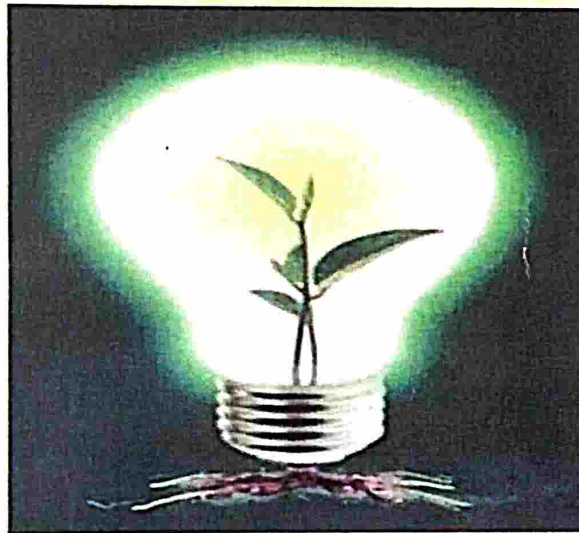


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THE ROLE OF MICRO FINANCE IN EMPOWERMENT OF WOMEN

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Abstract

In today's globalised world the woman is viewed as a human resource. If given enough freedom and proper opportunities, the woman's potential is fully realized, thereby enriching the surrounding around her. Women empowerment is absolutely essential for human, national and real global development by which we can achieve sustainable development.

Micro finance is one of the important inventions in the field of Indian financial system which is basically designed to fulfill the credit and financial needs of poor people. Self Help Group has helped the poor women in many ways like in terms of decision making ability, freedom of choice, standard of living, the importance of education, cleanliness etc; thus leading to the total empowerment of women. The way of the Saving Group has been very useful for making women empowered, efficient and co-opting them with the economic development. They are playing very crucial role in the form of to create awareness, to improve their skills through training programmers', to enhance and foster their self - confidence, to broaden their professional attitudes and improve their personality. Women's capacity of spending money is increased due to economic availability. The important merit of microfinance is to relieve the poor from the clutches of informal financial sector.

Though large no of Self Help Groups flourished in the last 2 decades, still there are many problems faced by these groups

Dr. Mohamed Yunus a recipient of Noble Prize for his excellent jobs in inventing micro finance for the poor people, has really given a way to poor people to extend the credit and to be self reliant by generating income from different economic activities. Self Help Group is benefiting poor woman not only in terms of credit extension, income generation but also making a woman most self-reliant, empowered and independent by enabling her to take decisions in every sphere of her life. Woman's self help groups which provide a congenial atmosphere for enlightening and empowering the rural women who were for long treading on traditional patriarchal track, have slowly but steadily switched over to the female partnered empowerment track. The pace is slow, obviously because of their poor knowledge, skill and economic base. However with a concerted drive towards empowerment through external intervention by Government, NGO's, corporate and colleges and universities, the pace of empowering rural women could be constantly accelerated.

THE ROLE OF MICRO FINANCE IN EMPOWERMENT OF WOMEN

“Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to development of a good family, good society and ultimately a good nation.” - Dr. A. P.J Abdul Kalam

INTRODUCTION:

Women with her inherent capabilities inevitably play the constructive role, not only in the family but also for the society and for strengthening national economy. Globalization had a vital impact on the human society all over the world, the role and responsibilities of women has attained new definition and perspective. In today's globalised world the woman is viewed as a human resource. If given enough freedom and proper opportunities, the woman's potential is fully realized, thereby enriching the surrounding around her.

Women are almost one half in the world's population having enormous potential but in fact is underutilized or unutilized for the economic development of the nation. It is a fact that women are deprived of and discriminated with gender bias all over the world in general and in the country like India in particular. This demands special efforts to empower the women. Women empowerment is absolutely essential for human, national and real global development by which we can achieve sustainable development. Nobel Prize winner Dr. Amartya Sen emphasizes that the empowerment of women is one of the Central issues in the process of development for many countries in the world today.

The concept of women empowerment is broader having various issues and diversions. Empowerment of women can be considered as a change in the context of a women's life that enables her increased capacity to lead a fulfilling human life, characterized by external qualities such as health, mobility, education and awareness, status in the family, participation in decision making and level of material security as well as internal qualities such as self-awareness, self-esteem and self-confidence. Only to make them aware of their capacities but also to provide them with the opportunities, facilities and external and internal environment to utilize their inherent qualities and to develop in them the ability to raise voice and fight against injustice, exploitation and violence done to them. It is essential for bringing about prosperity, peace and progress in society.

Micro finance is one of the important inventions in the field of Indian financial system which is basically designed to fulfill the credit and financial needs of poor people. Self Help Group under Micro Finance is helping the poor especially poor women in meeting her credit needs and improving her standard of living. Self Help Group is the group made up of 10 to 20 members saving a small amount of money weekly or monthly and utilizing that amount in some productive activities. Self Help Group has helped the poor women in many ways like in terms of decision making ability, freedom of choice, standard of living, the importance of education, cleanliness etc; thus leading to the total empowerment of women.

OBJECTIVES:

1. To study the concept of women empowerment.
2. To know the concept and growth of micro finance.
3. To study the role of micro finance in empowering poor women.
4. To suggest some measures for successful functioning of micro finance.

HYPOTHESIS:

1. Women if provided proper opportunities, freedom and training realize their potential better.
2. Women are a human resource and her empowerment leads to the progress of family, surroundings, society and the nation.

DIVISION OF THE PAPER:

The present paper is divided into four parts. First part introduces the topic under study. Second part deals with role of micro-finance in empowering women. Conclusions are drawn in the third part and the fourth part suggests some measures for successful running of micro finance.

METHODOLOGY:

The present research paper entitled, 'The role of Micro Finance in Empowerment of Women' is mainly based on secondary data gathered from different sources like reference books, periodicals, research journals and the information available on internet.

REVIEW OF LITERATURE:

Dr. M. Venkatesh and Dr. P. Sudarsanan Pillai [2010] explain the potential and role of micro finance services in the process of all inclusive rapid economic development of India and also discuss the different strategies for the success of micro finance industry in alleviating poverty. Dr. G.L. Gaur Key Words – Empowerment, Micro Finance, Self Help Group, Credit Extension

[2009] opines that though micro finance sector has positive impact on socio-economic life of rural poor, it suffers from various defects, like exploitative and non-transparent interest rates, strong arm recovery tactics etc. So anticipatory and recovery measures will remove the lacuna of the system. Dr. Sambangi [2009] studies Self Help Group as an effective strategy and do able approach to empower women in India. Women participation in SHG'S have obviously created tremendous impact upon the life pattern and style of poor women especially in rural areas and empowered them at various level not only at individual but also as member of family, member of community and society as a whole.

THE CONCEPT OF MICRO FINANCE:

The term 'Micro' literally means small and 'Finance' refers to provision of credit and other financial services. The taskforce on supportive policy and regulatory framework for

Micro-finance defined micro finance as 'provision' of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to realize their income levels and improve living standards. The mantra "Micro Finance is banking through groups" It means to provide financial services through the groups of individuals. In short Micro Finance is a broad term that includes deposits, loans payment services and insurance to poor. In general this concept is understand as providing poor families with small loans to help them to engage in productive activities or expand their tiny businesses.

Growth of SHGs:

The growth of SHGs in India is phenomenal and it is realized as the most useful tool for poverty eradication and women empowerment. The number of SHGs linked with the bank in 1992-93 was 255, which increased to 2.71 million in March, 2007. This has made India a leading country in the micro finance movement.

A success story of Dr. Mohamed Yunus:

This concept has opened the eyes of the whole world by Dr. Mohamed Yunus, professor of Economics in Bangladesh in the 1976. He observed that when a small support is given to a poor person in a village, he can do a lot in his life. Dr Yunus goes in the locality of poor craftsmen, who are making baskets from bamboo, for observing their work. He formed a saving group of the women and requested the bank to give loan to them. The West Bengal framed a law in 1983 specially and converted this project into a bank. This bank belongs to the ownership of the poor debtor. Most of the customers of the bank are the members of the saving Group and are the women who have borrowed loan from this bank for running their business. This Rural Bank of the West Bengal is known today all over the world and offering prosperity though self-employed wages due to its progressive work rebuilt the disorderly and distorted families of millions of people of the West Bengal as well as built up the families of the destitute. It is known as the Gangotri of Women's empowerment in the form of its historical task. This way in the rural area in the struggle against poverty has been very popular as an effective movement.

The Role of Micro Finance in empowerment of Women:

The way of the Saving Group has been very useful for making women empowered, efficient and co-opting them with the economic development. At present Self-Help saving group in every plan has been determined to be the foundation of all activities of women's development, it may be economic development or social security or people's awareness and it originally starts from the Saving Group of Self Help. They are playing very crucial role in the form of to create awareness, to improve their skills through training programmers', to enhance and foster their Self - confidence, to broaden their professional attitudes and improve their personality. Micro finance and microcredit schemes are found very successful because every rupee lent serves to raise the annual household expenditure to buy almost fifteen times and recorded as the best empowerment and poverty alleviating scheme throughout the word.

Women's capacity of spending money is increased due to economic availability. Formerly everyone had to depend upon the head of the family for any kind of expenditure. But due to Self Help Group this picture has changed. The important merit of microfinance is to relieve the poor from the clutches of informal financial sector. Access and efficient provision of micro credit can enable the poor to develop their micro enterprises, improve their income earning capacity and enjoy on improved quality of life. A thriving pro business can generate enough income to feed their family, send their children to school and build a housing. The poorest when they receive credit, they become economic actors with empowerment; improve not only their own life but also the lives of others.

In short, micro financing empower women members of the SHG in the following ways -

- 1) Ability to save and access loans.
- 2) Awareness about local issues. MFI's procedure, banking transactions etc
- 3) Opportunity to undertake an economic activity.
- 4) Skill formation for income generation.
- 5) Group mobilization.

- 6) Development of decision making capacity within the households.
- 7) Leadership in community development activities.

Problems faced by Self Help Groups:

Though large no of Self Help Groups flourished in the last 2 decades, still there are many problems faced by these groups

- 1) Majority of the members joined groups for availing subsidy only.
- 2) The male members of the family discourages the women in participation the various activities.
- 3) Lack of entrepreneurial training to the members.
- 4) Low level of literacy, lack of experience in handling funds, uncertainty about the workability of SHGs.
- 5) Increasing political interest in the SHGs.

Suggestions:

1. Most of the SHG members are from agriculture sector and realizing the role of women in agriculture, the efforts should be made in providing different training programmers' like training in irrigation, soil conservations, dairy development etc. The training can also be provided in the activities which are related to agriculture like food processing, horticulture, livestock, animal husbandry, poultry, fisheries etc.
2. A proper education is need to be provided like maintaining a clean environment proper disposal of waste, use of proper sanitation, regular maintenance of house, tree plantation, kitchen gardening etc. which can be resulted in to clean and healthy environment for poor people and will help to reduce the illness or any other diseases.
3. To make SHG successful and sustainable in future, involvement and active participation of SHG members is needed. So the group leaders and the institutes promoting SHG should encourage the members to actively participate in all activities of SHG.
4. There is need to spread the importance and benefits of SHG. So that the poor people who are unaware about SHG can also form in to SHG. So different types of awareness programmers' need to be arranged to increase the number of SHGs
5. SHGs role may further be enhanced through its involvement in developmental programmers' implemented in the rural areas.

CONCLUSION:

Dr. Mohamed Yunus a recipient of Noble Prize for his excellent jobs in inventing micro finance for the poor people, has really given a way to poor people to extend the credit and to be self reliant by generating income from different economic activities. Self Help Group is benefiting poor woman not only in terms of credit extension, income generation but also making a woman most self-reliant, empowered and independent by enabling her to take decisions in every sphere of her life. Woman's self help groups which provide a congenial atmosphere for enlightening and empowering the rural women who were for long treading on traditional patriarchal track, have slowly but steadily switched over to the female partnered empowerment track. The pace is slow, obviously because of their poor knowledge, skill and economic base. However with a concerted drive towards empowerment through external intervention by Government, NGO's, corporate and colleges and universities, the pace of empowering rural women could be constantly accelerated.

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