

Microfinance's Role in Empowering Rural Indian Women

(A Research Study Conducted with Reference to Wardha District in Maharashtra State)

Priya H. Rajput,
Asst. Professor, Shankarlal Agrawal
College of Management Studies,
Gondia (MH), India

Dr.S.A. Sonegaonkar
Associate Professor,
Nabira Mahavidyalaya,
Katol (MH), India

Abstract:- India is a developing country, 68.84% of Indian population resides in villages (According to Census 2011). Being an agrarian economy, majority of the population depends upon agriculture to earn a living. In the year 2012, Government of India stated that 22% of its overall population is below official poverty limit. The gender inequality existing in demographic composition of a society depicted by the socio-economic conditions of female population, poverty, their literacy rate, employment opportunities, life expectancy etc. Census 2011 depicts that female population accounts for 48.5% of the total population. Women need helping hands to improve their condition, they have no access to credit, they are unaware of financial terms/ products etc. Microfinance emerged as a ray of hope for rural women, which provides them financial assistance at their doorstep. Empowerment of women means an overall 360 degrees empowerment of them, may it be financial, psychological, legal, political etc. This study is a modest attempt to explain microfinance's role in empowering rural women of our nation.

Keywords:- Microfinance, rural women empowerment.

I. INTRODUCTION

Microfinance is made from combining two words micro and finance. Micro means small and finance means money. So, Microfinance is a type of financial service which provides small loans to low income individuals, who have limited or no other means of getting financial help. Majority of microfinance institutions target women as their primary customers. Microfinance in India works on group lending system called SHGs i.e Self Help Group. SHG consists of group of women borrowers ranging from 5 to 10/15/18 etc. It is the sole responsibility of each group member to pay the instalments on time. Services to women are offered at their doorstep, which is one of the crucial feature in success of microfinance in India and it becomes convenient for rural women to avail microfinance services. Instalments are collected weekly, fortnightly or monthly from women. Microfinance is reaching the unreached poor of our nation who have been sidelined since ages.

Microfinance provides loans to women in rural areas, which helps them to start their own business and earn a

living for them. Below is the list of some major business activities which rural women carry out:

- Dress stitching.
- Running a floor mill.
- Running grocery shop.
- Selling fishes.
- Running crèches.
- Running daily needs shop.
- Running garment shop.
- Running beauty parlours.
- Running tea stalls.
- Bee keeping.
- Selling homemade dairy products.
- Selling fruits, vegetables.
- Poultry farming.
- Grazing cattle.
- Selling Papads.
- Selling Pickles.

II. OBJECTIVES OF THE STUDY

- To explore various determinants of Microfinance.
- To study the role of microfinance in household decision making power of women.
- To inspect strike level of microfinance services on lives of rural women.

III. AREA OF THE STUDY

The research study is carried out in selected five villages of Wardha district of Maharashtra namely: Barbadi, Borgaon, Pavnar, Sawangi and Sewagram.

Distribution of sample is listed below:

| Sr.No. | Name of the Village | Sample Size |
|--------|---------------------|-------------|
| 01. | Barbadi | 20 |
| 02. | Borgaon | 20 |
| 03. | Pavnar | 25 |
| 04. | Sawangi | 25 |
| 05. | Sevagram | 25 |

IV. RESEARCH METHODOLOGY

- Research methodology explains the complete process of research. For the current research study, both primary and secondary data were used.
- Primary data was collected randomly from 115 women respondents availing microfinance services. A Structured questionnaire was used for collecting data, various questions related to microfinance services, income, decision making power, standard of living was asked to women respondents and their views were collected.
- Secondary data was used to study the available literature on the current topic, so as to know what kinds of studies were carried out in the past and to find out the need for future studies.
- Sample size- 115.
- Sampling method used: Simple Random Sampling.
- Sampling tool: MS EXCEL.
- Five point Likert scale (Strongly Agree, Agree, Can't say, Disagree and strongly Disagree) was used for collecting view points of women respondents.

V. DATA ANALYSIS AND INTERPRERATION

This fragment of study deals with interpreting the collected data in a tabular form, which becomes easy for any viewer to understand the conducted study. Tabular interpretation has been done through MS EXCEL. All 115 women respondents availing microfinance services were asked to fill up the questionnaire on five point Likert scale. This primary data collected from women respondents was then filled in EXCEL sheets to draw meaningful inferences. Result is shown through bar charts.

The five point Likert scale used in analysis in which SA signifies strongly Agree, A: Agree, Can't say, D:Disagree and SD: Strongly Disagree respectively.

Determinants of Women empowerment are illustrated below:

A. Improvement in Income level

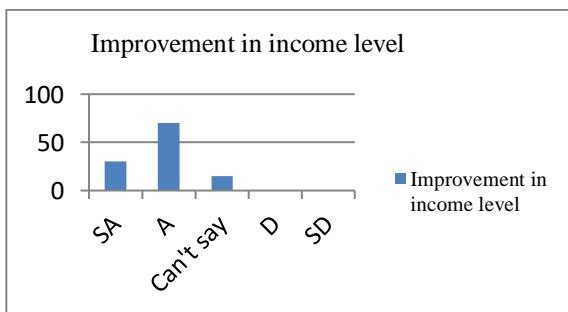


Fig 1:

B. Improvement in Decision making power.

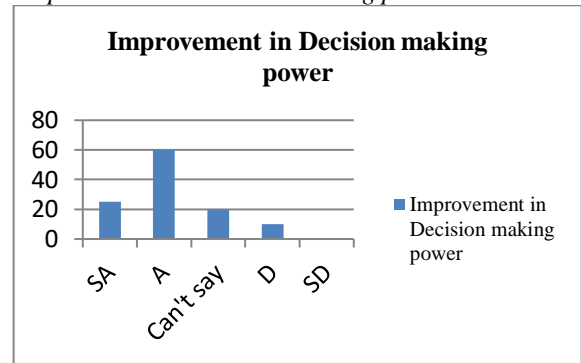


Fig 2:

C. Improvement in Confidence level.

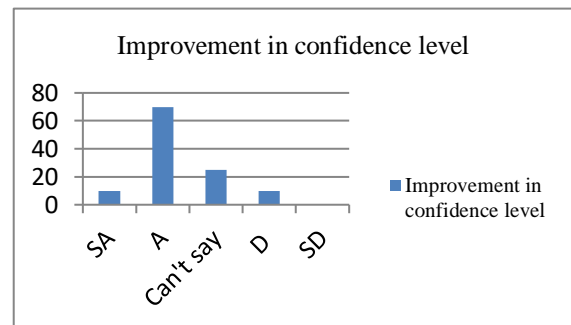


Fig 3:

D. Recognition in Family.

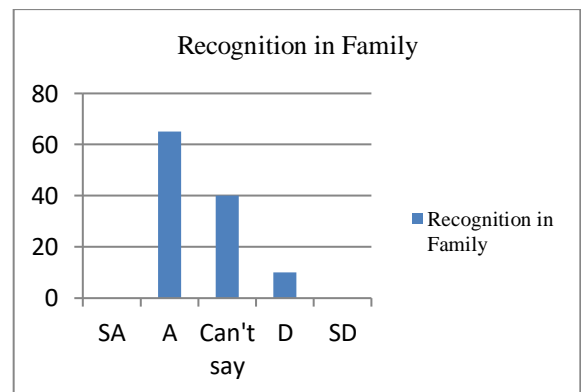


Fig 4:

E. Recognition in Community, Village

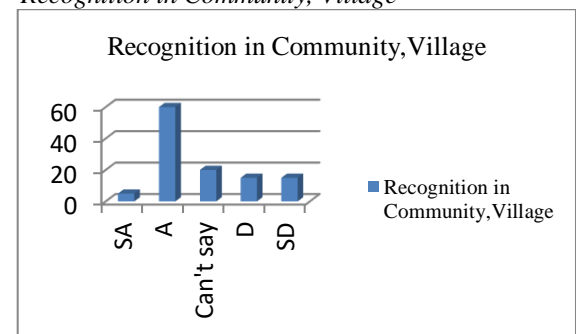


Fig 5:

F. Improvement in Communication skills.

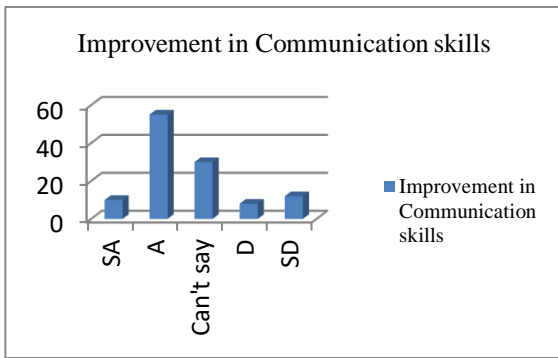


Fig 6:

G. Financial Independency.

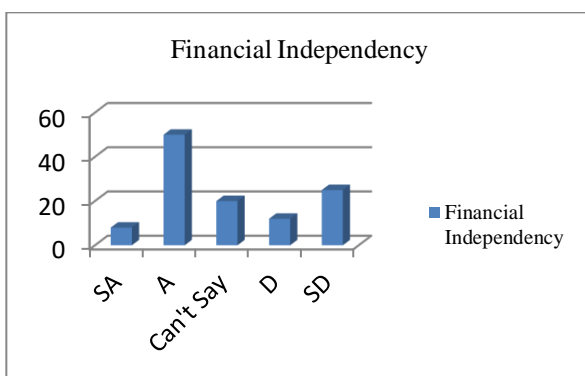


Fig 7:

H. Improvement in Living Standard.



Fig 8:

VI. RESULTS AND DISCUSSIONS

- Fig. 1. clearly signifies the positive responses of women for improvement in income level.
- Fig. 2. shows that almost 73% women have found themselves strong in taking decisions.
- Fig. 3. clearly shows that majority of the women have gained more confidence after being part of microfinance.

- Fig. 4. and fig.1.5 signifies that more than 50% women have experienced more recognition in family, community or village after they have started earning.
- Fig. 6. shows positive impact in improvement of communication skills of women.
- Fig. 7. depicts that more than half of the respondents feel financial independency, earlier they were totally dependent on their husbands.
- Fig. 8. shows that almost 60% women said that Microfinance has raised their living standard.
- In this study, questions related to age, income group and educational qualification were also asked. Among 115 women respondents 30 belong to age group of 20-30 years, 50 belong to age group of 31-40 years and remaining 35 belong to age group of above 40 years.
- Most of the women above 40 years of age were illiterate, still they were earning around 3K per month on an average, rest respondents were literate some were below SSC, while some were below HSSC, earning an amount between 2K -6K per month.

VII. CONCLUSION

- This paper has made a sincere attempt to study the microfinance’s role in empowering rural Indian Women. No doubt, microfinance is playing a giant role in changing lives of rural women.
- Microfinance has provided them an opportunity to use their skills by providing finance in establishing business activity and earn a living to become financially independent.
- From the above data interpretation, it can be clearly concluded that Microfinance have been proving itself helpful in improving income level, decision making power, confidence level, living standard, financial independency of rural women to a huge extent. These women have found a ray of hope in microfinance, as they get financial assistance without any collateral and as they have started earning, better recognition in family, community and in village as well are experienced by them.
- Most of the women seem to be quite happy with microfinance services and they confessed that they feel empowered not only financially but also psychologically, socially, legally and politically. They enjoy better status in family, society and village as well.
- Women are now involved in taking major decisions for home, they enjoy better standard of living, they are able to help their children in studies financially and they have started saving for themselves.
- It was not possible to reach every single woman in villages, so the study was limited to 115 women respondents, who represent women of their village, as most of them belong to same society, have same financial status.
- Thus, as microfinance is empowering women in rural areas, women are also coming in front to grab such opportunities and microfinance needs more effort to reach every single woman to make them financially literate, financially independent. Future of rural women seems to be bright, thus of microfinance, which is a

great news for such a developing economy who can trust women population to move ahead.

BIBLIOGRAPHY

- [1]. BhagwanN.Daware,2015. “Women empowerment through Microfinance”, Golden Research thoughts vol-4.
- [2]. Rangarajan L ,2003 “ Women empowerment through entrepreneurial activities, a self-help group approach in Andaman Islands”.
- [3]. Dr.Suchi lumba 2011 “Role of Microfinance in women empowerment in India.
- [4]. Kristina Shakya 2016 “Microfinance and Women Empowerment”.

WEBSITES

1. www.google.com
2. www.wikipedia.com