

ROLE OF MICRO FINANCE ON EMPOWERMENT OF RURAL WOMEN

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Abstract : This research aims to look into the impact of microfinance services on rural women's empowerment. The study also aims to learn more about the characteristics that empower rural women through microfinance services, as well as which aspects have the most impact and to what extent. Microfinance has proven to be a successful tool for reducing poverty in underdeveloped countries. Self-help groups in India dominate the microfinance plan, which aims to provide a cost-effective way for providing financial assistance to the unreached poor. Microfinance is a term used to describe a modest amount of money given to poor people or low-income groups, particularly women, in order to help them grow their earnings and become economically independent. The present study attempts to know the socio-economic condition of rural women and also to examine the impact of microfinance on empowerment of rural women in Ghaziabad districts in Uttar Pradesh. The result suggested that the socio-economic condition of rural women in the districts is not up to the mark due to various reasons and the microfinance is not making much impact on empowerment of rural women in district of Western Uttar Pradesh.

Index Terms : Microfinance, Women Empowerment, Rural Women Finance, SHGs

I. INTRODUCTION

The micro financing scheme has evolved as an effective tool for facilitating female financial empowerment in developing countries such as India, Argentina, Kenya, Bangladesh etc. **Hashemi et al.** made it clear that in Bangladesh, the empowerment of women is due to the microfinance program there. Bangladesh used the amount of the duration of program contribution among Grameen Financial institution and "BRAC Bangladesh Rural Progression Committee)" In India, microfinance scheme is dominated by self-help groups, aimed at providing a cost-effective mechanism for providing financial accommodations to the unreached poor. Based upon the theory of peer pressure and gathering reserve funds as an insurance substitute, the SHG (self-help group) program has been prosperous in not just in meeting the impossible to miss prerequisites of the country poor however additionally in sustain in aggregate self benefit limit soft he poor at the domestic level, prompting their empowerment. An extensive number of microfinance programs target women with a clear objective of enabling them. The underlying motivations for pursuing women's liberation are shifting. Microfinance is the provision of financial services to low-income clients who have previously been unable to access banking and related services. It aims to alleviate poverty by assisting impoverished women in obtaining financial services in order to engage in income-generating activities. Microfinance, a development method used to alleviate poverty in Asian, African, and South American countries, provides disadvantaged individuals, particularly women, with immediate and real benefits. Microcredit to the poor is frequently based on the belief that having access to money will allow them to break free from the cycle of poverty. In their study, **Tiwari and Thakkur (2007)** discovered that microfinance has become an essential tool for India's economic development. The permanent efforts by Indian government to empower women as well as and NABARD which had commenced diverse microfinance schemes since 1990s raised poor women and their According to International Labour Organization (ILO), "Microfinance is an economic development approach that involves providing financial services through institutions to low income clients". Microfinance, in other words, refers to small savings, loans, insurance, and other financial services provided to impoverished individuals who do not have access to conventional financial institutions in order to develop new small businesses and improve their standard of living. Microfinance is designed to reduce poverty, empower rural women, and create work possibilities through various schemes. There is no consent on the concept of empowerment because different professionals and different disciplines explain this concept in their own way. Empowerment is an inherent feature of a person which cannot be imparted by a third party. Empowered women contribute to the health and productivity of the entire families and societies and to improved prospects for the next generation. Empowerment means to make someone powerful, assist the weak to become strong and to facilitate someone to fight for his/her right. "Empowerment refers to the flexibility to lead multiple sorts of life, which is represented in the person's competence set," says Nobel Laureate Amartya Sen (1993). Woman has been oppressed by custom and law, both of which were created by men and over which she had little influence. A woman has the same right to control her own destiny as a man does. It is up to men to ensure that they are able to reach their full potential and contribute as equals. - Mahatma Gandhi

Today, diverse people encounter a variety of problems in their day-to-day lives, such as nutrition-related ailments, a sedentary lifestyle, and the inability to establish a small business. As a result, financial assistance to the underprivileged from the government and non-governmental organisations is critical. Women make up roughly half of the world's population. This is also true in India. As a result, they are considered the better half of society. They were restricted to the four walls of households in primitive societies, completing household tasks. They have come out of the four walls to partake in a variety of activities in modern society. The evidence from around the world supports the fact that women have excelled in various fields such as academia, politics, administration, social work, and so on. Not just metropolitan educated women, but also rural women, take part in this process. Women's development and entrepreneurship are thus essential for rural women.

II. OBJECTIVES OF THE STUDY

- (a) To analyze the impact of microfinance services on rural women empowerment.
- (b) To examine the micro finance and socio-economic development of rural women in the study area.
- (c) The study is to show how microfinance works, by using group lending methodology for reducing poverty and how it effects the living standard (income, saving access to health and education, etc.) of the poor people in (Ghaziabad) in Western Uttar Pradesh, India.

III. SCOPE OF THE PRESENT STUDY

The present study will be useful in the sense that it helps in understanding the performance of the rural woman entrepreneurship in economic development and role of micro finance in creation of entrepreneurship in the study area.

IV. METHODOLOGY OF THE STUDY

This research relies on both primary and secondary sources of information. Primary data is collected from respondents using an interview schedule, while secondary data is collected from prominent journals, newspapers, related government office documents, standard books, published articles, and numerous websites.

V. CONCEPTUAL FRAMEWORK

Meaning of Microfinance

Microfinance is defined as the provision of financial services to low-income people for enabling them to raise their income levels and improve their basic standard of living and fulfill the other basic needs of life. Microfinance is a kind of banking service which is provided to those people who comes under the category of unemployed, low-income individuals and groups who has no access to other financial services.

Concept of Women Empowerment

Women's empowerment is a multifaceted process that goes through several stages. Among all being economically independent is considered as most important, because economic dependence i.e., dependence on others for survival, itself is a hurdle in the pathway of women empowerment. In order to empower the rural women, the following areas like working pattern of rural women, access to various economic resources and access to society as a whole should be included.

The overall development of rural women defines the real empowerment of women in rural India. There is an important role of SHGs in rural India through which the women can be empowered.

Concept of Empowerment

Empowerment consists of internal strength which consists of self-motivation, self-esteem, self-worth and awareness. Education, health, legal protection, fundamental rights, job opportunities, and a safe environment are examples of external facilities. Empowerment means many things to different people, cultures, and countries. Empowerment is an active, multi dimensional process which should enable them to realize their full identify and powers in all spheres of life.

VI. CONCLUSION

Microfinance services by self-help group in rural areas play a crucial role in countries by guiding and providing rural women population of the country there quirked services for eradicating the problems faced by the mat social and economic level due to their poor financial and social status. Micro financing through SHG in semi-arid India has been proved to be a fruitful system for the rural women of the country. It has helped Electronic copy available the rural population especially rural women in all policy-making and decision making as well as for improving their economic level through the appropriate structural and functional frame work.

Micro finance has been successful certain extent in developing certain rural areas. It has not only offered people with economic opportunities, but it has also engaged in several activities aimed at the development of rural areas. The influence of microfinance services on rural women is examined in this study. Rural woman gets social and economic conditions increased through micro finance activities. The results of this study microfinance has improved their economic condition and enhanced their ability to contribute in their family's decision making and improve their social status, increase their earning and contribute their family expenses. Finally, I believe that microfinance is a great system to generate income among low-income communities and also to promote self-worth and empowerment among women in developing nations.

VII. RESULT AND DISCUSSION

The purpose of this study was to look into the influence of microfinance services on rural women's empowerment. The findings demonstrated that four elements, including improved socioeconomic level, autonomy in life choices, women's position in the family/society, and a good attitude toward child development, might have a major impact on rural women's lives. Rural women's traditional responsibility was to support their husbands and families, demonstrating the oppression of women in rural households. According to the findings of this study, microfinance has improved their economic situation and increased their ability to participate in family decision-making. As rural women began to work and contribute to their families' expenses, their husbands' attitudes toward them shifted dramatically. The study also shows that their family's standard of life has improved. Their husbands expect them to participate in family choices (Mahmud & Sultan, 2010). Microfinance institutions may find the data beneficial in strengthening and expanding their support for rural disadvantaged women. Microfinance institutions should hold regular meetings with beneficiaries to inform them about the correct usage of loans. On the basis of the study's findings, the government and non-governmental organisations (NGOs) may establish policies to socially and economically empower rural women. The following suggestions are made based on the preceding conclusions:

- (a) Govt. should grant tax exemptions and other incentives to the organizations which seek to extend credit facilities to rural women as a way of encouraging them to run small scale business.
- (b) Microfinance institutions should try to extend more credit facilities to clients to expand their businesses since the study results confirmed that microfinance had a positive impact in empowering rural women.
- (c) Microfinance institutions should provide training programs to rural women to improve women's entrepreneurial skill and reduce the problems which hinder their access to microfinance.

VIII. REFERENCES

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