



A STUDY ON THE ROLE OF MICROFINANCE UNITS ON THE ECONOMIC AND SOCIAL EMPOWERMENT OF WOMEN”

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ABSTRACT

Women are integral part of every economy. All round development and mellifluous growth of a nation is possible only when women are considered as equal partners in progress with men. Empowerment of women is a holistic concept. It is multi-dimensional in its approach and covers economic, political, social or cultural, personal and familial aspects. Of all these facets of women development, economic empowerment is of utmost significance in order to achieve a lasting and sustainable development of society. Micro finance is defined as any activity that includes the provision of financial services such as credit, savings and insurance to low income individuals with the goal of creating social value. It is not just a financial system, but a tool for social change, especially for women. The study is descriptive in nature and is a combination of primary and secondary data. Random method has been used for selecting the respondents. The sample size consists of 60 respondents. This study gives a broad insight on knowing the role of Microfinance units on the economic and social empowerment of women particularly in Changanacherry Municipality. The finding could serve as a guideline in formulating further policies for the performance of microfinance units.

Key words; Micro-finance, Economy, Women Empowerment, Financial System, Societal Empowerment.

1.1 INTRODUCTION

Women have always worked, either in paid job or in home, and often in both. But their work is often unrecognized or not valued, it is essential to understand that they are a requisite part of every economy. The growth of a nation would be possible only when women are considered as equal partners in progress with men. Empowerment of women is a holistic concept. It is multi-dimensional in its approach and covers economic, political, social or cultural, personal and familial aspects. Of all these facets of women development, economic empowerment is of utmost significance in order to achieve a lasting and sustainable development of society. And Social and Personal aspects relate to the overall development of women as social beings. The most important tool for women empowerment is embedded with earning regular source of income.

Micro finance is defined as any activity that includes the provision of financial services such as credit, savings and insurance to low income individuals with the goal of creating social value. It is not just a

financial system, but a tool for social change, especially for women. Nobel Laureate Muhammad Yunus is credited with introducing the concept of microfinance with the establishment of Grameen Bank, Bangladesh in 1976. Today it has evolved into a vibrant industry exhibiting a variety of business models. It serves as a platform where women join their hands for social and economic upliftment. The members of Self Help Groups generally facilitated by NGO's come together for the purpose of solving their common problems through self-help and mutual help. The successful Kudumbashree project in Kerala substantiates the positive impact of microfinance on the economic and social empowerment of women.

This study has been designed with a view to analyze the impact and influence of micro finance in fostering economic and social empowerment among women particularly in Changanacherry Municipality.

1.2 STATEMENT OF THE PROBLEM

The subject of micro finance is considered as significant and emerging trend in the present scenario for the empowerment of women. This paper tries to examine the economic and social impact of micro finance on its beneficiaries and whether the economic empowerment has resulted in the generation of a set of self-reliant women.

1.3 REVIEW OF LITERATURE

1. Effects of Microfinance on Women Empowerment - Review of Literature.

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Empowering women would significantly develop their country as a whole. This paper analyses the literature on microfinance and women empowerment. The purpose of this study is to ascertain the impact of microfinance on women empowerment. This is limited to use of secondary data sources.

2. Women Empowerment and Microfinance in Kerala.

Irshad M.K, Dr R Sathyadevi.

“Real empowerment occurs only when right things can be legitimately claimed and are universally acknowledged”. This paper examines the impact of the beneficiaries of microfinance and whether economic empowerment has steamed the generation of a set of self-reliant women. The study was conducted to know about the positive impact of the development programme of Kudumbashree. Also this paper was designed as a descriptive study based on primary and secondary data. Various tools used to analyse the data are ANOVA's, F-test, correlation, weighted average

3. Impact of Microfinance on Women Empowerment

K.Swapna

“Micro

finance is a growing powerful instrument for poverty alleviation and empowering women”. In her paper, K. Swapna attempted to study the role of microfinance in promoting women entrepreneurship in India. This study is based on the information collected from secondary sources.

4. Impact of Microfinance to Empower Female Entrepreneurs

Dr W. P Wijewardana and H. H Dedunu

They stated that micro finance institutions basically try to address the requirement of vulnerable groups such as women entrepreneurs, who is not considered by formal financial system. 200 respondents were selected from female entrepreneurs in Mihinthala Pradeshiya Sabha area and data were collected through questionnaire method. This study indicated that availability of loans, repayment procedure and non - financial services are positively affecting empowerment of women entrepreneurs.

5. Microfinance has now become a solution to many problems faced by women in Kerala, especially setting free from low economic and social status significance of Kudumbashree mission, Kerala. As a microfinance program journal of humanity (ISSN 2279-0233) the objective of the study is to find out whether microfinance influences the economic development of women. The findings were drawn through data which was collected through both primary and secondary data. From this study they found out that the annual income and savings have increased due to Kudumbashree

1.4 OBJECTIVES

1. To study the impact of micro finance on economic empowerment of self-help group women in Changanacherry Municipality.
2. To examine the improvement in saving habits of women among self-help groups in Changanacherry Municipality.
3. To examine the influence of micro finance in the social attitudes of women in Changanacherry Municipality.
4. To understand whether microfinance units help in improving the overall standard of living of women and their family.

1.5 METHODOLOGY

The present study is descriptive in nature, both primary and secondary data have been used. The primary data was collected directly from 60 respondents (random method), who are active members of five Self Help Groups under Kudumbashree and different NGOs in the transmission circle of Changanacherry Municipality, at Kottayam District. The data is collected through direct personal interview, with the help of a structured questionnaire. The secondary data in relation to the study are taken from books, journals, internets, periodicals, newspapers etc. For analysis ,the statistical tools used are as follows:

- a) Percentage analysis
- b) Tables and figures

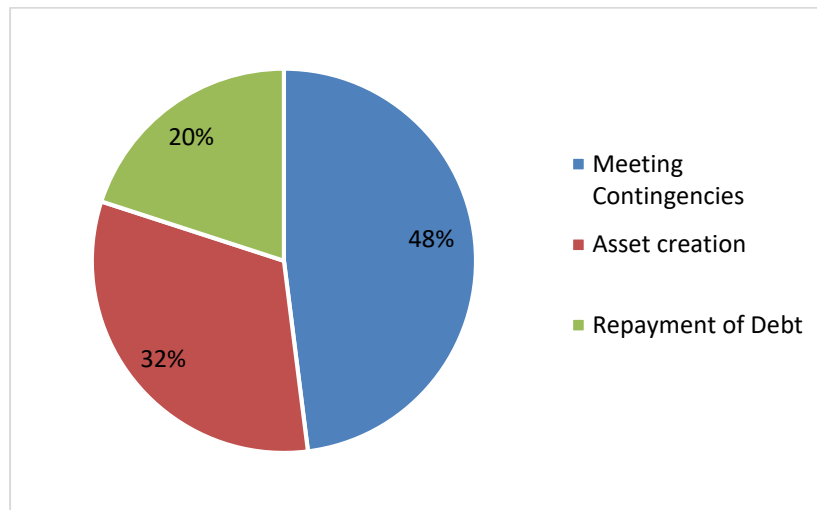
1.6 LIMITATIONS OF THE STUDY

- 1) The scope of the study is confined to Changanacherry Municipality and hence findings are based on limited coverage.
- 2) Some of the primary data gathered from the members are based on the memory recall method and therefore are subject to memory recall error.
- 3) SHGs selected do not involve in any business thus our scope of study is limited

1.7 FINDINGS

FIGURE 1.1

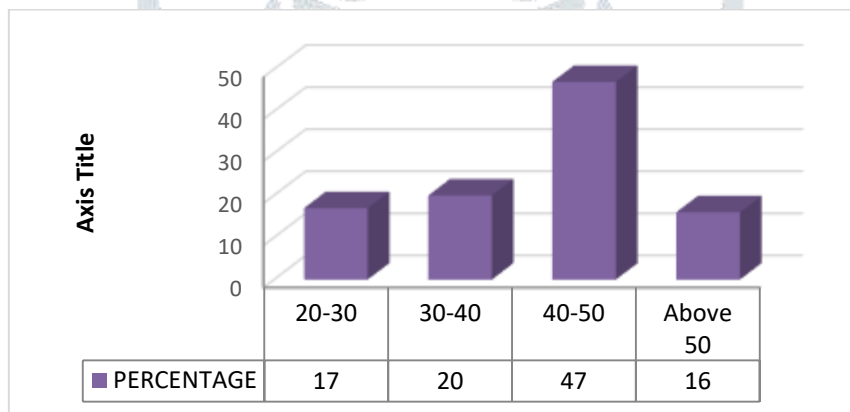
RESPONDENTS ON THE BASIS OF PURPOSE FOR AVAILING LOAN



From this figure it is clear that the 48% take loan for meeting contingencies. 32% of members take loan for asset building. 20% of members avail loan for repaying debt.

FIGURE 1.2

RESPONDENTS ON THE BASIS OF WEEKLY CONTRIBUTION



From the figure, it is clear that 16% of members contribute ₹50 or more weekly.

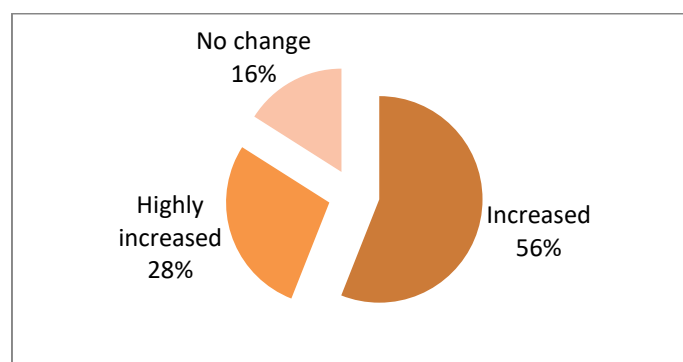
20% of members contribute ₹30 - ₹40.

17% of members contribute ₹20 - ₹30.

47% of members contribute between ₹40 - ₹50.

FIGURE 1.3

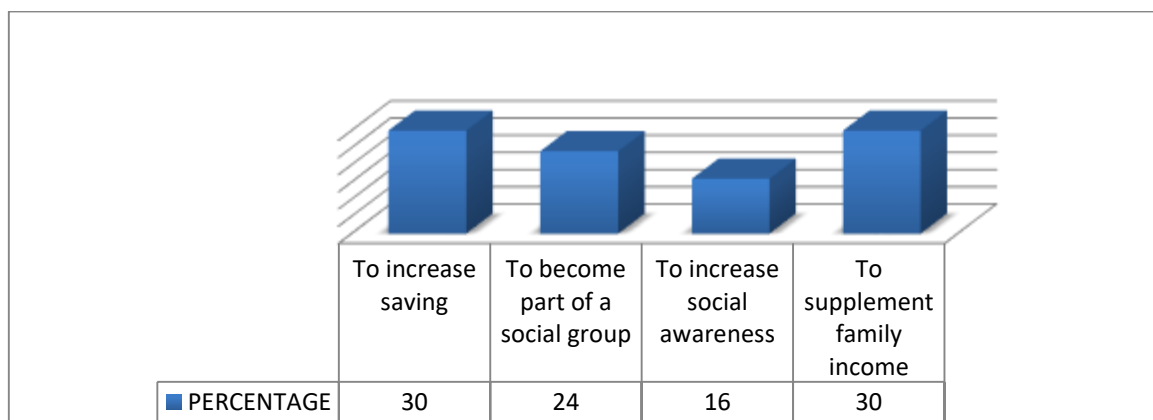
RESPONDENTS ON THE BASIS OF INCREASE IN THE STANDARD OF LIVING



From the figure 4.8 it is clear that for 56% their standard of living has been increased. For 28% of members their standard of living has been highly increased. 16 % of members expressed there have been no change in their standard of living after joining the group.

FIGURE 1.4

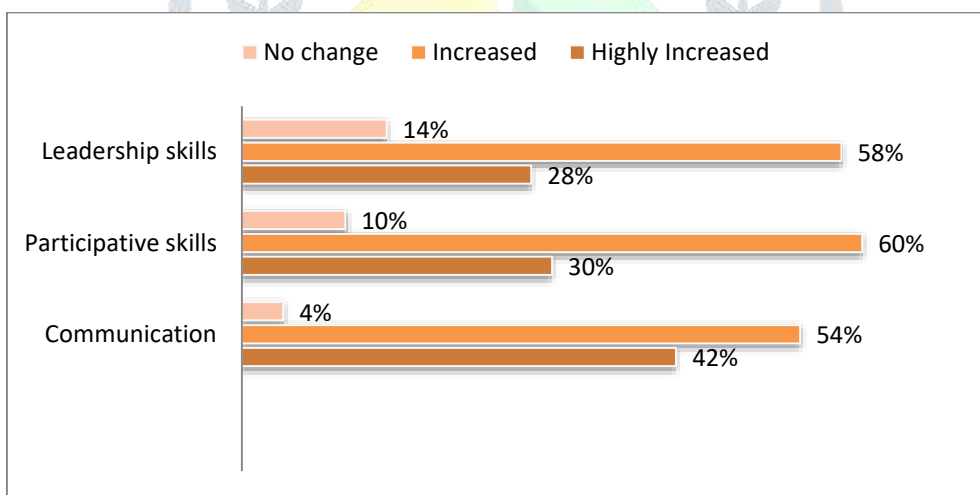
RESPONDENTS ON THE BASIS OF PURPOSE FOR JOINING SHG



From the figure, it is clear that for 16% of members the purpose for joining their group is to increase social awareness and for 30% of members their purpose is to increase saving.30% of members agreed that the purpose for joining the group is to supplement their family income.24% of members joined the microfinance unit to become part of a social group.

FIGURE 1.5

RESPONDENTS ON THE BASIS OF IMPACT ON SOCIAL BEHAVIOUR

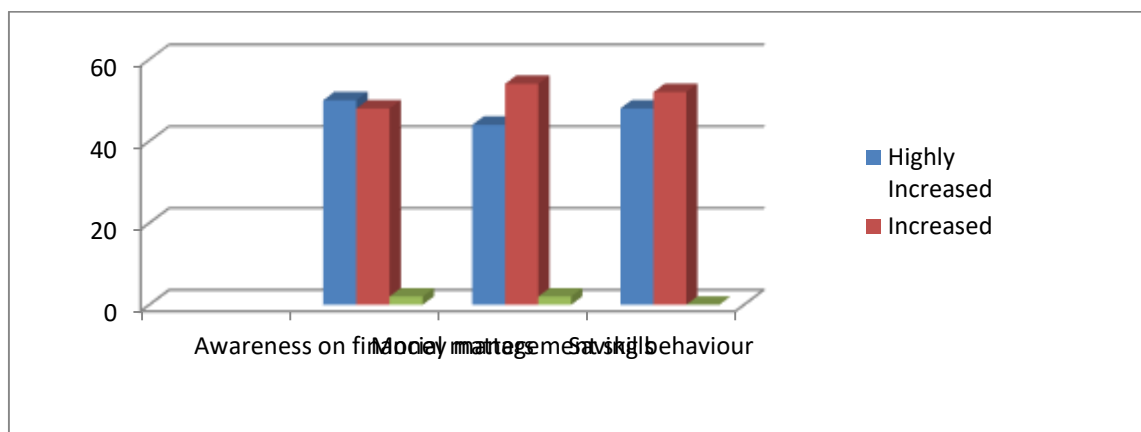


This figure shows that 54% of members agreed that their communication skill has increased. 42% of members agreed that their communication skill has highly increased. For 4% of members there is no change in their confidence level.

For 30% of members there is high increase in their participative skills and for majority there has been an increase in their participative skills. For10% of members there is no change in their participative skills.28% of members has high increase in their leadership skills. For 58% of members their leadership skill has been increased and for 14% of members there is no change in their leadership skills.

FIGURE 1.6

RESPONDENTS ON THE BASIS OF IMPACT ON FINANCIAL BEHAVIOUR



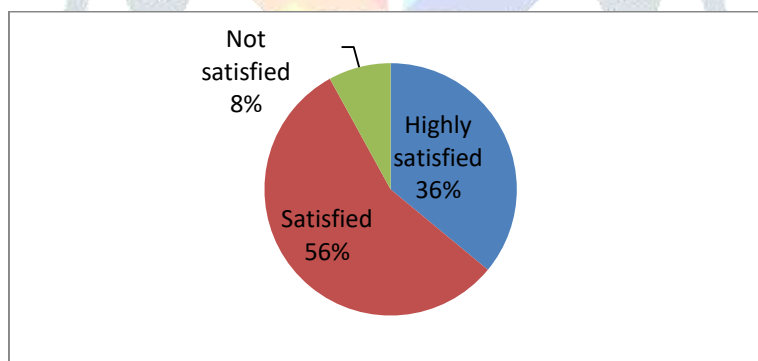
The figure shows that 48% of members agreed that their awareness on financial matter has increased. 50% of members agreed that their awareness on financial matter has highly increased. 2% of members there is no change in their awareness on financial matters.

44% of members there is high increase in their money management skills and for majority there has been an increase in their money management skills. 2% of members there is no change in their money management skill.

48% of members have high increase in their saving behavior. For 52% of members their saving behavior has been increased.

FIGURE 1.7

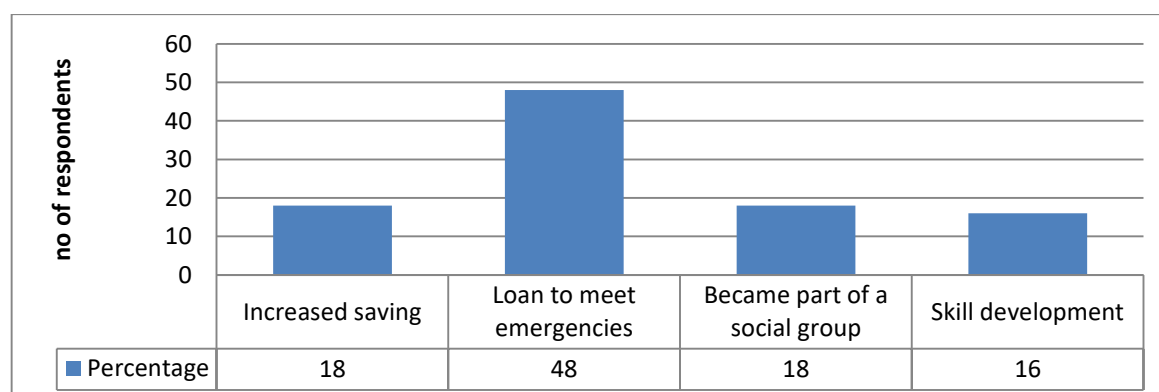
RESPONDENTS ON THE BASIS OF SATISFACTION IN THE WORKING OF THE UNIT



From this figure it is clear that 36% of members are highly satisfied in the working of their unit whereas 56% of members are satisfied and 8% of members are not satisfied in the working of their unit.

FIGURE 1.8

RESPONDENTS ON THE BASIS OF BENEFIT FROM JOINING THE GROUP



From this figure it is clear that 48% of members consider the best benefit they derive from SHGs is the availability of loan to meet emergencies. 18% of members consider increased saving as the best benefit whereas 16% of members consider skill development as the best benefit. For 18% of members the best benefit they derive from SHGs is that they became part of a social group.

1.8 MAJOR FINDINGS OF THE STUDY

1. The contribution of 20% of the respondents is between ₹30-40, 16% contribute ₹50 & above and the remaining 17% contributes ₹20-30. The contribution of 47% of the respondents is between ₹40-50.
2. Fifty six percent of respondents agree that SHGs increase their standard of living. For 28% their standard of living has been highly increased. But for 16% there has been no change in their standard of living.
3. Forty eight percent has availed loans for meeting contingencies, 32% for asset creation and 20% availed loan for repayment of debt.
4. Thirty percent joined SHG to increase their savings, 24% joined SHG to become the part of a social group, 16% to increase social awareness and the remaining 30% to supplement family income.
5. Fifty four percent of members agree that their communication skill have increased, for 42% this has been highly increased but for 4% there is no change in their communication skill.
For 30% there is high increase in their participative skills. For 60 % there has been an increase in their participative skills. But for 10% there is no change in their participative skills.
For 28% there has been high increase in their leadership skills and for 58% it has been increased but for 14% there is no change in their leadership skills.
6. Fifty percent of members agree that their awareness on financial matters has highly increased and for 48% it has been increased. But for 2% there is no change in the awareness on financial matters.
For 44% there is high increase in their money management skills and for 54% it has been increased. But for 2% there is no change in their money management skill. For 52% the saving behaviour has increased and for 48% there is a high increase in their saving behaviour.
7. Thirty six percent of the members are highly satisfied in the working of their unit whereas 56% are satisfied. But 8% of members are not satisfied in the working of their unit.
8. Forty eight percent of members consider the best benefit they derive from SHG is the availability of loan to meet emergencies. 18% of members consider increased saving as the best benefit and for 16% skill development is the best benefit .For remaining 18% the best benefit they derive from SHG is that they became part of a social group.

1.9 MAJOR SUGGESTIONS

1. To increase the co-operation among members in the group.
2. Strengthen the awareness regarding various schemes available to the members.
3. Conduct more training programmes to encourage members to engage in business activities.
4. Adjust the weekly contributions according to the income level of the members.

1.10 CONCLUSION

Microfinance is “the provision of financial services to poor and very poor self-employed people”. Women empowerment is the capacity of women in reducing their socio-economic vulnerability and dependency on male household members, improving involvement and control over household decisions, economic activities and resources, contribution to household expenses, increased self-confidence and awareness of social issues. From the study it is proved that women beneficiaries are empowered through microfinance. This empowerment is restricted within the limited space like women not facing any financial crisis and burden as the loan accessed from microfinance made them to somehow manage the expenses smoothly and had a facility of repayment flexibly. The loan amount was not utilized to the extent that respondents could start-up their own enterprise as only few had done so. But on the other hand women gained respect from family as well as society because people felt that what they are doing was useful to their family and in turn women developed self-confidence within themselves that they were able to handle any situation or crisis. Ultimately we can come to the conclusion that women are economically and socially empowered.

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