



# Role of micro finance in the development of women entrepreneurs

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The role of an entrepreneur is very important in the rapid economic development of any country. Entrepreneurs are the implementing force who paves the way for the economic development of the country by maximum exploitation of the unused resources of the country by coordinating the natural and human resources available in a country. History is the witness that in ancient times, India was at the peak of superiority in comparison to other countries in terms of entrepreneurship and self-employment. India's industrial art-skillful craft was a unique example of artistry and workmanship. Muslins from Dhaka, chintz from Lucknow, dupattas from Ahmadabad, silks from Nagpur, Kashmiri shawls, pottery from Hyderabad and Moradabad, glass works from Firozabad tell a happy story of the past of entrepreneurship in United India.

## **Objective –**

The objective of the presented research paper is to study the possibility of employment opportunities in the field of work to engage the low income group people living below the poverty line, especially rural women, in the activities of economic development through micro finance. .

## **Key words –**

Microfinance - purpose, need, process, employment opportunities, economic development.

The concept of entrepreneurship, which has been going on since ancient times, has appeared in the form of a new discovery in the last few years. The concept of entrepreneurship is indicative of the fact that by creating one's own business on the strength of self-confidence and willpower, it can not only be made a source of income, but by developing the quality of leadership, other people can also be motivated towards self-employment.

The words enterprise, entrepreneur and entrepreneurship are not unfamiliar to women. Women have been using the broad meaning of these words at different levels in their daily lives. Keeping the kitchen clean, making delicious food, taking care of the materials used in the kitchen, performing the role of a manager in household chores, etc. are such tasks that women have been doing as experts since time immemorial. Whether it is the work of the household or the work of wages in the fields, the responsibility of the social sector or the ability to solve family issues, women have proved that if they get enough support and guidance, they can also prove themselves as men. Have the ability to keep equal.

According to the annual report of the Indian Bank for Agriculture and Rural Development (NABARD), despite having 70,000 bank branches in India, 94 percent of the country's villages do not have a single bank branch. It is also a considerable fact that despite having a wide network of bank branches, poor women do not have access to them. Apart from this, poor women do not have any fixed source of income, so most of the banks consider this situation as a threat to themselves and feel uncomfortable in giving loans. For this reason, most of the poor women who want to set up their own enterprise have to depend on local moneylenders or moneylenders for supply of necessary capital. Since the cost of credit from moneylenders or mahajans is high as compared to formal institutions, it becomes difficult for women to take up entrepreneurship and ultimately hinders entrepreneurship development. Since the entrepreneurial needs of poor women are related to micro loans which are linked to their use and production, the concept of micro finance holds its own special importance in the context of encouraging entrepreneurship among poor women. According to the annual report of (NABARD), about 30 percent of rural households and about 22 percent of people in urban areas have access to any type of credit facility.

**Purpose of micro finance –**

The need for micro finance was felt to provide various financial services related to savings, credit and insurance to the poor who are deprived of banking facilities. Since the poor do not have access to formal financial institutions because they do not have the necessary collateral assets to take loans, nor do they have a fixed source of income. Therefore, such efforts are included in the field of microfinance, so that the poor can get more and more financial facilities without any collateral and the quality of the financial facilities available at present can be increased.

Mohammad Yunus has set an example in the field of microfinance in Bangladesh, for which he has also been awarded the Nobel Prize in the year 2006. In this sequence, the name of Vikram Akula of India also comes, who has provided self-employment opportunities to many poor women through microfinance. In line with the policy initiatives of the government, the concept of microfinance in India is based on two models - Self Help Groups, Bank Linkage Programs and Microfinance Institutions.

**Formation of Self Help Group –**

Such women who are well acquainted with each other and wish to work together form a group. The following characteristics are visible in this type of group –

1. There are maximum 15 women members in this group who help each other to solve their problems.
2. Groups encourage their members to make small savings regularly.
3. The savings amount is deposited in the bank a/c of the group as a collective fund.
4. Small loans are given to the members of the group out of the collective fund.
5. All members of the group play an active role in decision making.

**Role of Micro Finance –**

Most of the population of India resides in rural areas. Most of the women living in rural areas are agricultural laborers whose main source of income is agriculture. Since they do not have any means of income other than agricultural wages. Even in the fields they get work only for 5-6 months, rest of the

time they remain vacant or they have to make special efforts to earn income. Meanwhile, their problems increase further when there is illness, death, marriage, festival etc. in the house. Along with this, if these women take micro loans from banks by mortgaging any jewelry or land, then they have to work very hard to redeem them.

It is also a considerable fact that despite having a wide network of bank branches, rural women do not have access to them. Micro finance is such a medium through which work is done to bring the families living below the poverty line above the poverty line in a suitable period by organizing them in self-help groups and providing loans and grants for self-employment. Also, under these efforts, necessary loans, training and guidance are also provided through self-help group-bank affiliation program for setting up entrepreneurial business by women.

### **Conclusion -**

Along with financial inclusion, India's main policy objective has been set in the form of developmental works. At present, the facility of micro finance has emerged as a better option with the expansion of financial services for low income groups in unbanked areas. Various lenders, who used to give loans at their discretion, are now interested in giving loans to different sections of the society subject to the provisions of the law. With the aim of meeting the financial needs of the low income groups living in the rural areas, the form of micro finance institutions has now started developing and its usefulness has also been proved in the rural environment. The increasing number of micro finance institutions in India is not only showing the immense possibilities of development in this sector, but is also paving the way for the country's economic development by providing employment opportunities to the youth.

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