit provided in small measures to suit the recipient's requirements, with a comfortable pace of repayment and at an appropriate rate of interest.

Microcredit has been defined by the microcredit summit held in Washington in February 1997 as "programmes that provide credit for self employment, other financial and business services to very poor persons."

Microfinance can be interpreted in a broader context both as microcredit and micro savings, even though microcredit and microfinance have come to be used interchangeably. However, when the term 'microfinance' is used it implies some other services accompanying credit viz. facilities for saving and availability of services for insurance of the assets acquired with microcredit. Microfinance has come to be referred to as a small scale financial services and technical assistance provided to rural people who operate small or micro-enterprises, provide services, work for wages or commission and other individuals and group working at local levels.

NABARD has defined microfinance as "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi- urban and urban provided to customers to meet their financial needs; with only qualification that (1) transactions value is small and (2) customers are poor."

Microfinance in the Indian Context:

The roots of the microfinance industry as it exists in India today can be traced back to the mid-1970 when some prominent NGO's such as MYRADA and PRADAN started using the SHG model as a platform for social mobilization. The earlier models of lending to the poor were characterized by state-sponsored programs such as the Integrated Rural Development Program (IRDP) which were in line with

the social welfare agenda of the state. The emphasis was on keeping the cost of the credit to the poor artificially low through interest-rate ceilings, but this resulted in low levels of institutional lending to the segment.

However in the 1990's, the Grameen Bank model and the ASA model promoted by the Association for Social Advancement, both from Bangladesh found rapid acceptance among the newer breed of microfinance institutions in India. Known as the on-lending 'models' they had the capacity for rapid up-scaling in terms of client reach. They were less dependent on donor or grant funds and enabled the institutions to borrow capital from larger institutions and then passing on the actual service charge to the individual borrowers while retaining a margin for its own growth. These models also spawned the growth of NBFC's and for profit institutions. The SHG model in the form of the SHG-Bank Linkage (SBLP) initiated in the early 1990's by NABARD and the rapidly growing MFI on-lending model both dominate the microfinance industry today.

Microfinance and Women Empowerment

Micro-finance programmes not only give women and men access to savings and credit, but reach millions of people worldwide bringing them together regularly in organised groups. Although no 'magic bullet', they are potentially a very significant contribution to gender equality and women's empowerment, as well as pro-poor development and civil society strengthening. Through their contribution to women's ability to earn an income these programmes have potential to initiate a series of 'virtuous spirals' of economic empowerment, increased well-being for women and their families and wider social and political empowerment. Micro finance services and groups involving men also have potential to question and significantly change men's attitudes and behaviours as an essential component of achieving gender equality.

Majority of microfinance programmes focus women with a view to empower them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. A more feminist point of view stresses that an increased access to financial services represent an opening/opportunity for greater empowerment. Such organizations explicitly perceive microfinance as a tool in the fight for the women's rights and independence. Finally, keeping up with the objective of financial viability, an increasing number of microfinance institutions prefer women members as they believe that they are better and more reliable borrowers.

Review of Literature

H. Subrahmanyam (2014) compares women education in India at present and Past. Author highlighted that there has a good progress in overall enrolment of girl students in schools. The terms empower means to give lawful power or authority to act. It is the process of acquiring some activities of women.

M. Bhavani Sankara Rao (2013) has highlighted that health of women members of SHG have certainly taken a turn to better. It clearly shows that health of women members discuss among themselves about health related problems of other members and their children and make them aware of

various Government provisions specially meant for them.

Doepeke M. Tertilt M. (2012) Does Female Empowerment Promote Economic Development?

This study is an empirical analysis suggesting that money in the hands of mothers benefits children. This study developed a series of non cooperative family bargaining models to understand what kind of frictions can give rise to the observed empirical relationship

Duflo E. (2011) Women's Empowerment and Economic Development, National Bureau of Economic Research Cambridge The study argues that the inter relationships of the Empowerment and Development are probably too weak to be self sustaining and that continuous policy commitment to equally for its own sake may be needed to bring about equality between men and women.

Sethuraman K. (2008) The Role of Women's Empowerment and Domestic Violence in child Growth and Under Nutrition in a Tribal and Rural Community in South India. This research paper explores the relationship between Women's Empowerment and Domestic Violence, maternal nutritional status and the nutritional status and growth over six months in children aged 6 to 24 months in a rural and tribal community. This longitudinal observational study undertaken in rural Karnataka, India included tribal and rural subjects.

Venkata Ravi and Venkatraman (2005) focused on the effects of SHG on women participation and exercising control over decision making both in family matters and in group activities.

Objectives of the Study:

The following are the objectives for the study:

1. To know the need of Women Empowerment through Micro Finance.
2. To present the status of Micro Finance in India
3. To analyze the Factors influencing the Economic Empowerment of Women.
4. To study the Micro finance Schemes for Women Empowerment.
5. To identify the problems in effective implementation of Micro Finance Schemes for Women Empowerment.
6. To offer useful Suggestions in the light of Findings.

Research Methodology

Sources of Data: The study will be exploratory in nature and is based on both primary and secondary data. Secondary data was collected from various journals, articles, working papers, NGO reports etc. Primary data was enumerated from a field survey.

Area of Sampling: The study will be conducted in the select districts of Telangana state through a field survey to get an insight of the problems, issues and challenges facing by women. **Sample Size:** A modest sample of 100 from 3 Micro Finance Institutions from the area of study have been considered to

conduct the present study.

Method for data collection: A structured interview schedule will be prepared and used for collecting data from respondents. Both open ended and close ended questions were included in the schedule.

Statistical tools: Simple correlation coefficient, paired t-test, cross tabulation and percentage analysis are used for the analysis of the data.

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