



AN EVALUATIVE STUDY ON EMPOWERING WOMEN THROUGH MICRO FINANCE

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ABSTRACT

Micro finance is a concept that is helping the poor to avail of and create opportunities for economic growth. In India micro finance has fuelled 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. Micro finance thus serves as a means to empower the poor and provides a valuable tool to help the economic development process.

KEY WORDS: *Micro finance, SHG.*

INTRODUCTION

In India, the concept of micro finance was introduced by NABARD in the nineties to bridge the gap between demand and supply of funds in the lower rungs of the Indian economy. It aims at the eradication of rural and urban poverty through the linkage of SHGs with Micro Finance Institutions. Microfinance is the provision of access to credit and allied financial services to the poor and vulnerable group of the society. In financial sector these groups are referred as excluded population. Thus there is a need for including the excluded population of society in the formal financial system by providing access to financial credit and services. Government of India with the objective of increasing the reach to the maximum households in the country came with the focused policy objective of Financial Inclusion.

STATEMENT OF PROBLEM

Absence of capital is a genuine requirement to the improvement of poor ladies in provincial and urban regions who discover next to zero access to credit. Credit can enable ladies to take up cultivate and partnered exercises. A little credit, to people to set up or grow a little self-managing business, through which employments are made, learning is shared, metro interest increments.

OBJECTIVES

1. To find the Benefit of the scheme & analysis the percentage of people Benefit through availing micro finance.
2. To measure the level of income of the rural/urban women after availing microfinance.
3. To find out the purpose of getting micro finance.
4. To identify the hurdles among faced by women empowerment.

RESEARCH METHODOLOGY

Methodology is a way to systematically solve a research problem. It explains the various steps that are generally adopted by a researcher to solve a research problem.

Research Design

The results of the study were obtained by descriptive analysis.

Area of study

Coimbatore City is the second largest city and is one of the major metropolitan cities in Tamil Nadu. The study covers in the area of "An Evaluative study on Empowering women Through Micro Finance".



Period of study

The study covers a period of 3 months January 2023 - March 2023.

Sampling procedure

A sample design is a definite plan for obtaining a sample from a given population. 120 samples were selected by snow ball sampling method. It is one of the probability sampling techniques.

METHOD OF DATA COLLECTION

Collection of data

Collection of Primary and Secondary Data

primary data

Data collected from women who had availed of microfinance from SHG and other microfinance organizations.

Secondary data

Data published in various microfinance journals, reports from Resource NGOs, Microfinance publication from NABARD etc.

TOOLS USED FOR ANALYSING THE DATA

Study has the objective of ascertaining the “AN EVALUATIVE STUDY ON EMPOWERING WOMEN THROUGH MICRO FINANCE” for analysing the primary data the following statistical tools was used.

- Percentage Analysis
- Ranking Analysis

REVIEW OF LITERATURE

1. **Beley mengstie (2022):** Impact of microfinance on women's economic empowerment. Women's economic empowerment a strategy aimed at enabling women in decision-making, increment in income and asset ownership. The main aim of the study is to examine the impact of microfinance on women's economic empowerment. Data were derived from a questionnaire of a sample of 346 women clients of microfinance. Multiple regression and paired sampled *t*-test data analysis techniques were used in the study.
2. **Dr. M. Abdul Rahuman(2021):** A Study On The Beneficiaries' Perception Of Micro Finance Schemes Extended By The Commercial Banks In Tirunelveli .Microfinance is a dominant instrument to improve poverty and empowerment of rural people and it is efficient in bring communal and financial changes. Nowadays the majority of the Banks have to provide microfinance for the needed public.the main objective if the study is to value and evaluate the impact by the customers of commercial banks in utilizing in micro finance scheme.the research design is adopted in the study was a descriptive design.the area of the study is in Thirunelveli district.the study was conducted for two months.the study is collected both primary and secondary data.The sampling design is convenient random sampling.total number of samples is 120.the collected data was analyzed with the help of a percentage table and five points Likert scale.
3. **Dr. A. Thilagaraj(2020):** A Study On Women Empowerment Through Self- Help Group Members With Special Reference To Virudhunagar District In Tamil Nadu. Women's empowerment has been visible in recent years as a focal topic in determining their status. The objective of the analysis is intended to replicate the social impact of the self-help group of women to investigate the changes in the SHGs social clause, to assess the influence of the SHGs on the social status of individuals and to differentiate the attitude of individuals from the SHGs and their social impact. The inquiry is separate with the ultimate aim of making use of only critical data. The critical information was collected. via a field summary, the size of the exam is 300, for example, Interviewees. Stratified random testing was used by the specialist. The respondent's survey and the information was collected from Virudhunagar, District, Tamil Nadu.
4. **Mritunjay Kumar(2018) :** A Literature Review on Women Empowerment.Focused on the theory that women are different from men in social roles and that these disparities result in asymmetrical, discriminatory gender power relationships, 'women's empowerment' relates to increasing women's right to influence of their strategic decisions in life and their opportunity to completely grow their potential.As an economic, political and social culture phase, women's empowerment questions the framework of sexual stratification that has contributed to the subordination and marginalization of women to increase the quality of life of women. This review article provides an overview of women empowerment status in India.
5. **SHALINI AGGARWAL(2017):** A Study on Women Empowerment through Self-Help Groups with special Reference to Ghaziabad in Uttar Pradesh District. Self-Help Groups basically follow the principle of, „for the people, by the people and of the people. The study used primary data and secondary data for analysis according to the objectives set out in the study. Primary



data were collected by structured questionnaire method. Secondary data were collected from websites and subject book. The present study covered from 2 blocks of Ghaziabad district from Uttar Pradesh. The sample size is 150 respondents consisting all categories of Self Help Group members from Ghaziabad district of Uttar Pradesh. The main objective of the study is To study the economic empowerment, social empowerment and personal empowerment of SHGs members. .To study the income pattern of SHGs members before joining Self Help Group and after joining Self Help Group.

FEATURE OF MICRO FINANCE

1. Microfinance is a tool for the empowerment of poor women;
2. Loans under microfinance programmes are very small;
3. Microfinance targets the poor rural and urban households;
4. Credit under microfinance follows thrift i.e. mobilize savings and lend the same;
5. Low transaction cost due to group lendings;
6. Transparencies in operation;
7. Short repayment period;
8. Simple procedure for reviewing, processing and approving loan applications and delivery credit;
9. Chances of misutilization are rare and there is assured repayment;
10. Peer pressure act as the collateral security required for loans;
11. Need based loan disbursement;
12. Prompt repayment; and
13. There is no ceiling from the RBI in respect of minimum and maximum amounts.

NEED FOR MICROFINANCE

Microfinance 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. Access to credit has been given considered a major poverty alleviation strategy in India. Micro-credit has given women in India an opportunity to become agents of change. 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.

DATA ANALYSIS

CRITERIA	OPTIONS	NO OF RESPONDENTS	PERCENTAGE
AGE	19-25	29	24.2%
	26-35	32	26.7%
	36-45	43	35.8%
	ABOVE 46	16	13.3%
EDUCATION	ILLITERATE	1	0.8%
	PRIMARY SCHOOL	22	18.3%
	HIGH SCHOOL	46	38.3%
	GRADUATE	51	42.5%
GEOGRAPHICAL BACKGROUND	RURAL	63	52.5%
	URBAN	57	47.5%
OCCUPATION	LABOUR	15	12.5%
	AGRICULTURE	27	22.5%
	BUSINESS	62	51.7%
	HOME MAKER	16	13.3%
FAMILY STATUS	NUCLEAR	54	45%
	JOINT	66	55%
NO OF MEMBERS IN FAMILY	BELLOW 3	11	9.2%
	3-5	48	40%
	6-8	52	43.3%
	ABOVE 8	9	7.5%



EARNING MEMBERS	1 PERSON	7	5.8%
	2 PERSON	50	41.7%
	3 PERSON	51	42.5%
	MORE THAN 3 PERSON	12	10%
ANNUAL INCOME	BELOW 50000	7	5.8%
	50001- 100000	56	46.7%
	100001-200000	36	30%
	ABOVE 200000	21	17.5%
BPL	YES	51	42.5%
	NO	69	57.5%
EXPENSES	LESS THAN 5000	Nil	Nil
	5000-10000	39	32.5%
	10001-20000	64	53.3%
	ABOVE 20000	17	14.2%
PURPOSE OF LOAN	PERSONAL	16	13.3%
	MEDICAL	32	26.7%
	AGRICULTURE	27	22.5%
	BUSINESS	29	24.2%
	OTHER	16	13.3%
LOAN TAKEN	BELOW 10000	3	2.5%
	10000-20000	53	44.2%
	20001-50000	48	40%
	ABOVE 50000	16	13.3%
LOAN REPAYMENT	LESS THAN 1	13	10.8%
	2-3	39	32.5%
	4-5	53	44.2%
	MORE THAN 5 YEARS	15	12.5%
FACING DIFFICULTY	YES	92	76.7%
	NO	28	23.3%
DIFFICULTY	LACK OF SUPPORT FROM FAMILY	13	10.8%
	DIFFICULTY IN FULLFILL GOVERNMENT FORMALITIES	49	40.8%
	SHORT PERIOD OF REPAYMENT OF LOAN	30	25%
	NONE	28	23.3%
PROBLEM FACING	YES	103	85.8%
	NO	17	14.2%
REASON FOR NON REPAYMENT	NATURAL CALAMITY	14	11.7%
	HEALTH/ILLNESS PROBLEM	45	37.5%
	LACK OF SOURCE OF INCOME	44	36.7%
	NONE	17	14.2%
RANKING ANALYSIS			
SL.NO	FACTORS	SCORE	RANK
1	FOOD	387	I
2	RENT	379	II
3	UTILITY BILLS	325	V
4	LOAN REPAYMENT	337	IV
5	HEALTH CARE EXPENSES	339	III



FINDINGS, SUGGESTIONS AND CONCLUSIONS

SUMMARY OF FINDINGS

PERCENTAGE ANALYSIS

1. Mostly (35.8%) of respondents are under the age of 36-45.
2. Mostly (42.5%) of respondents educational status are Graduate.
3. Majority of (52.5%) respondents are belongs to rural background.
4. Majority of (51.7%) respondents are belongs to Business.
5. Majority of (55 %) respondents are belongs to joint family.
6. Mostly (43.3%) of respondents family members are upto 6-8.
7. Mostly (42.5%) of respondents had 3 earning member of the family.
8. Mostly (46.7%) of respondents are between 50001-100000 of annual income
9. Majority of (57.5%) of respondents are belongs to no
10. Majority of (53.3%) of respondents are between 10001-20000 of monthly expenses
11. Mostly (26.7%) of respondents are getting loan for Medical purpose.
12. Mostly (44.2%) of respondents are taken loan upto 10000-20000.
13. Mostly (44.2%) of respondents repaid loan upto 4-5 years.
14. Majority of (76.7%) respondents are belongs to yes.
15. Mostly (40.8%) of respondents are facing difficulty in fulfil government formalities.
16. Majority of (85.8%) respondents are belongs to yes
17. Mostly (37.5%) of respondents are facing Health/illness problem.

RANKING ANALYSIS

1. Most of the respondents ranked food (387).

SUGGESTION

- Need to improve financing facility
- Awareness regarding micro finance
- Increase flexibility

CONCLUSION

This study concludes that microfinance is very necessary in India to achieve financial inclusion of the poor in the rural and urban areas. Lending to the poor population if handled in an effective manner it can be a miracle for the development of the country and alleviation of Poverty. If government and MFIs act together then microcredit can play a great role in poverty alleviation. The challenging issue in microfinance helps to reduce the financial problems faced by poor people. Inability of MFIs in getting sufficient funds is a major challenge in the microfinance growth and so these institutions should look for alternative source of funds. The impact of microfinance is appreciable in bringing confidence, courage skill development among poor people. Thus external factors such as microfinance institutions are needed to help fix these problems.

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