



ROLE OF ESAF SMALL FINANCE BANK FOR WOMEN EMPOWERMENT WITH SPECIAL REFERENCE TO PONNANI BRANCH

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ABSTRACT

This study examines the role of ESAF Small finance Bank in empowering rural women, with a focus on its Ponnani branch. In rural India, women often face significant barriers to accessing financial resources due to gender discrimination, lack of collateral, and limited financial literacy. ESAF Small Finance, through its various loan and savings schemes, has been instrumental in addressing these challenges. The primary objective of the study is to analyse the impact of ESAF's financial services on the socio-economic status and empowerment of women beneficiaries. The research is based on a sample of 50 female clients of the Ponnani branch, using both primary data collected through structured questionnaires and secondary data sourced from past research and reports. The study employs percentage analysis and chi-square tests to assess changes in saving habits, economic participation, and socio-economic status.. The study provides insights into the effectiveness of microfinance in enhancing women's financial inclusion and socio-economic development in rural India.

Keywords: *ESAF Small Finance, Women Empowerment, Rural Women, Financial Inclusion, Socio-Economic Status, Small Finance, Empowerment,*

INTRODUCTION

Women are the backbone of the society. Understanding empowerment of women is a complex exercise. Gender discrimination is very much common in India. The empowerment of women and gender equality are the basic requirements for a developed society. Rural women are marginalised and vulnerable group of the society due to the lack of access to financial property and education. Women have less chance to participation in the development process of the Nation. Economic development is necessary to enhance the status of women, both in family and society. For this cause, Government of India has taken many initiatives. Commercial banks play a vital role in the economic development of the society by ensuring mobilization of savings and providing credit.

Empowerment of women is defined as the process in which women challenge the existing norms and culture to effectively improve their well-being. A majority of microfinance programmes target women with the explicit goal of empowering them. There are varying underlying motivations of pursuing women's empowerment. Some argue that women are among the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. Others believe that investing in women's capabilities empowers them to make choices, which is a valuable goal, but it also contributes to greater economic growth and development. Since 1995 ESAF has grown by leaps and bounds in the microfinance as a viable, sustainable,

and effective means for creating jobs and reducing poverty. This research conducts for the study “Analyse the Role of ESAF small finance bank for women empowerment with special reference to Ponnani branch”

REVIEW OF LITERATURE

Banerjee et al. (2015), in “*The Miracle of Microfinance? Evidence from a Randomized Evaluation*,” assess a group-lending microcredit program in Hyderabad and find modest short-term impacts: increased business investment and profits, but no rise in overall consumption, health, education, or women’s empowerment. After two years, with broader credit access, most differences between treatment and control groups disappear, suggesting limited long-term transformative effects of microfinance

Mohapatra, S., & Sahoo, B. K. (2016) in their work “Determinants of participation in self-help-groups (SHG) and its impact on women empowerment” states that SHG–bank linkage programme has largely bypassed the poorest of the poor but has a positive and significant impact on women's empowerment and microfinance should be actively promoted among disadvantaged social and religious groups to enhance women's social and economic status through empowerment

Robert Cull and Jonathan Morduch(2018) in their work “Microfinance and Economic development” reevaluates the role of microfinance, shifting the focus from entrepreneurial finance to a broader view of household finance. It emphasizes that while microfinance offers modest impacts on business outcomes, its real value may lie in providing liquidity for diverse household needs.

SIGNIFICANCE OF THE STUDY

Commercial banks and other financial entities are not effectively serving the rural population especially women, because of lack of understanding the requirements of rural women, lack of proper securities to get financial assistance, lack of technical knowledge etc. They are mainly interested in providing finance to large and medium corporates and urban customers. In our nation majority of the people belongs to low- and middle-income group. In rural India, formal banking facilities are still a scant product. Micro and small enterprises and small customers especially from rural and semi urban areas are partly served by private financial institutions and local money lenders. The concept of small finance is an innovative step taken by policy makers to serve the un- served and under-served rural population. Small finance bank have better knowledge of the financial needs of rural community because, most of these banks were working as micro finance institutions and they have better knowledge regarding the financial needs of rural customers. In this situation, the present study tries to analyse the role of ESAF Small Finance for empowering women.

OBJECTIVES OF THE STUDY

- To know the Socio-Economic status of the respondents
- To study the type of finance availed by the customers.

SCOPE OF THE STUDY

The study focus on the women beneficiaries by studying them within their socio- economic and familial nucleus and capturing their account by studying both the qualitative and quantitative aspects of change as experienced by them. There are different loan schemes of ESAF small finance to women beneficiaries. They are beyond the purview of the study. The scope of the study is to analyse the Role of ESAF for women empowerment. It also analyses the financial needs provided by the ESAF to women borrowers and its result.

RESEARCH METHODOLOGY

Research methodology is the way to solve the research problem systematically. It deals with the objective of research study, the type of data collected, method used for data collection and analysis etc... The methodology includes collection primary and secondary data.

Research design

A research design is basic framework, which provides guidelines for the rest of research process. It is the map or blueprint according to which, the research is to be conducted. The research design specifies the method of study. Research design is prepared after formulating the research problem and need to be most suitable to solve the problem.

Population

The population in this study is female customers of ESAF small Finance Bank at Ponnani branch.

Sample size

50 respondents among the said population are randomly selected and applied scheduled method for primary data collection.

Period of study

This study is based on the secondary data from various past studies of 10 more years and primary data collected recently. For analysing primary data and report writing researcher had taken 21 days.

HYPOTHESIS

Hypothesis 1

There is a significant impact on types of loan availed on Education qualification of the customers.

H0- Types of Loan availed and Education Qualification are Independent.

H1- Types of Loan availed and Education Qualification are Dependent

Hypothesis 2

There is a significant impact on types of loan availed on Age of the customers.

H0- Types of Loan availed and Age of the customers are Independent.

H1- Types of Loan availed and Age of the customers are Dependent.

Hypothesis 3

There is a significant impact on types of loan availed on Occupation of the customers.

H0- Types of Loan availed and Occupation of the customers are Independent.

H1- Types of Loan availed and Occupation of the customers are Dependent

Data collection

Data collection is the primary step in statistical investigation. Collection of data is process of enumeration together with the proper recording of results. The success of an enquiry depends upon proper data collection, the methodology of this study involved collection of both primary and secondary data.

Sources of Data

Data are the raw materials on which the researcher works. The task of data collection beings after research problem has been defined and research design chalked out. The data relates to a study may of primary or secondary in nature.

Primary Data

For collecting primary data from the 50 respondents selected from among the said population scheduled method was applied.

Secondary Data

These are data already collected and recorded. Here secondary data were collected from the website, library books and also previous research reports in related areas.

DATA ANALYSIS

TABLE 1

PARTICULERS		PERCENTAGE
Age	20-30 Years	14
	30-45 Years	44
	45-60 Years	32
	Above 60 years	10
Educational qualification	Below SSLC	14
	SSLC	24
	Plus Two	30
	Graduate	22
	Others	10
Occupation	Self employed	68
	Employed	16
	students	16
Annual	Less than Rs 20000	8

income	Rs 20000-Rs.50000	54
	Rs. 50000-Rs.100000	38

(Source: Primary Data)

INTERPRETATION

From the above table most of the respondents (44%) are between 30 and 45 years old. In terms of education, most people have completed Plus Two (30%) or SSLC (24%), with a smaller group being graduates (22%). However, 68% are self-employed. Regarding income, most earn between Rs 20,000 and Rs 50,000 a year (54%), which is on the lower side.

TABLE 2
Testing of Hypothesis 1 (Chi Square Test)

Types of Loan availed	Education Qualification					Total
	Below SSLC	SSLC	Plus two	Graduation	Others	
Housing Loan	1	1	2	2	1	7
MSME Loan	2	6	8	6	1	23
Dairy Development Loan	1	2	2	1	1	7
2/3 Wheeler Loan	1	1	1	1	1	5
Education Loan	2	2	2	1	1	8
Total	7	12	15	11	5	50

(Source: Primary Data)

Calculated value	=	6.5306
Degree of freedom	=	(r-1) (c-1)
		(5-1) (5-1) = 16
Level of significant	=	5%
Table value	=	26.296

INTERPRETATION

The chi-square test results show that the calculated chi-square value (6.5306) is smaller than the critical value (26.296) at 16 degrees of freedom and a 5% significance level. As the calculated value is less than the critical value, we fail to reject the null hypothesis (H_0). This suggests that there is no significant association between the types of loans availed and the education qualifications of the customers.

TABLE 3
Testing of Hypothesis 2 (Chi Square Test)

Types of loan Availed	Age				Total
	20-30	30-45	45-60	Above 60	
Housing Loan	3	2	1	1	7
MSME Loan	1	13	9	1	24
Dairy Development Loan	1	2	3	1	7
2/3 Wheeler Loan	1	1	1	1	4
Education Loan	1	4	2	1	8
Total	7	22	16	5	50

(Source: Primary Data)

Calculated value	=	11.273
Degree of freedom	=	(r-1) (c-1)

$$(5-1)(4-1) = 12$$

$$\text{Level of significant} = 5\%$$

$$\text{Table value} = 21.026$$

INTERPRETATION

Since the calculated value (13.605) is less than the table value (21.026), we fail to reject the null hypothesis. This suggests that there is no significant association between the types of loans availed and the age of the customers.

TABLE 4
Testing of Hypothesis 3 (Chi Square Test)

Types of loan Availed	Occupation			Total
	Self Employed	Employed	Students	
Housing Loan	5	1	1	7
MSME Loan	21	2	1	24
Dairy Development Loan	2	2	3	7
2/3 Wheeler Loan	2	1	1	4
Education Loan	4	2	2	8
Total	34	8	8	50

(Source: Primary Data)

$$\text{Calculated value} = 11.56$$

$$\text{Degree of freedom} = (r-1)(c-1)$$

$$(5-1)(3-1) = 8$$

$$\text{Level of significant} = 5\%$$

$$\text{Table value} = 15.507$$

INTERPRETATION

Since the calculated value (11.56) is less than the table value (15.507), We fail to reject the null hypothesis. This indicates that there is no statistically significant association between the types of loans availed and the age of the customers.

FINDINGS

- All the respondents are women,
- Most respondents (44%) are between 30 and 45 years old, which is the typical working age.
- A significant portion of respondents has completed Plus Two (30%), while 14% have not completed school (Below SSLC).
- The majority (68%) of respondents are employed, indicating empowered enough for finding stable jobs.
- Most respondents (54%) earn between Rs 20,000 and Rs 50,000 annually, which is on the lower side.
- The most common loan type availed is the MSME Loan (48%), suggesting that many are engaged in small businesses.
- The Hypothesis, with the help of chi-square test shows a significant relationship between the quality of financial services and socio-economic status, that shows the quality of financial services availed have an impact on the socio-economic status of the women customers.
- ESAF Small Finance Bank's overall financial services, especially through MSME loans and education loans, appear to play a key role in empowering women.

SUGGESTIONS

- Many respondents with lower education levels could benefit from financial literacy programs to help them better understand available financial services and make informed decisions.
- ESAF Small Finance Bank could introduce specialized loan schemes for women, particularly focusing on supporting female entrepreneurship and educational advancement to foster women's economic empowerment.

- Since the MSME loan is the most frequently availed loan type, ESAF should provide additional support such as training or mentorship to encourage small businesses, particularly those owned by women, and help them grow sustainably.
- The bank could expand its education loan offerings to support further studies, especially for women, as it would enable them to access higher education and improve their career prospects.
- ESAF could promote more community-based loan programs or self-help groups that specifically focus on women, providing them with easier access to credit and financial resources to improve their socio-economic standing.

CONCLUSION

This study underscores the pivotal role of **ESAF Small Finance Bank** in promoting **women empowerment** through its financial services. By offering accessible loans, such as MSME and education loans, ESAF provides women with the opportunity to enhance their economic independence, improve their livelihoods, and engage in entrepreneurship. The findings suggest that despite socio-economic challenges, especially among women from lower-income groups, ESAF's services can help bridge the gap, enabling them to pursue business ventures and educational aspirations. The bank's focus on supporting small-scale businesses and providing educational loans plays a crucial role in fostering financial independence and reducing gender disparities. However, the study also highlights areas for further improvement, such as the need for specialized loan products targeted specifically at women and greater efforts to provide financial literacy programs. Overall, ESAF Small Finance Bank's efforts are vital in empowering women, improving their socio-economic status, and contributing to the broader goal of gender equality and financial inclusion.

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