



Role of micro finance in women's empowerment: With special reference of Alwar region

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Abstract

Microfinance is a type of banking service that is provided to unemployed or low-income individuals or groups who would otherwise have no other means of gaining financial services. Microfinance today is a widely accepted tool for poverty alleviation and socio-economic empowerment of its beneficiaries. The beneficiaries being largely women group, the empowerment of women through microfinance is a widely studied and debated issue. The main objective of microfinance is to empower women. This research examined the role of micro finance institutions with respect to economic empowerment and poverty alleviation of women confide to Alwar region. An effort is also made to suggest the ways to increase women empowerment through micro finance. Simple graphical analysis and factor is been used to analyse the data which was collected through a self-made questionnaire.

Keywords: micro finance, women empowerment, social, economic

Introduction

The microfinance area in India has extended quickly in the course of recent years. Microfinance is an expansive zone of money related administrations gave to the general population of low-salary bunches who can't take bank's help managing an account and united administrations. The administration is accessible to great degree needy individuals, regardless of where they live. The motivation behind microfinance is to raise the profit of low-class individuals and let them access to stores and credits. The customers may incorporate ladies, agriculturists, and retired people, etc. It supports ladies strengthening by giving term financial help and consequently advocates sexual orientation equity.

Enabling ladies is an indispensable apparatus for easing neediness. Enabled ladies add to the wellbeing and profitability of entire families and networks and to enhanced prospects for the cutting edge. There have been a few foundations pushing for ladies strengthening, however ladies are as yet poor and defenceless when contrasted with men. The principle explanations behind the equivalent are financial reliance on male individuals, quick increment in populace, joblessness, absence of education and absence of access to credit. Ladies assume a huge job in the residential and financial existence of the general public and accordingly, national improvement is unimaginable without building up this fragment of the general public. For the advancement of ladies it is basic to enhance their monetary and economic wellbeing. At the point when their monetary, social and economic wellbeing enhances, it is known as ladies strengthening.

Microfinance has risen as an integral asset for ladies strengthening in the new economy. In India, microfinance dissemination is for the most part overwhelmed independent from anyone else Help Groups (SHGs)-Bank Linkage Program. It goes for giving a savvy instrument to giving budgetary administrations to the poor segment of the general public.

Endeavours on ladies strengthening will assist society with getting free of social shades of malice. There is far to remove individuals from neediness yet SHGs can end up noteworthy device to accomplish this goal through microfinance programs. Microfinance helps destitute individuals incorporating ladies in getting business, expanding certainty, improving relational abilities and in different angles too. Ladies increase more noteworthy command over assets like material ownership, scholarly assets like learning, data, thoughts and basic leadership at home, network, society and country through contribution in these microfinance programs.

Service accessibility among women associated to microfinance

Microfinance Institutions (MFIs) give comparable items and administrations to their clients as formal segment money related organizations. The scale and strategy for conveyance contrast, yet the essential administrations of reserve funds, credits, and protection are the equivalent. Most endeavours to formalize microfinance have concentrated on big business loaning (credits for big business arrangement and advancement) which stay by a long shot the predominant item offered by MFIs. This, notwithstanding, has gradually started to change. Progressively, right now MFIs have started to offer extra items, for example, funds, utilization or crisis credits, protection, and business training. The ascent of microfinance items contends that there is the requirement for reserve funds and protection administrations for poor people and not simply credit items. In the same way as other different nations, MFIs offer three noteworthy administrations to their customers; miniaturized scale credit, smaller scale reserve funds and smaller scale protection and coolly furnishes their customers with non-budgetary administrations, for example, business instruction and preparing.

Accessibility to microfinance is explained as, the right to obtain or make use of or take advantage of microfinance (as services or membership). Accessibility to microfinance takes

varying forms ranging from individual lending, group lending, and credit unions to self-help organizations. Through the four basic methods clients are able to access microfinance services. The popularity of a method in one area greatly influences its usage. Microfinance clients have the right to microfinance services through any of the four schemes. It is worth mentioning that, all clients have the same privilege irrespective of the method chosen whether through individual lending, group lending, credit unions or self-help organizations. In this study, women's accessibility to microfinance service is analysed in terms of major services women access from MFIs, how long they have accessed such services, number of times they have accessed such services and their views on how responsive their MFIs have been when the need arises.

Issues of microfinance on economic empowerment of women

Contemporary examinations on the effect of microfinance on ladies strengthening recognize five principle measurements of ladies strengthening coming about because of their support in microfinance programs: financial, social, political, lawful and mental strengthening of which monetary and social strengthening are the most dominating. Along these lines, this investigation focuses on monetary and social strengthening of ladies.

Economic empowerment of women is recognized as women's control, access to credit, contribution to family support and increased household ownership of properties and assets. Women's access to savings and credit gives them a greater economic role in decision making through their decision about savings and credit. Women control over decisions regarding credit and savings could benefit men through preventing leakage of household income to unproductive and harmful projects. Economic empowerment includes women's control, access to credit, contribution to family support and increased household ownership of properties and assets.

Social empowerment of women includes freedom of movement, lack of discrimination against daughters, commitment to educating daughters, participation in domestic decision making, freedom from violence. Through financial services, women have greater potential to increase their earnings, which fosters internal attitudes (self-reliance, self-confidence and self-worth) which can translate into external changes (greater bargaining power within the household and leadership in the community). Microfinance services that foster group formation and self-management by women have additional potential to empower women through exposure to new ideas, mutual support, fostering an identity beyond the family and the opportunity to cultivate leadership roles and responsibilities. Social empowerment includes freedom of movement, lack of discrimination against daughters, commitment to educating daughters, participation in domestic decision making, control over sexual relations, ability to make childbearing decisions, use contraception, control over spouse selection and marriage timing and freedom from violence.

Impact of microfinance on economic empowerment of women

The study also revealed that women's accessibility to microfinance was significant determinant of the magnitude of economic contributions reported by women; of the likelihood

of an increase in asset holdings in their own names; of an increase in their exercise of purchasing power. However, the index/indicator approach only assigns numerical values (or arbitrary weights) to the ordinal measures that are generally qualitative responses and thus categorical in nature. In addition, assigning these values or weights is inappropriate and may also lead to loss of information and misleading conclusions since those weights are arbitrary generated by the researcher.

The role of microfinance in empowerment of women finds that access to credit through microfinance organizations has a positive impact on social empowerment of women and also that loan utilization by the woman herself is of importance. It measured the social empowerment by the construction of an index from indicators of child health, education, selection of spouse of children and leadership responsibility in the society. They specifically assessed the impact of microfinance accessibility on commitment of women to send their children to school and the ability to influence domestic decisions. They concluded that access to microfinance can empower women to commit themselves to children's education, become more confident, more assertive, more likely to take part in family and community decisions and better able to confront gender inequities.

Objectives of the study

- To examine the service accessibility among women associated to microfinance.
- To explore the role of women in Indian economy
- To analyse the impact of microfinance on women empowerment.
- For promoting women's participation in microfinance programs in Alwar region

Literature Review

According to Krishna (2003) empowerment means increasing the capacity of individuals or groups to make effective development and life choices and to transform these choices into desired actions and outcomes. It is by nature a process and/or outcome.

Sathiabama, K., (2010) in her paper entitled, "Rural Women Empowerment and Entrepreneurship Development", states that Empowerment of women has emerged as an important issue in recent times. The economic empowerment of women is being regarded these days as a Sine-quo-none of progress for a country; hence, the issue of economic empowerment of women is of paramount importance to political thinkers, social scientists and reformers. The Self Help Groups (SHGs) have paved the way for economic independence of rural women. The members of SHGs are involved in Micro Entrepreneurships. Through that, they are becoming economically independent and providing employment opportunities to others. This article deals with empowerment of rural women through entrepreneurship and the advantages entrepreneurship among the rural women. Economic empowerment of women led to development of family and community. This statement is proved by a collective Micro Entrepreneurship in Tamil Nadu

According to Sohail (2014), empowerment has two inter-related elements, namely, resources and agency. Resources include both tangible and intangible assets. While tangible resources are financial and material assets, intangible resources are knowledge, skills, and ability, and participation in political and social activities. Resources are not merely

used as empowerment, but as catalysts for empowerment. Agency is power by which people set their goals and achieve them (Kapitsa, 2008). Agency as an important element in the empowerment discourse emanates from “bottom up” rather than “top down” approach to development. Women empowerment encompasses improvement in women’s ability to manage their own lives and have access to multiple dimensions of development, particularly health, education, earning opportunities, rights and political participation.

Research Methodology

The present study has been undertaken with empirical analysis of status of microfinance in India with the use of secondary data. Data and information for the research study were collected and analyzed from questionnaire.

Data Analysis

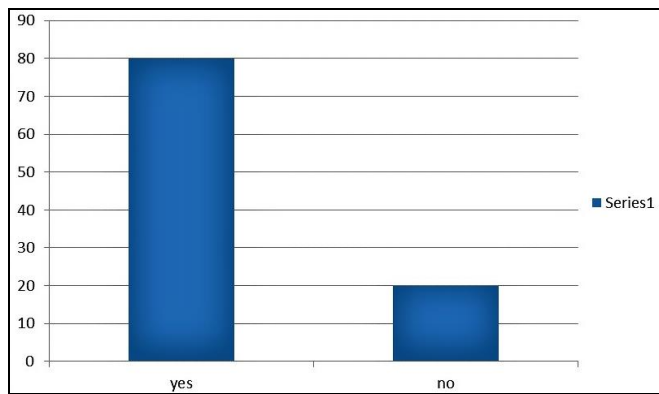


Fig 1

Analysis

80% women’s know about microfinance and 20% women’s don’t know about micro finance.

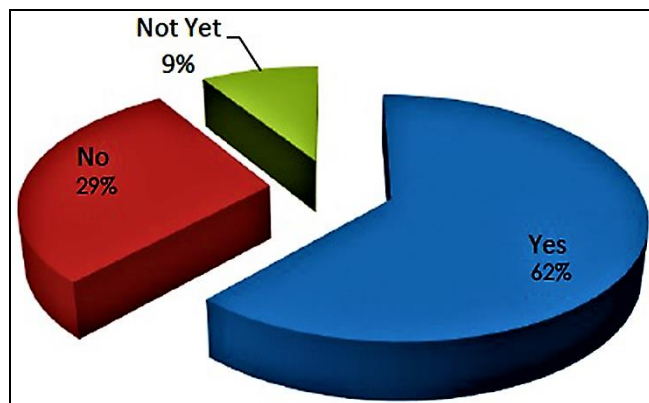


Fig 2

Analysis

The researcher sought to identify the size of the population that utilized MFI services and found that are currently using MFI services. The results indicate that most women were still

using MFI services and accounted for 61.8%, those who were not using were 29.2%, and 9.0% had not yet used any MFI services. This means that 9.0% respondents who had not accessed MFI services were contemplating using the services in future.

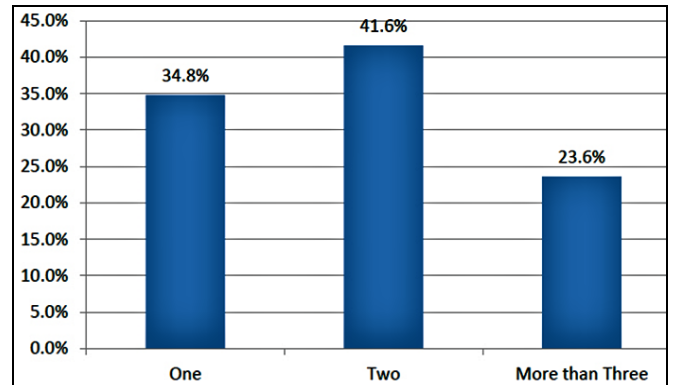


Fig 3

Analysis: of those using microfinance institutions, the findings show that 41.6% of the respondents were registered to two MFIs, 34.8% were registered to one MFI and those registered to more than three MFIs were 23.6%.

Factor Analysis

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.562
Bartlett's Test of Sphericity	Approx. Chi-Square	129.733
	DF	45
	Sig.	.000

Result: from the above table we can interpret that there is no error in 56.0% of the sample and remaining 43.1% there may occur some sort of error.

Table 2: Communalities

	Initial	Extraction
Q1	1.000	.802
Q2	1.000	.809
Q3	1.000	.622
Q5	1.000	.614
Q6a	1.000	.708
Q6b	1.000	.585
Q7	1.000	.722
Q8	1.000	.768
Q9	1.000	.701
Q10	1.000	.689

Extraction Method: Principal Component Analysis.

Communalities of each statement refer to the variance being share or common by other statement. With reference to the first statement the extraction is .802 which indicate that 80.2% of the variance is being shared or common to other statement.

Table 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.195	21.950	21.950	2.195	21.950	21.950
2	1.354	13.541	35.491	1.354	13.541	35.491
3	1.303	13.030	48.521	1.303	13.030	48.521

4	1.138	11.377	59.898	1.138	11.377	59.898
5	1.030	10.297	70.196	1.030	10.297	70.196
6	.859	8.590	78.786			
7	.693	6.928	85.713			
8	.594	5.942	91.656			
9	.541	5.412	97.068			
10	.293	2.932	100.000			
Component 1 Explain the variance 2.195 which is 21.95 of total variance of 10 21.95						
Component 2 Explain the variance 1.354 which is 35.49 of the total variance of 10 35.49						
Component 3 Explain the variance 1.303 which is 48.52of the total variance of 10 48.52						
Component 4 Explain the variance 1.138 which is 59.89of the total variance of 10 59.89						
Component Explain the variance 1.030 which is 70.19 of the total variance of 10 70.19						

Extraction Method: Principal Component Analysis.

Table 4: Component Matrix^a

	Component				
	1	2	3	4	5
Q1	.772	-.386	.022	.148	-.186
Q2	.728	-.298	.115	.381	-.177
Q3	.565	.541	-.072	.039	.060
Q5	.503	.574	.153	.060	.070
Q6a	.530	.068	-.310	-.321	.473
Q6b	.060	.220	.562	-.275	.376
Q7	-.188	.001	.822	.075	-.073
Q8	-.158	.412	.035	.754	.053
Q9	-.332	-.118	-.276	.446	.550
Q10	-.202	.507	-.309	-.120	.530

Each number represent the correlation between the items and the unrotated factor. The correlation help to formulate and interpretation of the factors. This is done by looking for a common thread among the variables that have large loading for a particular factor

Factor 1 to reinvest in business
 Factor 2 to start business
 Factor 3 taking loans and deposits
 Factor 4 Access to credit when I need it, for provide to family
 Factor 5 it is necessary for women empowerment

Frequencies

Table 5: Statistics

		Q1	Q2	Q3	Q5	Q6a	Q6b	Q7	Q8	Q9	Q10
N	Valid	100	100	100	100	100	100	100	100	100	100
	Missing	0	0	0	0	0	0	0	0	0	0
Mean		1.2000	1.4700	1.9000	2.7300	2.4000	2.4800	2.8700	3.0200	1.4000	1.3000
Std. Error of Mean		.04020	.06584	.07588	.15430	.10347	.11848	.14046	.14493	.04924	.04606
Std. Deviation		.40202	.65836	.75879	1.54302	1.03475	1.18475	1.40457	1.44935	.49237	.46057
Variance		.162	.433	.576	2.381	1.071	1.404	1.973	2.101	.242	.212
Range		1.00	2.00	2.00	4.00	3.00	4.00	4.00	5.00	1.00	1.00

Frequency Table

Table 6

Q1					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	80	80.0	80.0	80.0
	No	20	20.0	20.0	100.0
	Total	100	100.0	100.0	
Q2					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	62	62.0	62.0	62.0
	No	29	29.0	29.0	91.0
	Not Yet	9	9.0	9.0	100.0
	Total	100	100.0	100.0	
Q3					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	One	34	34.0	34.0	34.0
	Two	42	42.0	42.0	76.0
	Three	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

Q5					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Loans	36	36.0	36.0	36.0
	Insurance	11	11.0	11.0	47.0
	Savings	13	13.0	13.0	60.0
	Deposits	24	24.0	24.0	84.0
	Training	16	16.0	16.0	100.0
	Total	100	100.0	100.0	
Q6a					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	None	24	24.0	24.0	24.0
	1-2 times	29	29.0	29.0	53.0
	3-4 times	30	30.0	30.0	83.0
	More than 4 times	17	17.0	17.0	100.0
	Total	100	100.0	100.0	
Q6b					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	>30,000	25	25.0	25.0	25.0
	31,000 - 60,000	28	28.0	28.0	53.0
	61,000 - 90,000	27	27.0	27.0	80.0
	91,000 - 120,000	14	14.0	14.0	94.0
	More than 121,000	6	6.0	6.0	100.0
	Total	100	100.0	100.0	
Q7					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Start Business	19	19.0	19.0	19.0
	Reinvest in enterprise	29	29.0	29.0	48.0
	For family emergency	17	17.0	17.0	65.0
	For household needs	16	16.0	16.0	81.0
	Paying school fees	19	19.0	19.0	100.0
	Total	100	100.0	100.0	
Q8					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Starting a business	16	16.0	16.0	16.0
	to provide for family	27	27.0	27.0	43.0
	Access to credit when need it	20	20.0	20.0	63.0
	Allows me to save	17	17.0	17.0	80.0
	I am less dependent	16	16.0	16.0	96.0
	6.00	4	4.0	4.0	100.0
Total	100	100.0	100.0		
Q9					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	60	60.0	60.0	60.0
	No	40	40.0	40.0	100.0
	Total	100	100.0	100.0	
Q10					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	70	70.0	70.0	70.0
	No	30	30.0	30.0	100.0
	Total	100	100.0	100.0	

Conclusion

Microfinance is indeed a powerful tool to strengthen and empower the women and playing a significant role in providing financial assistance to the women to make them self-reliance. From the research it can be concluded that microfinance is playing a vital role in the social as well as economic empowerment of women in India. According to the study, most of the women at Alwar region taken loan for expansion of their business and to provide facilities to their family, they think that microfinance is a strong tool for women empowerment. To avail microfinance loan and its productive utilization found to be having a profound role and impact on women empowerment. The empirical findings of the study suggest that microfinance has a profound influence on the economic status, decision making power, knowledge and self-worthiness of women participants. Microfinance is

accepted as a key mantra for attaining and maintaining the sustained and long-term economic growth in all over the world and playing a significantly positive role in upgrading women empowerment. There are a few requirements that check the procedure of ladies strengthening in India. Social standards and family structure in creating nations like India, shows and sustain the subordinate status of ladies. The status of Women Empowerment can't be imagined with single measurement rather multidimensional evaluation as far as different segments of ladies' life and their status would bring a reasonable origination. So, this paper attempts to give a fundamental thought regarding the condition and status of ladies as far as empowerment, education, health and societal position. In spite of the fact that diverse examinations at different places and purposes of time contrast in their decision, the present investigation recognize that regardless

of bottlenecks, microfinance is equipped for graduating battling poor from their shackles and serves to upscale them to a superior living and assuming an altogether positive job in updating ladies strengthening.

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