

MICROFINANCE AND WOMEN EMPOWERMENT IN INDIA

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Abstract

Microfinance helps the economically backward section of the society especially women. In less developed countries like Bangladesh and India, we have seen change in economic conditions of women. Any concept of empowerment can be achieved when women are financially sound. In India, the last decade has seen a growth of Microfinance institutions across the country. Urban poor and rural poor women are witnessing signs of economic sustainability due to Microfinancing Institutions and Self Help Groups.

Keyword: Microfinance, Women empowerment, Economic sustainability, Self help groups

1. INTRODUCTION

Microfinance is that category of finance which is concerned with providing financial services to economically weaker sectors of the society in the form of small loans, lower interest rates, self help groups and cooperative societies. Women empowerment means increasing the autonomy of choice and self-determination in women and promoting equality for all genders. Microfinance helps in empowering women from poor households. Women specifically gain from microfinance as many microfinance institutions (MFIs) target them. Microfinance services help in women's empowerment by positively influencing women's power to make decisions and improve their social and economic status. Microfinance first started in Bangladesh and in parts of Latin America during the 1970s to provide financial services to those poor sections of society who weren't capable of benefiting

from the formal finance services. The concept of microfinance thus gained popularity and began to be implemented in various low income and underdeveloped/developing countries. The objective of our research is to evaluate the impact of microfinance on the empowerment of women in India in terms of both its pros and cons.

2. REVIEW OF LITERATURE

1.1. The miracle of Microfinance? Evidence from a randomized evaluation IFMR Research

Published by: Abhijit Banerjee, Esther Duflo, Rachel Glennerster, Cynthia Kinnan
Published in: October 2009

This is a study done by the authors with the help of Spandana, a microfinance institution. The study was conducted in Hyderabad in a randomised selection of areas of treatment(where microfinance facilities were introduced) and comparison(where microfinance facilities were not introduced). The analysis was done after 15-18 months of introducing the microcredit facilities measuring its impact. The results revealed that even though there was a huge change in the household expenditure and expansion of business, there was no perceivable change or impact on women empowerment and education. However, it was concluded that changes in women empowerment and education may occur in the future as a long term impact, as this analysis was done within 15-18 months of introducing microcredit.

1.2. Microfinance and the mirage of Women's Empowerment

Published by- Shubham Singh
Published in - E-International Relations Students
Date of publishing- October 2018
E-International Relations Students
This article talks about the background of Microfinance and its efficiency with respect to women's empowerment. It argues that even though MFIs claim that they help empower women and improve their condition, a lot of empirical evidence points at the fact that women that are part of these groups have had to face humiliation, exploitation and abuse as a result of microfinancing.

1.3. The promise of Microfinance- What does the evidence say?

Published by-Dina Pomeranz
Published in -EY Publication
Date of publishing-(2014)
This article from EY discusses the importance of randomized evaluations in the analysis of effectiveness of microfinance towards empowering of women. It discusses the parameters of microcredit, microsavings and microinsurance and concludes that even though these facilities play an important role in improving gender gaps, there are still a lot of aspects that are needed to be implemented to make a significant difference.

1.4. Role of Microfinance in Women Empowerment

Published by- K Swapna
Published in -International Journal of Business Administration and Management
Date of publishing-(2017)
This study aims at exploring the role of women in the Indian economy and assessing the role of microfinance for women empowerment. This study concludes that microfinance doesn't just empower women economically, but also socially.

1.5. Impact of Microfinance on Women Empowerment: An Empirical Evidence from Andhra Pradesh

Published by- Sujatha Gangadhar CH, Malyadri P
Date of publishing-: July 8th 2015
Published in - Secunderabad, India

This research article is written with the intention of evaluating the effectiveness of microfinance on women empowerment. The primary data collection done by the aforementioned researchers was done through a structured questionnaire from 215 women who were associated with SHGs (Self Help Groups) in the state of Andhra Pradesh. The criteria of selection for these 215 was being married and having at least one child. Exploratory factor analysis was used to study the following indicators: Household Economic decision making, Legal awareness, Mobility, Economic security and Family decision making. Paired samples test was used to know the difference in women's perception of before and after joining a microfinance program.

1.6. Women Empowerment Through Micro Finance: A Boon for Development

Published by-Tivas Biswas
Published in - National Institute of Technology, Durgapur.
This article talks about how women have lagged behind in almost all sectors and how the women who were engaged in self employment activities have ended up losing their livelihood. How their work is considered just as an extension of household domain and remains non-monetised. According to the article the dimensions of microfinance approach are: savings/thrift precedes credit, credit is linked with savings/thrift, absence of subsidies, group plays an important role in credit appraisal, monitoring and recovery. The article also talks about the feminist empowerment paradigm, poverty reduction paradigm, financial sustainability paradigm, and etc.

1.7. Role of Microfinance in Women Empowerment in India

Published by- Dr. Shuchi Loomba
Published in - IMS, Ghaziabad
This article talks about the role of microfinance in women empowerment in india. According to a report by the World Bank, societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and a lower living standard for all people. It has been documented that an increase in women's resources results in the well-being of the family, especially children. The major

objectives of the study are: to study the role of microfinance in women empowerment, to study the performance of SHGs in Ghaziabad district, to analyse the empowerment which women members get in SHGs, and to offer suggestions for betterment of women's empowerment through microfinance. 50 samples from 3 SHGs from the area of study were collected. Both open ended and close ended questions were included in the schedule.

1.8. Self-Help groups: A Keystone of Microfinance in India- Women Empowerment & Social Security

Date of publish: October 2005

Published in: Hyderabad

This paper examines the SHG operating model, the state of SHGs today, their impact on civil society and how they need to be supported going forward. The formation of common interest group that mostly consist of women has a significant impact on their lives. Women's empowerment and social security has been constantly improving. The article also talks about the history, structure, the state of SHGs in India, and etc.

1.9. Role of Micro Finance in Women's Empowerment

Published by- S.Sarumathi and Dr.K.Mohan

Date of publish- September 2011

In this paper the role of micro finance in women empowerment is considered into three dimensions : psychological, social, and economical. The objectives of the study are: to understand the performance of SHGs in Pondicherry district, to analyse the freedom women members get in SHGs, to study the problems women members face in SHGs, to analyse the empowerment of the women psychologically, socially and economically, and to offer suggestions for the betterment of women's empowerment in SHGs. Both primary and secondary data are used.

1.10. Microfinance and women empowerment evidence from India

Published by- Ms. Madhavi Kodamarty

Ms. Ranjini Srinivasan

Published in - Indian Journal of Applied Research

Date of publishing- February 2016

Through socio economic variable the decision-making power, knowledge and self-worthiness, self-confidence etc. of the women has increased, and this showed the positive impact in the economic variable such as income, employment, household consumables, savings etc.

It is also found that women are better at repayment of the loans and their proper usage.

Also mentioned about some factor due to which many women do not take the opportunity such as traditional beliefs, inadequate family support for self-employment, superstitions, socio culture factor etc.

1.11. Self Perception of Beneficiaries - A Study with reference to Gandhinagar district of Gujarat

Published by- Ms. Madhavi Kodamarty

Published in - International journal of scientific research

Date of publishing- January 2016

This study shows different factors which is contributing to the self perception of empowerment of the women such as personal empowerment, economic empowerment, social empowerment. These factors influence the microfinance in a positive way among the members of self help groups (SHG's).

This increase the income of the women as well as their decision making ability, greater access to education, improve health and nutrition, more knowledge about banking facilities and many more things which helped them to improve their standard of living and to create employment opportunities for others as well.

1.12. Evidence from the self help group bank linkage programme in India

Published by- Ranjula Bali Swain

Published in - Division for Market Development

Date of publishing- September 2006

This study tell us that how the SHG(self help group) bank linkage programme acts as a catalyst to improve the control, management ability, decision making etc. in the SHG households but this not empowers women. To empower women they need to connect with microfinance as well as other non-financial services like training, awareness creation programmes, education etc. this will help women to improve their position in the households, community and society.

most of the SHG household, women are completely independent to choose their raw materials and to take

decisions regarding that and at what price and where do they have to sell their final product. Through this they also create employment to others and become economically and socially independent.

1.13. Women Empowerment through Microfinance

Published by- Dr. Arti Mudaliar, Miss Ayushi Mathur
Published in - International journal of Arts, humanities and management study.

Date of publishing- February 2015

This study tells us that Women's empowerment requires an ultimate change in the development scheme not only at the micro level but also at the macro level to challenge gender subordination at the micro-level. Microfinance should focus on the combination of both the aims that is the combination of women's empowerment with sustainability. This can be achieved only with the extensive discussion with women, examination of their needs, strategies and limitations, and a process of negotiation between women and development agencies.

1.14. The Impact of Microfinance on Women Empowerment: Evidence from Eastern India

Published by- Rahul Nilakantan, Saurabh C Datta, Priyanjali Sinha, Samar K Datta

Published in- International Journal of Development and Conflict

Published on- June 2013

This study shows us the importance of the need to adopt different explicitly design program features to promote women empowerment. Because it found that greater access to microfinance as measured by longer duration of treatment is associated with a decreased likelihood of the borrower managing the enterprise, lower likelihood of increased influence over expenditure related decisions, and higher likelihood of increased influence over child related decisions.

1.15. Microfinance and women empowerment: A case study of District Bahawalpur

Published by: : Rana Ejaz Ali Khan and Sara Noreen

This study is an attempt to explore the socioeconomic determinants of women empowerment, focusing on the women who have availed the micro-credit. Women

empowerment is measured through the following indicators: child health, education, selection of spouse, purchase of basic goods and decision of household savings. The results based on the primary data of district Bahawalpur show that women empowerment is considerably influenced by age, education of husband, father inherited assets, marital status, number of sons alive and amount of microfinance.

1.16. Microfinance and Women's Empowerment: An Empirical Evidence in Vietnam

Published by: Anh Phuoc Thien Nguyen

Published on: Spring 2018

Published in: University of New Hampshire

his article is a study of the impact of microfinance on women's empowerment with a case on TYM funds- a Vietnamese microfinance program initiated by Vietnam's Women Union. The purpose of the study is to examine whether the members of the program are more empowered than non members. The author divided the indicators of empowerment in to three subdimensions: Economic Security, Household Major Decision, and Community Involvement. The survey was conducted on 544 women including in-training, new and mature clients. The data is taken from an AIMS/SEEP Impact Assessment Survey provided by TYM fund.

1.17. 'Microfinance and women's empowerment: Rethinking 'best practice''

Published by: Mayoux, L

Published in year: 2002

Published in: Development Bulletin

This article discusses the impact of microfinance on women empowerment and the drawbacks of the same with respect to the extent of empowerment. It talks about the state of microfinance results and the requisites to improve the condition and effectiveness of MFIs on the poor women.

2. RESEARCH OBJECTIVES

With the backdrop provided, the main objectives of this study are as follows:

- To evaluate the findings from various research papers whose authors conducted primary research for the topic at hand.

- To evaluate the effectiveness of microfinance on empowerment of women in India.
- To analyse the empowerment which women members get in SHGs.

3. RESEARCH METHODOLOGY

The study is based solely on secondary data which was collected from various pre-published articles and research papers that consisted of primary data collected through many field surveys and experiments such as the one conducted by Abhijit Banerjee, Esther Duflo, Rachel Glennerster, Cynthia Kinnan in Hyderabad by introducing microcredit and studying how that affected women's empowerment over a period of time.

One particular survey amongst many was the one done by Sujatha Gangadhar CH and Malyadri P which was through a structured questionnaire from numerous women who were associated with SHGs in the state of Andhra Pradesh. Many criteria were used to define the type of women chosen.

3. CONCLUSION

Observations:

1. Microfinance helps in improvement of factors such as household decision making, mobility, legal, social and economic awareness and economic security.
2. Women empowerment through microfinance contributes and plays a significant role in decreasing the gender gap. However, it isn't the only factor as there are various other ones that affect the gender gap.
3. The participation in SHGs has exceptionally helped increase the level of income, occupation, savings, and contribution to consumption expenditure and also in the ownership of both productive and household assets. However, being a part of the aforementioned groups comes with its disadvantages such as the economic pressure and harassment by MFIs and by other members of SHGs.
4. Microfinance has resulted in becoming both a boon and a curse for women due to a variety of factors.
5. Even though microfinance helps in improvement of a lot of factors, the institutions providing these facilities need to understand that providing just credit to poor women will not help in their development and empowerment, they need to be

trained in skills which can help them in putting the availed credit to productive use.

6. In order to outweigh the pros to the cons, MFIs need to be more aware of the problems faced by these women and work towards improving their condition rather than making vague claims about the impact of microfinance.
7. There seems to be a lack of evidence correlating to the long term impact of microfinance. There is very little evidence about the extent to which microfinance clients have got out of poverty and into mainstream financial services.
8. This can be achieved only with an extensive discussion with women, examination of their needs, strategies and limitations, and a process of negotiation between women and development agencies.

4. LIMITATIONS

1. It is complicated to measure the impact of microfinance on women empowerment, because there are no specific indicators of empowerment.
2. As this is a secondary research our findings have been derived from incomplete information.

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