



WOMEN EMPOWERMENT THROUGH MICRO FINANCE: A BOON FOR DEVELOPMENT

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ABSTRACT

In India, Women constitute 48.15% of the total population and the ability of women has not been fully utilized by India due to different reasons viz., social, cultural, educational, political etc. In view of this Indian women's status is not good as compared to men in respect of power, control over economic resources, wages, education, confidence, economic independence, social security, financial resources, over dependence on creditors to get credit, family ties, gender discrimination, sexual harassment etc. In array to overcome the women's problems the woman empowerment is essential. As result of this the concept of women empowerment gaining more importance in recent past and women has develop into a socio and economy of nations like India and other developing countries in the world. Women empowerment concerned with giving power, 'creating power within' and 'enabling' them to contribute something towards family and nation. The women empowerment facilitates to understand their full personality as well as powers in all level of society and life. The women empowerment always provides different powers to "women" such as social recognition, dignity, prosperity, property, value and security. In this article, The basic objectives of the research is to review the socio economic development through micro finance of SHGs members, and to review the factors and impact of self help groups on the socio-economic condition of SHGs women, to review the role of SHGs in empowerment of self help groups member in terms of economic, social and political status.

KEY WORD : Women empowerment, Microfinance, and SHG

INTRODUCTION

Microfinance has gained a lot of significance and momentum, both theoretically and practically in the last decade. India now occupies a significant place in global microfinance through promotion of the Self- help Groups (SHGs) and the native SHG Bank Linkage Programme (SHG-BLP) model. The Indian model offers greater promise and potential to address poverty and marginalization as it is focused on building social capital and ensuring empowerment through access to financial service and linking with the mainstream. In this approach, microfinance has been viewed particularly as contributing to the process of empowerment by enhancing women's productive role and enabling them to challenge inequities within and between households. Microfinance programmes are thus, expected to (i) meet the survival needs of the poor by enabling them to have access to credit for both consumption and productive activities; and (ii) to empower the poor and the marginalized by expanding the opportunities for participation in income-generating activities and undertake social activities aimed at removing socio-cultural

barriers to empowerment and development. Empowerment of women is a burning topic and has got global attention. No of society and democracy can be called developed and civilized unless and until women which constitute more than 50% of population are given equal chance to develop their personality by granting them equal power, equal rights and freedom.

The term Micro finance refers to the provision of financial services to the lower income groups, which also include self-employed people. The concept of Microfinance was introduced by Grameen Bank in Bangladesh and popularized by the Nobel Prize winner Professor Muhammad Yunus. But now the term microfinance has become a world wide movement as it was replicated in various countries. (Patel & Kalkot, 2006). This Yunus modal of Microfinance has been introduced in India in the form of Self-Help Group.

In this world a commonly known but most exclusively debated and most confusingly explained matter is girls and boys behave differently. Such a trivial and seemingly natural phenomenon has a deep seated multidimensional chain of explanations.



Scholars, scientists, historians economic reformists, religious leaders, politicians, masters of literature all are concerned about the issue and attached web of meanings to the phenomenon from kaleidoscopic angles. Masculinity and femininity are the social products which is better expressed in the roles, expectation values etc. attached to the gender based behavioural pattern. Through the process of socialization this social nexus becomes ingrained into our personality system. But one fundamental question bolsters the mind that why all the social parameters related to femininity always claim females to have an inferior or sacrificing or compromising status. So before going into the jargons of imbalances, inequality exploitation, powerlessness etc. we have to look back at the brief history of this peculiar deep rooted social nexus. It has been found that one of the dominant paradigm which plays a vital job in percolating the idea of women as a substandard one is nothing but religious doctrine.

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MFIs aim at providing credit to the poor who have little or no access to commercial banks/financial institutions. These institutions receive financial support from Western donors, NGOs or commercial banks, who lend to microfinance institutions, often below market interest rates. The microfinance institutions in turn, lend this money to domestic small companies and poor agents. The Size of the loan varies, but is often small. In addition to loans, microfinance institutions also provide a Widerange of financial services, such as savings funds and insurance services. They also play an important role in training potential borrowers to teach how to run a firm, and deal with health provision. These non-credit services have become more important during recent years. The present study, however, focuses primarily on the role of MFIs in providing credit to the poor.

The present study is an effort to look into the above issues and study the outreach of microfinance operations state of India. The review will provide an opportunity to the microfinance institutions to analyze and review their objectives and functions of organizing poor women in the rural area under microfinance schemes so that an organizational and regulatory framework for mainstreaming microfinance can be evolved.

OBJECTIVES OF THE STUDY

- To review the socio economic development through micro finance.
- To review the impact of SHGs on the socio economic form of SHGs women.

- To review the role of SHGs in empowerment of Self help groups member in terms of social, economic, and political status.

METHODOLOGY OF THE STUDY

The present research is completely based on secondary data in nature. And the major secondary data have been collected from books, journals, articles, Research reviews, annual reports, periodicals, Reserve Bank Bulletins, NABARD annual report and internet. Narrative techniques have been applied for discussion and conclusion.

HISTORY OF MICROFINANCE

Microcredit and microfinance are emerging terms in the field of development, first coming to prominence in the 1970s, according to Robinson (2001) and Otero (1999). Prior to then, from the 1950s through to the 1970s, the provision of financial services by donors and governments was mainly in the form of subsidized rural credit programmes. These often resulted in high loan problems, high lose and a difficulty to reach poor rural households (Robinson, 2001). Hulme and Mosley (1996, p.109) in their study on microfinance to eradicate poverty, he argue that well-designed programmes can improve the living standard of the poor and can move them out of poverty. According to them “evidence shows that the impact of a loan on a borrower’s income is related to the level of income” as those people having high income have a greater investment opportunities and so credit schemes are more likely to benefit the “middle and upper poor” (1996, pp109-112). However, they also prove the results that when Microfinance Institutions such as the Grameen Bank and BRAC provided credit to very poor households, those households are capable to generate their incomes and their assets (1996, p.118).

Raj Smitha (2005) examines „ Micro credit: Self-Help Groups an Alternative Development paradigm“. Credit market problems of moral hazard, enforcement, and information asymmetry are related to borrower vulnerability and market inaccessibility. The group structure of Microfinance self-Help Groups such as the SHG-bank Linkage projects are shown to generate profit from poor clients. The project also exhibits the problems of regional concentration, meager loans, debt trap, high interest rates, and questionable benefits. The micro credit are concluded to be myopic in the refusal to recognize that financial services do not create opportunities, but only allow people to take advantage of this opportunity.

Sharma (2007) examined the impact of participation in microfinance programme on women autonomy and gender relations within the household. For this purpose, study was conducted in hill and terai areas of Nepal in the year 2004-2006. The participants of microfinance programme who adopted Grameen model for at least four years were selected. Comparison between pre and post-SHG participation showed that programme led to women participation in household



decision-making, power over economic resources, wider social networks and freedom of mobility. Female financial support had increased spousal communication about family planning and parenting concerns. It was also found that microfinance institutions had reached only a small portion of the population and the challenge was to expand the existing services. The study suggested that the government should come forward environment to develop microfinance services.

MICROFINANCE STUDIES ON WOMEN EMPOWERMENT

On the contrary Hashemi et.al (1996) told that women have access to saving and credit system has hardly any impact on their lives. Their results shown that women should give access to savings system contributes notably to the degree of the economic contributions reported by women, to the likelihood of an increase in asset holdings in their own names, to an increase in their exercise of purchasing power, and in their social, political and legal awareness as well as in composite empowerment index. They also found that access to credit was also associated with higher levels of mobility, political involvement in 'major decision-making' for particular organizations. Microfinance programmes target has not achieved the goal of empower women. There are different arguments varying underlying motivations for pursuing women empowerment. Some argue that women are in the poorest conditions to help them should be a priority. Whereas, other believe that by the investment of women's capabilities empowers them to make choices which is a valuable goal in itself but it also contributes to greater economic growth and development. It has been well-documented that an increase in women's status through different resources creates a direct effect on well-being of the family, especially children (Mayoux, 1997; Kabeer, 2001; Hulme and Mosley, 1996). Beside that the increase in financial services increased access to represent an opening opportunity for greater empowerment through new revenue of income generation. Such institution explicitly perceive microfinance as a tool for the women's rights and independence. Keeping a number of

microfinance institutions has come forward to help poor women in their socio economic development better and can refund money in time. The aspect of microfinance has sometime long term effect on women empowerment. It has sometime positive as well as negative effects.

REVIEW ON WOMEN EMPLOYMENT THROUGH SHG

According to Zenab Banu the concept of empowerment in social science is by and large context driven rather than theory driven. In today's world the term empowerment has become a fashionable concept. Earlier the term was used by the political scientists. But they confined the term to the political field and explained it as power assigned to an institution by the constitution of administrative rules. In the third world countries we often speak about empowerment of the backward classes like SC, ST and of women. In our country it is most popularly discussed in the context of the effect of 73rd Amendment of the Constitution on women.

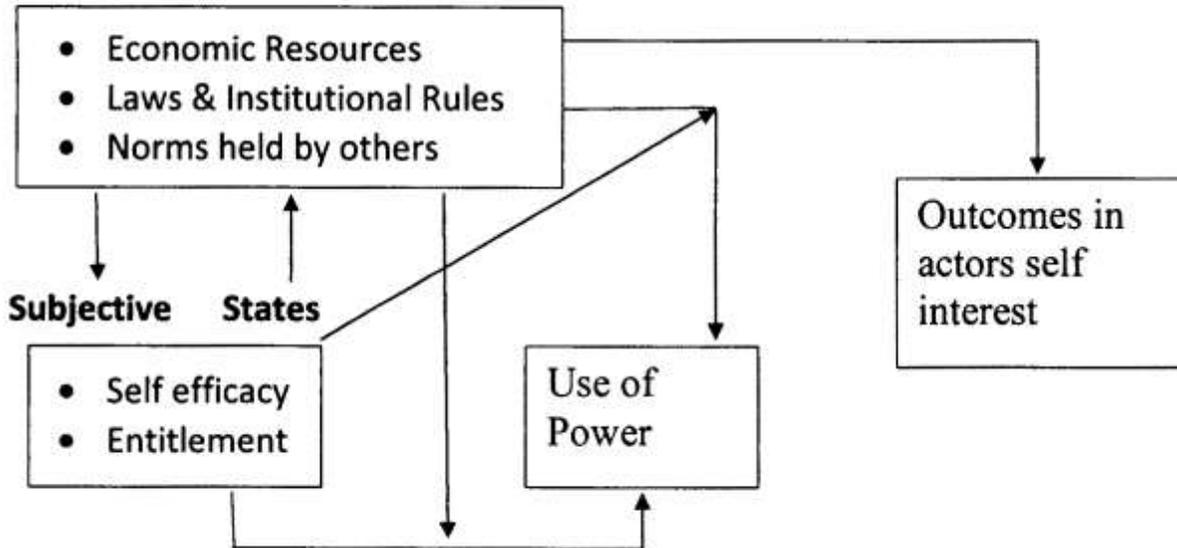
According to Zenab Banu viewed that constitutionally in the Indian context empowerment stands for transformation of people belonging to weaker sections. It means that the hidden meaning of empowerment is not only political but also social and cultural. In other words empowerment also relates to social transformation of women. So to her through the attainment of political power through, i.e.through 73rd Amendment, women will get socio-economic power also.

Paula England in the article "Conceptualizing Women Empowerment in Countries of the North" (2000) analysed power in relational sense – for England exercise of power always occurs in interaction or transaction with another actor. Sometimes we are interested in women's power relative to specific people such as their spouses or espouses. We are also interested in their power in a more generalised sense vis-a-vis many potential actors with whom they might exchange with many actors. In this connection England presented a model of empowerment.



Model of Empowerment

Objective Bases of Power



Economic resources and subjective states influence each other and interactively influence the extent to which women exercise power, to say that the effects of resource and internal states may interact with each other. Similarly the interaction implies that higher levels of resources on power use, laws, rules, norms may also directly facilitate women's exercise of power or outcome in their interests.

Economic resources or subjective state of entitlement or efficacy may interact with laws, rules and norms such that having higher level of resources, efficacy on entitlement may make women more able and willing to do what is necessary to use the rights allowed by the rules, laws or norms. Exercising power contributes to outcome in women's self-interest.

Prof. Nandini Kajuri in an article, Mahilader Kshamatayan – Sudurer Hatchani Noye in Ganashakti, News Daily on 6/2/2005 has projected many positive outcomes of SHGs, e.g., she appreciated SHG functioning on the following grounds. Firstly, a savings habit has been developed among its members. Secondly, such savings helped them to not to lend money from the money lenders. Thirdly, it added something extra income to the household and thereby it helps to increase their status in the family. But apart from this she also cites some alarming conditions for SHGs. The major problem regarding this is the hazardous process involved in graduation system. Many of the group[s] who are unaware of how to fulfill graduation criterion are failing to achieve the grade and thereby not getting loan from the bank and this is creating frustration among them and consequently groups are breaking down. To her another major problem of these groups is the problem of illiteracy. Due

to illiteracy almost 50% members are dependent on the group leader for any sort of upliftment and this create a major barrier in the path of empowerment.

Shakuntala Narashima in her book “Empowering Women—An Alternative Strategy from Rural India” (2005, Sage Publication) presented review report regarding past government initiatives. According to her in case of law enactment the rural poor hardly have any access to the legislative information. So they fail to get any advantages from the law for women. In case of political participation she said that the 73rd Amendment has brought a watershed achievement in case of empowering women. In a study in Uttar Kanada district of Karnataka state, she found that the elected women were treated as mere puppets in the panchayats. According to her, the status of women in society as individuals in their own right has consistently been given low priority in all development plans. So far as against quantitative targets like income employment, credit facilities. The latter are means to an end, the end being a better quality of life, but under the ascendancy of economic paradigm, the means have become an end in themselves and the indices have become the yardstick instead of the effect that they have. These approaches take cognizance of the fact that overwhelming obstacles to the advancement of women are not merely economic but a combination of political, social, cultural and economical factors.

Ganapathi R and Murugesan J (2011) they studied on economic empowerment through SHGs. The scholar argues that the SHGs ensure the overall development of women and it turned to women empowerment. Further, it reveals that some



people hesitant to join SHG because of they have lack of knowledge about the role of SHGs hence it is needed to changes the attitude of such types of women's through appropriate programmes.

Rajasekar. D (1994) undertaken research on savings and credit system for the poor- some NGO experiences. The study pointed out that efficient SHGs are promoted by 13 NGOs in Karnataka, Andra Pradesh, Tamil Nadu, Orissa, Rajasthan and Gujarat. In view of since efforts of NGOs, many positive outcomes take place like adequate credit, quality services, high recovery rate, and reduction of dependence on money lenders get empowered. And Gupta and Namitha Gupta (2006) studied that the scholar pointed out that the government has to continue to allocate the resources and formulate the policies for women empowerment.

CONCLUSION

Hence, there is a significant shift in the developmental programmes and approaches that entail women to acquire control over themselves, their resources and take their own decisions. However, for effective implementation of this approach, the prerequisite is the realization by the women themselves, of their economic role and potential, and subsequently their economic self-reliance. In other words, women first of all must empower themselves. Therefore, efforts should be initiated to infuse confidence in them. Training programmes to enhance the skills, to have access to credit, educational inputs and improvement in the bargaining capacities, marketing skills etc., have to be conducted. The non-government organisations from India and from abroad, Government agencies and educational institutions have been putting all their collective and individual efforts.

Most of the study pointed out that SHGs are not working up to mark due to many constraints viz., lack of knowledge among SHGs members about selection of business, insufficient book keeping concept, illiterate, lack of self-confidence, lack of courage, lack of expressing opinion freely, lack of education, not in independency, less skills, less support from husband, members/relatives family etc., and lack of production skill, lack of awareness about supply of raw materials, problem of machine handling, less training, lack of knowledge about product planning, lack of knowledge about packages, less knowledge about product selling, lack of knowledge about technical know-how, problem of transportation, lack of access to credit sources, lack of loan arrangement, lack of knowledge about income generating activities, group management, not have of planning skills, not have organizing skills, not have co-ordination skills, lack of communication skills, lack of money management skills, lack of awareness about policies and programmes of Government, Banks and N.G.Os. From the overview of the existing literature, model and discussion on the SHGs (Self Help Groups) and empowerment of women, it is clearly visible that a comprehensive study on SHGs in Uttar Pradesh is very much required. This lacuna of the existing literatures on SHGs and

their role for women empowerment provides the basic importance of this study in Uttar Pradesh.

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