



SENARIO OF WOMEN EMPOWERMENT RELATED TO MICROFINANCE

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ABSTRACT

Microfinance Institutions (MFIs) is a financial institutions that provide loan to poor sector of the country at a very low rate of interest without any security especially women. MFIs help women to establish herself as self employed women in the country by providing them not only loan at a very minimum rate of interest but also teach the art of training of how to use the loan amount as to get profit from business, saving for future at the time of crisis & for future generation and insurance as if any losses or damages happen in near future in the form of heavy rain fall, drought, fire out in factory/ industries and natural disaster such as earthquake that hinder the progress of any business profit goes down losses arises. The current paper mainly deals with the progress of women with the help of microfinance institutions which normally deals with the low income group of people who were suffered financial crisis in their day to day life unable to live prestigious life.

Key Words: MFIs, Loan, Women, Poor, People.

JEL Classifications: L24, P26, I34.

INTRODUCTION

The previous theory of Microfinance Institutions (MFIs) provide loan to the inferior sector of the society without any collateral and guarantee at a minimum rate of interest but modern theory of MFIs deliver credit beside it can also teach the skill of saving, training & insurance especially the women that underestimated by the family unable to take decision indecently. MFIs offer their support to the backward region of women as they able to establish their own small business earning profit to pay back the loan amount & continue prestigious life dependence on others omitted success that hinders previously now lead life like educated people led. Poor women in villages and town started new

business like clay pot making, selling of vegetables, fruits, flowers, show pieces, mala making, chocolates binding, fast food like chowmin, momo, chop, ghugni, egg roll, moton roll selling, etc. take loan from MFIs & on weekly basis they can pay back the loan amount with interest. Sometimes group of women take loan from MFIs of 5 people engaged in this group out of 5 if 1 unable to pay the loan amount then the remaining 4 pay the full amount on her behalf such group were called Self Help Groups (SHGs) forming of such group more beneficial for the society as well as institutions. Small enterprises/entrepreneurships take loan from the MFIs at a low rate of interest where huge female workers were engaged and working at these places some at morning shift while other at evening shift. MFIs help women a lot so that they persist happily in their life free from tension, worry, anxiety, stress & burden and also taking their own decisions independently and correctly living exalted life.

REVIEW OF LITERATURE

1. Poverty alleviation programme studied by the Gonzalez- Vega (1984) where he pointed out that the MFIs provide loan to the poorer sector of our country including rural, semi-urban and urban areas at a very low rate of interest and absence of security and guarantee.
2. In the studied of Burgess and Pande (2005) observed that poor people of rural areas especially women get subsidies on their loan money and that subsidies were too much profitable for the backward people.
3. Women empowerment studied by the Khandker (1998) where he found that MFIs were provide positive result in the progress of the women in near future as loan amount had been utilised fully and women were also told that with the help of these institutions they live their life progressively.

OBJECTIVES OF THE STUDY

- To identify the new business started by poor women in rural, semi-urban & urban with the help of MFIs.
- To examine the performance in the field of women empowerment related with MFIs.

RESEARCH METHODOLOGY

Collection of data

Secondary sources were the main sources where data collected by various websites, journal, articles & various books related to microfinance.

New business started by poor women in rural, semi-urban & urban with the help of MFIs.

Microfinance Institutions were those institutions that not only supply loan to the poorer sector of our society but also teach them the knowledge of training, insurance & saving so that the poorer sector of our country can start new businesses like chocolate binding, fruit selling, vegetable selling, flower selling, and many more. They generally take loan from MFIs as they are not able to take loan from other

financial institutions due to lack of security & guarantees. Financial institutions generally provide loan to those who are able to pay back the on time and also able to fulfil the conditions mentioned by the banks & LICs as these intuitions claims high rate of interest against loan amount that would becomes impossible for the poorer to pay back the loan in time including rate of interest and also claim security or guarantee against loan money that poorer have no security as well as guarantee failed to get loan from nationalised banks. Actually MFIs comes forward as helping hand so that the poorer people of our society able to get loan at a minimum / low rate of interest without any collateral or guarantee and able to start new business with that fund that MFIs supplied it to them. Presently it observed that maximum number of poor people started new businesses in rural areas than semi- urban & urban areas but most backward villages in our country failed to get the benefit of these institutions as there no lighting facility, no hospital, no road and even no educated people was found there but somehow it was also noticed that MFIs were spread all over the country especially rural areas found people there teach them the art of how to utilise the fund by way of starting new businesses making profit, save for future and improved their standard of living.

The performance in the field of women empowerment related with MFIs.

Various Microfinance Institutions like Bandhan Bank, Regional Rural Bank, Cooperative Bank provide credit to the poor women of backward region who failed to get loan from other financial intuitions get benefitted from these able to originate new business make life comfortable and prestigious. Earlier women were always dominated by their husband treated as slaves unable to take decisions of their own but MFIs create women empowerment of our country as offering them job opportunities in small entrepreneurship and also remove poverty in our society. Poor farmers also take loan from it along with their wives so they able to offer their child better life, education, medical treatment and good health & good food. Newly married wives would lose their lives because of poverty and dowry system but now rural wives able to start their own business contribute money for the family & established women empowerment everywhere they not only take their own decisions but also they speak loudly in front of people. Poorer women in our society together build team including 5 members if one of them unable to pay the loan amount then the remaining four pay the whole amount and further take loan from MFIs, loan amount utilise again in business or some other purposes. Microfinance institutions build women empowerment by spreading or starting new businesses remove poverty from nation create employment opportunities and improved their living standard as well as status.

FINDINGS

- ✚ It was found that MFIs create women empowerment as offering tremendous job opportunities.
- ✚ Women in rural areas started new businesses as compared to semi-urban & urban areas.
- ✚ Women able to take their decisions and also improved their living standard.
- ✚ It was also found that women can offer their children better education, food & live.
- ✚ It was found that MFIs able to remove poverty in our society.

CONCLUSION

There was an incredible success in the field of women empowerment related with new business started by poor women in rural, semi-urban & urban with the help of MFIs and the performance in the field of women empowerment related with MFIs. Progressing outcome have been shown in both the zone as it helps to eliminate scarcity in the nation by offering them employment opportunities. Poor women getting loan from the MFIs at a low rate of interest commence new business and led life happily and prestigiously.

NOTES

MFIs: Microfinance Institutions

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