



Role of Microfinance on Socio-Economic Empowerment of Women-A Study

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Abstract: Micro finance programmes have been used as not only a tool for economic upliftment but also an effective way to meet women's practical and strategic needs. Self help groups can contribute towards improving the quality of lending a prompt and simple manner, ensuring need based loans and keeping the loan size within the repaying capacity of the borrowers. Empowering women to set goals organize themselves and make decisions about their lives and communities are a key part of poverty alleviation and socio-economic development. Women empowerment promotes equality between men and women. It has been an issue since time immemorial. Men are known to be the alpha while women serve as supports. Because of this connotation, women would like to ensure that they get the same benefits men receive. As the popular point of view says, what men are capable of doing, women can equally do them, too. The study is focused on education, business activities & amount of Investment, income, asset possession, entrepreneurial skills and social empowerment skills as the indicators to understand the impact of microfinance on economic empowerment of women.

Key Words: Micro Finance, SHGs, Women Empowerment, Economic Empowerment, Education, Income, Investment, Entrepreneurial skills Social Empowerment.

Introduction

“The women I know who are working today are working hard to build and create the lives they want to live - and there is nothing more compelling and powerful than that. It’s not just about the 9 to 5. It’s about having a full life lived to the fullest.” - Ivanka Trump.

The status of women is very low in the family as well as in the society. Lack of adequate levels of education and technical skills makes them generally dependent either on agriculture or forests. With changing roles, women are now struggling for alternative livelihood. The need to empower women and understand their perspectives in economic and social development has been realized. With the empowerment, women has develop skills to make decisions, organize, manage and carryout activities and deal with people and institutions in the world around them. The diversities in women’s conditions whether they are cultural, social, religious or simply their educational background, play a very important role in the programme of empowerment. Thus women play a participatory model of development. The creation of productive employment opportunities in rural areas as need to improve living conditions of rural poor in general, rural women in particular. In this regard, the Government of India is undertaking various income and employment generation programmes, with a particular emphasis on rural women. Micro finance programmes have been used as not only a tool for economic upliftment but also an effective way to meet women’s practical and strategic needs. As a result, women SHGs have taken the shape of movement. Indeed, it is a conscious path chosen by women to shape their own destiny. The purpose behind networking of women SHGs is to enable them to involve themselves in various development activities meant for their betterment and inculcate the habit of thrift among them. Self help groups can contribute towards improving the quality of lending a prompt and simple manner, ensuring need based loans and keeping the loan size within the repaying capacity of the borrowers.

Empowerment as a concept is very difficult to define, yet it is seen as a power that comes from within a person in the form of self-confidence, faith, and courage; it can also be derived from working with others to achieve more collectively than could be done separately. Empowering women to set goals organize themselves and make decisions about their lives and communities are a key part of poverty alleviation and socio-economic development. Micro-credit is often given “credit” for empowering women. The assumption is that participation in peer borrower groups and access to credit enables women to build a financial base of their own, enhance their skills, access peer support and gain social recognition.

Women Empowerment through SHG

The social status of women is a reliable indicator of the social development of the society. In India rural women suffer from being economically and socially invisible. Individual rural woman can overcome economic deprivation women need to alter this self-Image and therefore social image. To counter powerlessness and economic deprivation women need to alter this self-Image and therefore social image. To give rural women visibility and to enable society to come in contact with poor rural women they must get organized in groups. Thus the arrangement of credit supply to the poor Self Kelp Groups (SHGs) is emerging fact as a promising tool for promoting income generation and economic empowerment of women in rural areas. The formation of Self Help Groups in rural areas has cleats awareness among women about social issue and embodied then to take with the authorities. Rural development and alleviation of poverty are twin major hurdles that any developing nation faces

to which India is no exception. Poverty is a multi-faceted concept. It is a universal phenomenon. The phenomenon of poverty does not only affect the individual but is a producer of danger to nations

Objective of the study

The main objective of the study is to examine the role of microfinance on Socio-Economic empowerment of women in Telangana region.

Methodology

The study is a sample study. The sample for the study is select SHG's and the members of SHG's. For the purpose of sample, Self Help Groups based in Telangana region were selected. There are thirty one districts in Telangana region, Warangal district is selected. Two mandals are selected and from each mandal two villages are selected. From each village 3 SHG's groups consisting of 15 each member are selected for the study. Thus approximately 100 members are selected for participating in the study.

The study is based on both primary and secondary data. The main sources of primary data are respondents in the sample. The sources of secondary data are unorganized annual reports of selected self help groups, records and documents of selected self help groups in Warangal District. Primary data is collected through a structured questionnaire by holding interviews with various respondents in local dialectic. Secondary data is collected by personal visits to the select village gram panchayats, mandal offices, district office and libraries.

Results and Discussion:

Education

Education attainment is an important determinant factor of empowerment and socio-economic development in the lives of women. It enables them to think for themselves making confident and develop the capacity of recognizing more accurately the area of exploration. Thus, education is a crucial factor for developing women and also empowers them. The data relating to level of formal education of the respondents is shown in Table-1.

Table-1 Level of Formal Education of the Respondents

Education status	No. of respondents	Percentage
Illiterates	44	44
Primary	11	11
Secondary	28	28
Intermediate and above	17	17
Total	100	

Source: Field Data

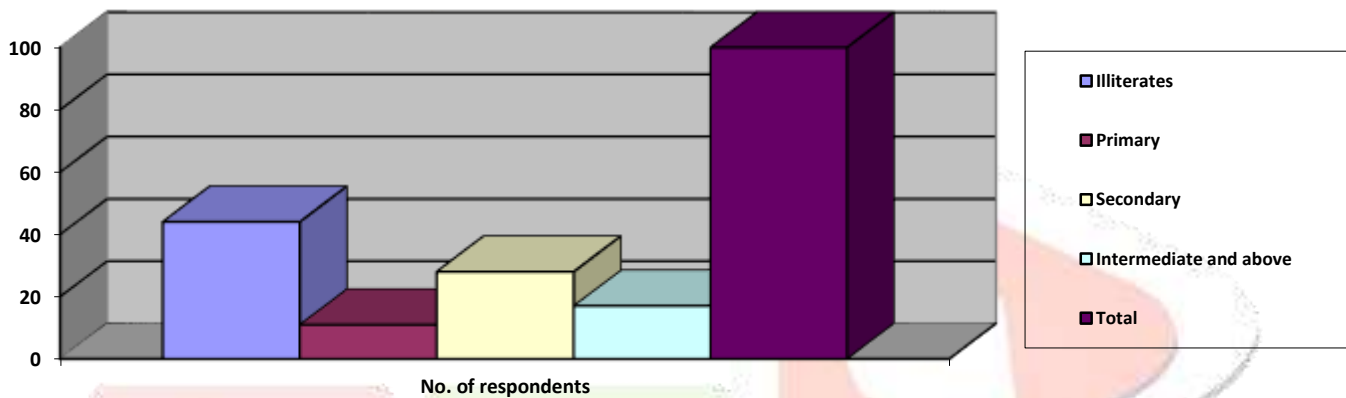


Table-1 depicts the level of formal education of respondents and it reveals that a significant portion of 44 per cent is illiterates followed by members with primary education (11 per cent), secondary education 28 per cent and Inter & above are 17 per cent. On the whole majority of the respondents are illiterates with regard to educational background of members. In rural areas, men as well as women have been suffering from lack of education. This also indicates that the women with good educational background are not attracted towards SHGs.

Business Activities

In fact, entrepreneurship has been seen as confined to manufacturing activity only, but it can be observed in the agriculture and service sectors also. Most of the industrial entrepreneurs started with commercial entrepreneurship. The main business activities of the respondents are presented in Table-2.

Table-2 Business Activities of the Respondents

Business Activity	No. of respondents	Percentage
Agriculture	35	35
Trading	20	20
Industry	10	10
Service	35	35
Total	100	

Source: Field Data

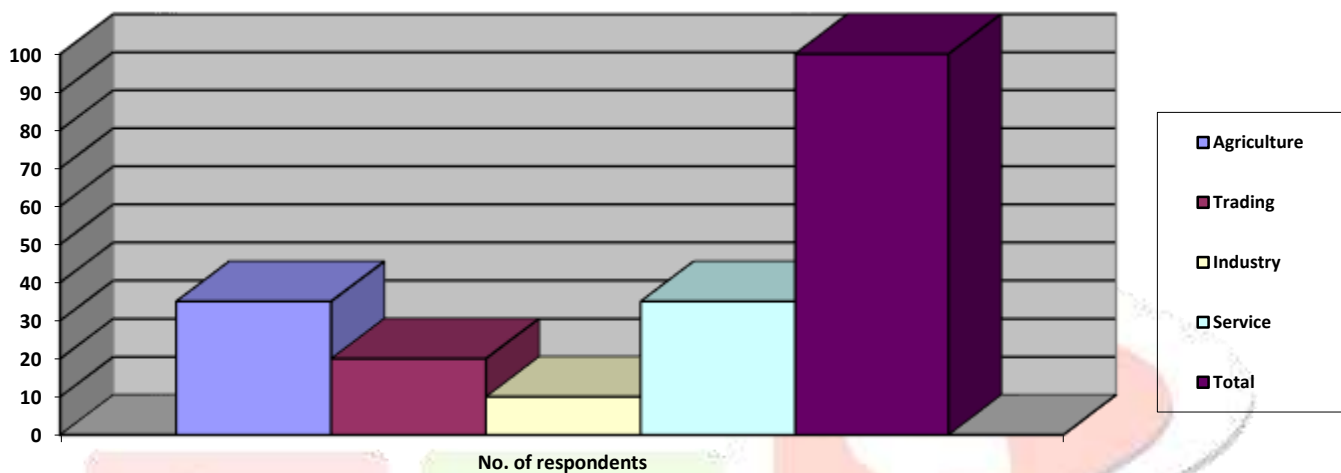


Table-2 indicates that the majority of the respondents are in the agriculture and service sector with 35 per cent in both sectors respectively. This is followed by trading which had 20 per cent of the respondents and 10 per cent of the respondents are into the industry sector. Women must have self help thought to become a self employee. It can be suggested that Government should design various self employment schemes to the women so that they can develop their skills to have a professional life.

Income

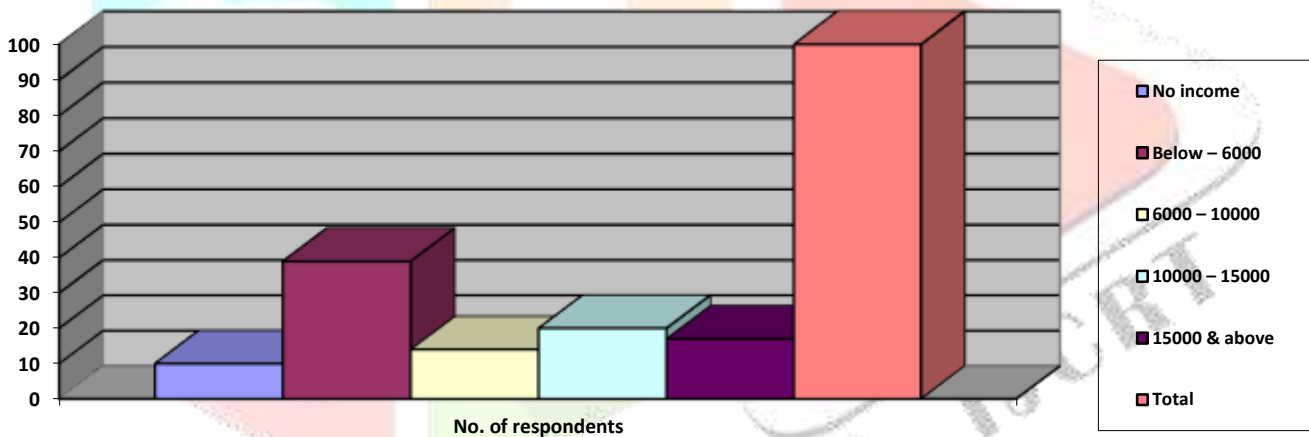
There is a close relationship between level of income and activities conducted by members of SHGs. In fact, it is the risk-taking person who earns a profit and improves financial position. Thus, one reinforces the other and ultimately it is the financial position and flow of income, which motivates one to become member of SHGs. The data relating to income wise distribution of members is shown in Table-3.

Table-3

Annual Income Level of the Respondents

Annual Income	No. of respondents	Percentage
No income	10	10
Below – 6000	39	39
6000 – 10000	14	14
10000 – 15000	20	20
15000 & above	17	17
Total	100	100

Source: Field Data



The data shown in Table-3 reveals that 10 per cent of the respondents does not earn income, the respondents who earn below Rs.6000 are 39 per cent, income of 14 per cent respondents is between Rs.6000 – 10000, income of Rs.10000 – 15000 accrue to 20 per cent respondents and 17 per cent respondents earn income Rs.15000 & above Government should financially help the women members who are below poverty line and show the way to earn income. But it is observed that the respondents are earning some income and contributing to the family for the development.

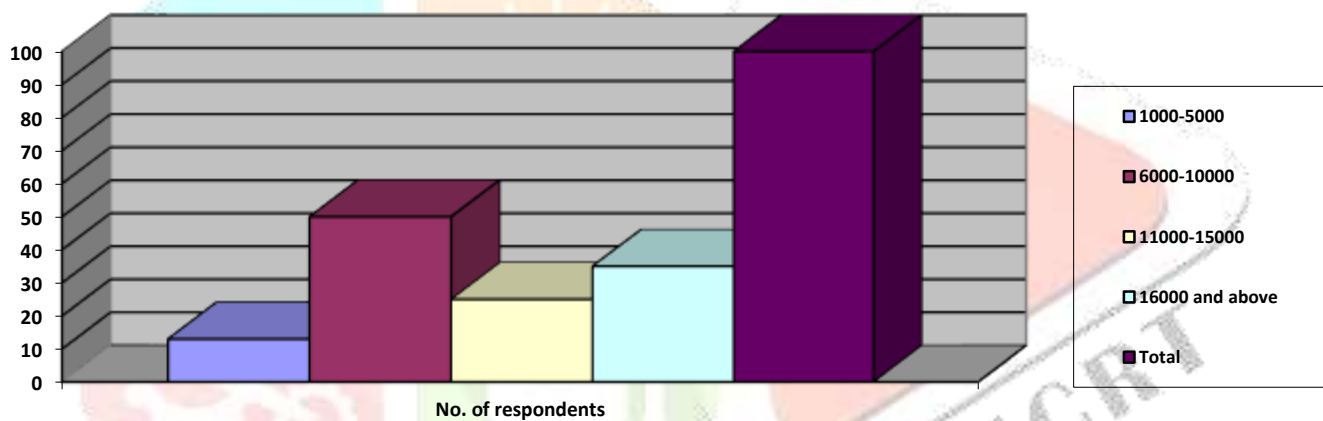
Size of Investment

Respondents are also asked to state the size of their initial investment and Table-4 gives the summary data.

Table-4
Size of Initial Investment

Size of Initial Investment (Rs)	No. of respondents	Percentage
1000-5000	13	13
6000-10000	50	50
11000-15000	25	25
16000 and above	35	35
Total	100	

Source: Field Data



From the Table-4, 13 per cent of the respondents started their businesses with start-up capital ranging from Rs.1000-5000, a majority of 50 per cent had a start-up capital ranging between Rs.6000-10000, 25 per cent of them started with amount ranging between Rs.11000-15000 only 12 per cent of the respondents have started their businesses with an amount Rs.16000 and above. This indicates that majority of the respondents manage small and micro enterprises which needs small start-up capital.

Asset Possession

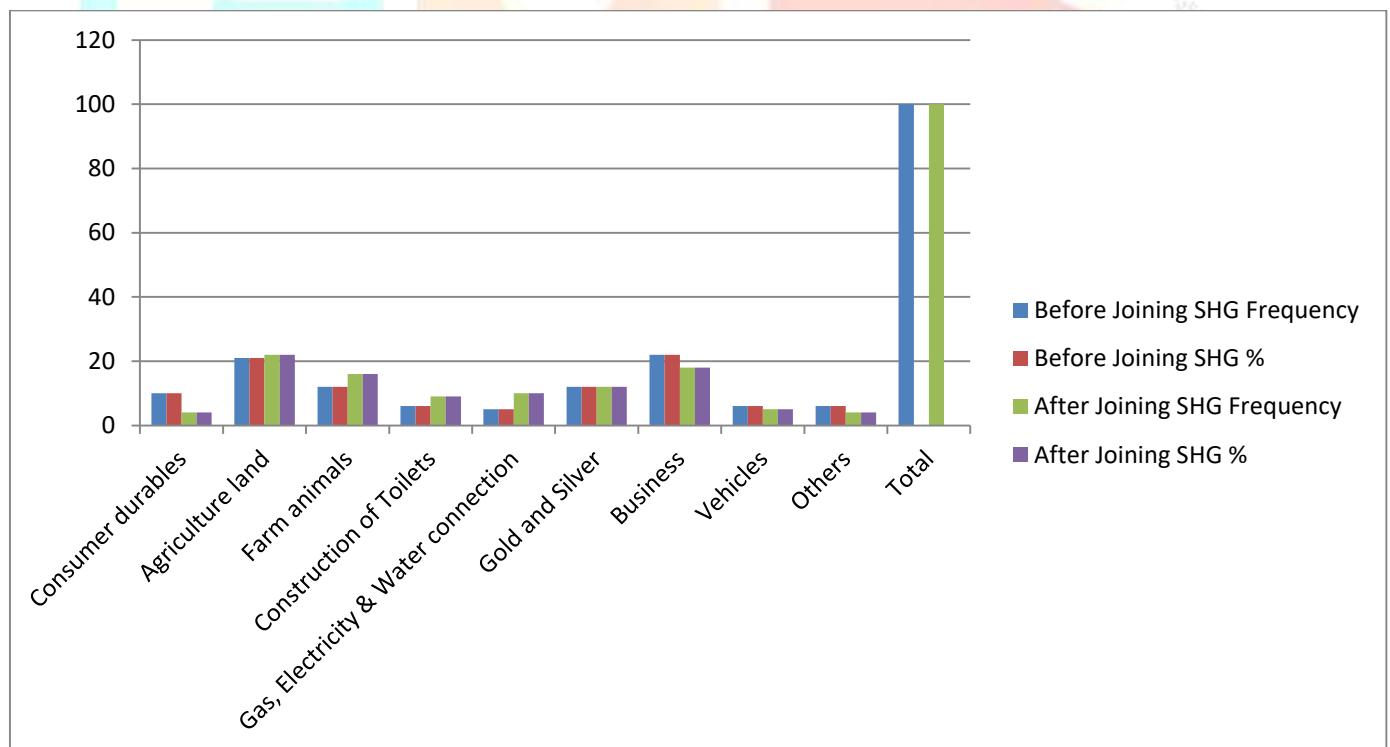
To understand the economic background of the SHG members, the asset structure of sample households is studied in terms of the size of land holding, animal husbandry, consumer durables and others in Pre and Post-SHG periods. The data relating to asset possession of the respondents is shown in Table-5.

Table-5

Types of Household assets acquired by the beneficiaries

Sets of assets	Before Joining SHG		After Joining SHG	
	Frequency	%	Frequency	%
Consumer durables	10	10	4	4
Agriculture land	21	21	22	22
Farm animals	12	12	16	16
Construction of Toilets	6	6	9	9
Gas, Electricity & Water connection	5	5	10	10
Gold and Silver	12	12	12	12
Business	22	22	18	18
Vehicles	6	6	5	5
Others	6	6	4	4
Total	100		100	

Source: Field Data



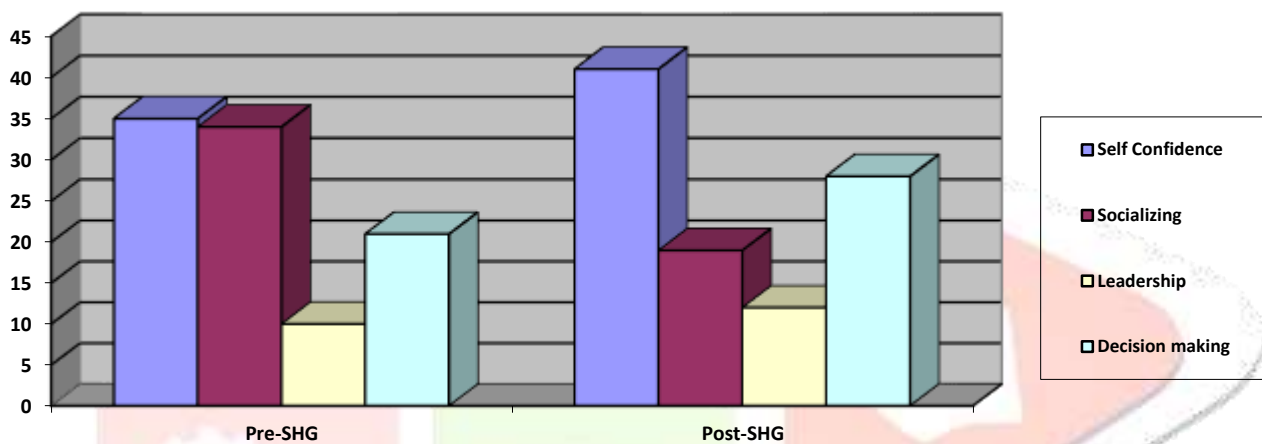
From the above table it is observed that before joining SHG based on the willing and perception of people all are involved in different sets of assets among them more relayed on agriculture land, farm animals, gold & silver and business. After joining SHG however overall it is increased by 16%, 9% and 22% in farm land, construction of toilets and agriculture land as compared to other assets.

Social Empowerment Skills:

The level of social empowerment of the respondents is presented here in the Table-6.

Table-6
Social Empowerment Skills of the Respondents

Asset	Pre-SHG	Post-SHG
Self Confidence	35	41
Socializing	34	19
Leadership	10	12
Decision making	21	28



Source:

Field Data

The study in Table-6 reveals that levels of self confidence are increased by 41% and the power of decision skills by 28% through the economic empowerment supported by microfinance after joining the SHG.

Conclusion

The level of financial status is closely related to the activities conducted by Self Help Groups. The poor financial status, poor educational background and lack of proper encouragement are the hurdles to become entrepreneurs. There is a need to create increased awareness among the rural women regarding the formation and benefits of SHGs. For this, the promotional agencies should come forward to conduct programmes for imparting training and motivation to women. Government should take steps to provide appropriate technology, know-how and institutional support for furthering of interest in the rural women. Promotional agencies like NGO's, banks and other agencies should also participate in this effort by conducting awareness programmes through lectures on issues concerning women.

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